ABSTRACT

Events and festivals are important within society and, in recent years, more attention has been given to them in regards to how they should be managed as a regular business. Sponsorship allows financial and material resources, which an event organization may not get otherwise. This requires time and dedication from individuals within the event organization. Since, sponsorship is important for many events to exist and remain; event organizations should understand the importance of using sponsorship strategically.

This thesis focuses on eight event organizations within Finland and Sweden. The aim of this study is to research how event organizations work strategically with sponsorship, select and manage sponsors, and how sponsors can help to develop the event. In order to conduct this study, the authors of this research interviewed eight professionals that were responsible for sponsorship arrangements. Strategy-, marketing- and stakeholder theory as well as portfolio management- and image- related theory has been used to evaluate event organizations and their sponsorship arrangements.

The main findings from the research are that there were differences in strategy depending on event organization and the purpose of having sponsors. It was observed that event organizations have the intension of gathering resources from sponsors, however wish to have partnerships in order to further develop the event. Other findings from this study are that event organizations select sponsors for the reason that there is a logical link that exists with the sponsor to promote, learn, gain legitimacy and build a stronger image.

Keywords: events, festivals, sponsorship, strategy, marketing mix

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Göteborg, December 14th, 2004

Dorothy Douglas   Satu Pesonen   Heidi Raitio

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1   INTRODUCTION

The introduction chapter of the present thesis includes presentation of the subject's background, which leads to the research problem and the purpose of this study. By presenting the background discussion, the authors hope to familiarize and raise the interest of the reader with the setting of sponsorship arrangements in the event management context.

1.1.   Background

Festivals and events have been an important part of civilization for thousands of years. Traditionally, different events such as sporting events, music festivals, city festivals, and religious celebrations are planned for entertainment or self fulfillment. (Getz, 2004) At the present, events have a large implication within the tourism industry, especially in regards to economic meaning, sustainable development and improvements of host/guest relationships (Lee et al., 2003). It has become popular for cities to arrange free-of-charge community festivals to create an enticing city image in order to attract new residents, businesses and tourists. Additionally, having entertainment, such as music and other activities, has been considered to be a reward for the citizens within the area. (Getz, 2004) The number of events is increasing throughout the time. According to the International Festival and Event Association (2004), each and every year over one million regular re-occurring events take place, which are attended by 405 million individuals. The economic impact amounts across the world to 25 billion US dollars yearly. (www.ifea.com)

Based on this strong commercial setting by having large audiences, corporate sponsorship has become more visual within events and festivals. At the same time, the production costs of any event have risen considerably. Thus, the need of the event organizations to recruit sponsors has increased. Companies worldwide, according IEG Sponsorship Report (2003), are forecasted to spend 28 billion US dollars in 2004 on sponsoring, which have risen 8.1 percent from previous year. Sports are the most sponsored area of interests with 69 percent of all sponsorship spending. Following, it is entertainment tours and attractions with 10 percent. The third most sponsored area is festivals, fairs and annual

events with 7 percent. (IEG Sponsorship Report, 2003) The same pattern has been noted in Finland. According to the Association of Finnish Advertisers, sports in different forms are the most sponsored field (90 percent of the companies within the survey) in Finland. However, during the year 2004 co-operation with sports is forecasted to decrease in Finland and the interest is moving into communal, social and educational targets. Yet, sport is still going to be the most sponsored area. Hence, new event organizations with less experience will have possibility to benefit from sponsorship. More than half of the companies are using external service companies (advertising-, sponsorship- or communication organizations) in order to help take advantage of the sponsorship. It can be interpreted that the true know-how of sponsorship is concentrated on few organizations and people. Finnish organizations, which took part of the survey, are spending on an average 280,000 euros to sponsorship contracts and 140,000 euros to taking advantage of sponsorships. (Sponsorointibarometri, 2004) According to IEG Sponsorship Report (2003) the growth of sponsorship spending is likely to be more incremental, based on a larger amount of smaller deals.

The importance of festivals and events has been understood, which has lead to recognition as a source of business. The need to succeed in the intensifying competition has raised interest of research to gain more understanding in the area. Moreover, while the corporations' sponsorship spending is growing on constant basis, the demands of the potential sponsoring companies have increased. Nowadays, companies want to have more value for their sponsorship investment. Thus, event organizations should include sponsorship in their overall strategic thinking and not just consider sponsors as a source of funding. This refers that event organizations should aim to build up partnerships, which are useful for both event organizations and sponsoring corporations. By having a functional co-operation with sponsoring companies, an event organization enables the creation of competitive advantage and the development of the event product itself. Sponsorship also allows investing more in marketing communications and, thus, strengthens the positive image of the event. (Alaja, 2001) Furthermore, the audience attending the events or festivals has become more demanding on the idea behind sponsorship. This means that event organization should contrive more sophisticated solutions in their sponsorship arrangements. (IEG Sponsorship Report, 2003)

According to Getz (2002), some of the top reasons why festivals fail are lack of corporate sponsorship and inadequate strategic planning. Scarcity of know-how and the need to succeed in the competition has raised interest of research to gain more understanding in the area. Furthermore, Harris et al. (2001) asked practitioners in Australia to rank the most important areas of research within the event management. They found out that the top interest of the practitioners was to learn more about the sponsorship. Typically, many event organizations are quite small and not very well educated in the field of management procedures. Since the involvement with the event organization is often based on the great interest on the content of the event such as music or sports, the individuals working in the project team might lack of expertise, for instance in creating an attractive setting for corporations to get involved. (Harris et al., 2001) Moreover, Olkkonen (2001) argues that existing sponsorship literature is characterized with practical details of the best practices of sponsorship management, nearly "manual-type" of publications. It has been claimed that sponsorship literature "*is lacking theoretical frameworks and research design that would allow deeper, action-oriented understanding of this field of interest*" (Olkkonen et al., 1999, p. 310). Additionally, Dolphin (2003) criticizes that sponsorship has a lack of definition and stresses that research remains without a clear theoretical base. For instance, a theoretical definition has not been agreed upon, which may interfere with the development of theoretical framework.

This line of arguments should justify the research problem of the present study. The main research problem and questions related to that will be presented and discussed more explicitly in the following chapter.

1.2. Problem Discussion

All the features mentioned above form a good platform for challenges for both practitioners and researchers. Event management, especially in relation to sponsorship, is relatively young field of professionalism and even younger field within the research. It is expected that the most practitioners have gained experience in the field of event management through trial and error. The authors of the present study do believe that there is a need for deeper understanding of why events co-operate with sponsoring companies and how sponsors influence events. Event organizations, especially in the case of

repetitive events, should be run like any other business organization. Moreover, even though many event organizations do not aim to make profit, they hold an important meaning within the society and this is another reason to implement business approach. This means, for instance that sustainable development and strategic planning are needed. Furthermore, events should be marketed not only for its audience, but as well for other important stakeholders such as potential sponsors. It can be argued that sponsors play an important role in the success of many events and thus, they should be carefully considered as a part of business planning.

Based on the observations above, the authors of the present study will investigate sponsorship arrangements of different event organizations focusing on sponsorship strategies. In connection to the discussion above, the authors will validate following problem formulation.

Main Problem

How do event organizations work strategically with sponsorship?

The research problem brings about the authors' intention to find out whether event organizations have strategic planning and, if they do, how it is performed and how sponsorship arrangements are included into strategic planning. By attaining the answers to this problem, the authors consider that different aspects of sponsor arrangements will be described from the perspective of the event organizations. However, three independent research problems have been defined to assist in solving the main problem.

Research Problem I

How do event organizations select sponsors?

With this research problem, the authors want to learn how event organizations select sponsors and what the criteria are for potential sponsors. By investigating this operation, the authors believe to recognize the reasoning behind this selection process. It is expected that there are practical reasons to employ sponsors in order for events to exist. The authors hold an underlying

anticipation that the question will also reveal if the selection process is an execution of the certain strategy, for instance to gain the desired event image or reach set goals.

Since both sponsoring companies and audience are demanding more sophisticated approach towards event sponsorship, event organizations must also consider how to interact with the existing sponsors. Therefore, the authors pose the following research problem.

Research Problem II

How do event organizations manage sponsors?

It can be considered to be quite apparent that nowadays it is not enough only to attract sponsors, but an event organization has to observe them through the whole process. This includes all the interactions between an event organization and its sponsors. As mentioned in the background chapter, sponsors have to be considered as important stakeholders, which can influence the outcome of an event, not just as a source of funding. This is even more important in the case of the repetitive events. It could be expected that long-term relationships are an advantage for both parties; an event organization and a sponsoring company.

Research Problem III

How can events be developed with the help of sponsorship?

It is quite obvious that the funding provided by sponsors is vital for many events. However, the authors would like to discover if there are some other reasons to attract sponsors. It is interesting to know if sponsors have deeper influence on the nature of the event and how it is developed.

By stating these research questions, the authors hope to serve the purpose of this study, which is discussed in the next chapter.

1.3. Purpose of the Present Study

The purpose of this paper is to gain deeper understanding and discuss the different characteristics of event sponsorship arrangements from the perspective of event organizations. Additionally, the authors' intention is to understand how event organizations form their sponsorship strategies. Since this approach has been neglected in the existing research literature, hopefully, the authors are able to contribute aspects that are not generally covered in past studies. Moreover, the authors hope to explain and justify why event organizations' sponsorship arrangements should be carefully considered in order to make best out of the situation for both parties and, hence, develop the event concept.

1.4. Limitations

The thesis will only concern the perspective of event organizations. This means that the perspective of the corporate organization will not be mentioned or discussed. The strategies of the event organization, which are related to sponsorship arrangements, are studied. The selection of events have been made to cover different event types, however the choice has been made that several event types would not be represented within the study. For example, private events, fairs or business events etc. would not be included. Even though, the perspectives of two different countries are included within this study, it can not be said that this study will cover the worldwide perspective or even cultural differences.

2   METHODOLOGY

Methodology refers to the choices taken in planning and executing a research study such as which cases to study, how to gather data and, which forms of data analysis to use. In other words, in what way will one go about studying a certain phenomenon. (Silverman, 2001) Methodology plays an important role in determining the reliability and validity of the case study. Additionally, the chosen events will be introduced to the reader in this chapter.

2.1.   Research Approach

The choice of a research approach has an influence on how information is gathered and how conclusions are made. Before research begun for this study, the authors established a research strategy. This study has characteristics of case study research, but does not fulfill all the requirements of the pure case study because the authors have chosen to focus on one person's perspective within each event organization. However, the authors consider that the represented events chosen can, in fact, be labeled as cases. The reasons are because case study research makes it possible to achieve a deeper understanding of how practitioners actually work and to directly focus on the topic at hand (Yin, 2003). The present study can be regarded as an explorative case study because it provides basic knowledge and understanding about the topic at hand. This approach allows making rich analysis and creates a good base for future research. (Lekvall and Wahlbin, 1993) It will also help investigate the strategic aspects within an operational system of an event organization. As a part of the case study approach, interviews have been conducted. According to Yin (2003), the most important sources of case study information is the interview. The interviews will be in-depth for the reason that specific aspects should be discussed with the right people to gain the right information. The authors have selected the intensity case sampling strategy, which consists of information-rich cases that manifest the phenomenon of interest intensely (Patton, 2002).

The investigation of sponsorship within the European Championship in Athletics 2006 in Göteborg for a course assignment in project management

within the Master's program raised the interest of the authors to conduct this study. Since this assignment was an initiative for further research, it can be seen as the starting point of this research. Hence, the authors think that the investigation of this event organization and its sponsorship arrangements can be considered to be a pre-study. The knowledge gained from the study is used to formulate the purpose of this present study. Moreover, the theoretical framework along with interview questions derived from the existing perception of the topic.

This study is conducted with the abductive approach, which means that both deductive and inductive steps are taken. Deductive approach starts by gathering the theoretical information and then applicable empirical data is collected. On the contrary, the first step in inductive research is to collect empirical information and then find suitable theoretical framework support and explain the findings. (Merriam, 1998) The early phases of the present study were based on the deductive approach. However, the interviews brought up issues that needed to be complemented with some other theories. Hence, abductive approach was applied.

2.2. Research Method

The selection of a research method should be based on the purpose of the research and the problems defined. Research can take form of quantitative or qualitative approach. Quantitative method refers to information gathered in forms of numbers, which can be statistically interpreted, while qualitative method is characterized through the interpretation of information by the researcher. This method is used to study motives, social processes and settings. (Silverman, 2001; Patton, 2002) The authors of this study have used the perspective of qualitative research to gather information on how event organizations work strategically with sponsoring processes and interactions. The qualitative approach was chosen because it provides applicable information for the purpose. In order to collect the information, eight persons from eight event organizations were interviewed. The organizations are introduced below, as well as discussed about the interviews more in detail.

2.3.   The Introduction of the Events

The present study is conducted based on the selected events, which serve a specific purpose within the general scope of inquiry (Yin, 2003). The researchers paired up eight events, which have been judged and evaluated to determine the variation in terms of target market, nature of the event and theme. These typologies were studied because they represent small and large, local and international, free-of-charge or the need for tickets, repetitive or non-repetitive events, and the attraction of different audiences. Another aspect of selecting the sample of eight events is to have a diverse array of themes that are represented. These include two events within every theme, such as sport, city celebrations, music and film. In other words, they have been selected because they represent a broad variety of different events in order to see how events can be organized and conducted. This will allow for comparative analysis comparing different event types. Furthermore, each pair is based on similar attributes; however in order to widen the perspective of this study the location of the event is either in Sweden or in Finland. Another reason why authors have selected cases in two different countries is practical; all three authors studied and lived in Sweden during the study's process and two of authors are from Finland and also most of the events chosen are familiar. Below, the selected events for this study are introduced.

2.3.1   Sport Events

Within the Nordic countries, sport is the most common reason for large events. In the summer of 2006, the 19th *European Championships in Athletics* (from this point on referred to as EC2006) will take place in Göteborg. It is predicted to be the biggest event in Sweden for the decade. The event is expected to attract 32,000 spectators to Ullevi Stadium every day. (www.goteborg2006.se) The authors have also selected the 10th *World Championships in Athletics* (from this point on referred to as WC2005) that will take place in Helsinki in 2005. The games will be the biggest event in the history for Finland, even though the city of Helsinki has hosted the summer Olympics in 1952. Furthermore, it will be the biggest sport event in the whole world in 2005. The event venue, Olympic Stadium in Helsinki, accommodates 40,600 visitors. (www.helsinki2005.fi) Both championships are expected to have a lot of media attention, which will raise the interest of billions of people around the world.

2.3.2   City Festivals

The following cases represent traditional, annual form of events that are originally created for local people. ***Malmö Festival*** is arranged yearly and has about 1.4 million visitors every year. The Malmö Festival was started in 1985 and is the oldest city festival of its kind in Sweden. (www.malmofestivalen.se) The second festival that is included in this grouping is ***Helsinki Festival***, which is the biggest festival in Finland in terms of audience figures; every year it gathers approximately 250,000 people to its various events that are mostly free-of-charge. Helsinki Festival was founded 1968. (www.helsinginjuhlaviikot.fi) These festivals offer various programs to a large and diversified target group.

2.3.3   Music Festivals

There are many outdoor music festivals in Nordic countries during the summer and some of them have a long history. This is a good reason to include following two events into the selection of cases. ***Hultsfred Festival*** is the largest, longest running youth-oriented music festival in Sweden, which is located in the small village in south-east of Sweden. It started in 1986 and the number of sold tickets has been growing every year. In the last couple of years, almost 30,000 tickets were sold. (www.rockparty.se) Along with Holland's Pinkpop, ***Ruisrock*** in Finland is the oldest on-going rock festival in the world. Ruisrock Festival was founded in 1970 and takes place on the outskirts of Turku, which is the 4th biggest city in Finland. (www.ruisrock.fi) Both music festivals offer national and international artists for young target group over one weekend during the summer.

2.3.4   Film Festivals

This category was chosen to represent a different type of festival with strong theme, which interests a particular target group. ***Göteborg Film Festival*** is an annual festival, which is held in the winter since the year 1979. It is the Nordic countries biggest public film festival and gathers many from the industry. Every year shows about 400 films to 110,000 visitors during ten days. (www.filmfestival.org) ***Espoo Ciné*** is an international film festival held annually in August during six days. It takes place in the city of Espoo adjacent to Helsinki in Finland. The festival is organized and owned by the non-profit

association, Espoo Film Festival Association, founded year 1989. The number of visitors reaches 20,000 every year. (www.espoocine.org) The film festivals want to offer people films that would not normally be shown in the movie theaters.

The selected cases are summarized in the table (Figure 1) below to present the differences between the pairs, as well as the similarities within the pairs. The characteristics are listed by the author to justify the selection of the events.

SPORT EVENTS
SWEDEN: European Championships
             in Athletics 2006
FINLAND: World Championships
             in Athletics 2005

- International event owner
- One-time event for the destination
- Media plays important role

CITY FESTIVALS
SWEDEN: Malmö Festival
FINLAND: Helsinki Festival

- Mainly free-of-charge
- Repetitive
- Long history
- Local visitors

MUSIC FESTIVALS
SWEDEN: Hultsfred Festival
FINLAND: Ruisrock

- Young target market
- Customers overnight at festival site
- Repetitive
- Long history

FILM FESTIVALS
SWEDEN: Göteborg Film Festival
FINLAND: Espoo Ciné

- Indoor program
- Repetitive

Figure 1: Event Selection

2.4. Data Collection

Research data can be collected with two different general techniques: primary and secondary. Primary data includes information that is collected for the specific research. In-depth interviews are commonly used to collect desired data. (Merriam, 1998) In order to conduct the present study, primary data will

be collected by interviewing representatives of eight event organizations. Secondary data is information that already exists, which has been collected for some other purpose although is an applicable source for a research project. This is often represented in the form of publications such as articles, literature and reports. (Merriam, 1998) Hence, the authors have used secondary data to get information on the festivals such as internet websites and other event organization material to familiarize themselves with the fundamental concepts. Moreover, a wide extent of literature will be gathered to build up a theoretical framework. Both primary and secondary data will be collected within the cases that are presented and discussed in detail in the next chapter.

2.4.1   **Interviews**

As mentioned earlier, in-depth interviews are conducted within the events chosen. In qualitative research, interviewing begins with the assumption that the perspective of the others is meaningful, knowable and about to be made explicit (Patton, 2002). The purpose of interviewing is to enter into the other person's perspective (Patton, 2002) or in this situation it will be the event organization's perspective. According to Mason (2002), interviews usually involve the form of conversation with a purpose in qualitative research. The style is conversational and during the interview the purpose is achieved through active engagement by interviewer and interviewee around relevant issues, topics and experiences.

The interviews were conducted with a total of eight professionals in the field of event management. The people chosen for the interviews have been selected according to their suitability to answer the questions of sponsorship arrangement in a particular event organization. The authors contacted the event organizations with e-mail or by calling to find out who was the capable person to answer the questions concerning sponsorship arrangements. It can be said that it was convenient to get contact with the right persons and all of them were willing to take part in the study. All the interviewees are either managers of the event organization, partner or in charge of the marketing. Furthermore, in their organizations, these persons are also responsible for sponsorship arrangements. The persons interviewed are introduced below:

Alexandersson, Per	Festival Administrator, Malmö Festival
Alijoki, Mari	Marketing Manager, Helsinki Festival
Elofson, Therese	Marketing and Promotion Manager, Hultsfred Festival
Hjertén, Svante	Managing Director, Göteborg Film Festival
Kunnas, Jukka	Director of Marketing and Sales, World Championships in Athletics 2005
Larsson, Nicklas	Sponsoring Manager, European Championships in Athletics 2006
Salonen, Ari	Partner, Ruisrock
Ukkonen, Jenni	Coordinator, Espoo Ciné

Each interview was approximately one and half hours. When collecting primary data, at least two researchers were present, plus a tape recorder was used in order to gain an accurate interpretation. In addition, listening to the tapes several times provided a chance to gain exact information. (Yin, 2003) It is important to mention that English, Swedish and Finnish languages were used in the interviews. English and Swedish were used within Sweden, while Finnish was used within Finland. The interviews that were carried out in Sweden were mainly conducted in English; however, on some occasions Swedish was needed to assist and clarify the interview questions or used by the interviewee to fully express his or her answers. The authors have observed that the interviews were longer in Finland. It is suspected that since Finnish (interviewees' mother language) was used, the interviewees were more eager to communicate in broader sense about the topic at hand.

The interviews were in-depth because specific aspects were discussed; however, time was given within the interview for open discussion. Furthermore, Yin (2003) suggests that throughout the interview process, the interviewer has two jobs. The first is to follow the line of inquiry and second is to ask actual or conversational questions to serve the needs of the line of inquiry. These suggestions have been used throughout the interview process. The interviewers used questions that were in the form of a guideline (see Appendix 1) and follow-up questions were put forth when needed. Even though the interviewers had the question guidelines, they tried to create an open-ended environment in order to gain as much information as possible. The interview guideline was formulated into four different themes; background, strategy approach, change

and image in order to gather all the necessary information to answer the thesis' research problems. During the first study for the project management course, two interviews were conducted (one with the general secretary and other one with the sponsoring manager). From this study, the interview with Nicklas Larsson (26.4.2004) was also used with this research. As mentioned before, the formulation for the interview guideline was derived from the study conducted with EC2006 as a pre-study. However, before the first interview was conducted for this study, the authors had decided that the first interview would help to determine the interview questions for following interviews. Minor changes were conducted based on the first interview with Ukkonen (27.9.04). All the questions were not asked to all of the interviewees. This depended on whether or not the event organization had valid sponsorship contracts or if the answer had been covered in some other question. The interviews provided the information that was needed to answer the stated research questions and serve the purpose of the study. In the following chapter, the authors discuss how this data is processed.

2.5. Data Process

Yin (2003) suggests that the most preferred analytic strategy is to follow the theoretical propositions that led to research. For instance, original objectives and selection of events were based on the purpose and the research question. This in turn would shape the data collection and then would give priorities to the analytic strategy. The authors have decided to use the themes that have been derived from the research question and within the theoretical findings. As mentioned above, the main source of data that was gathered was from interviews. However, websites were used to gain background information containing the events and their organizations. By having the tapes from the interviews, the authors first transcribed the interview word by word in order to have all the remarks from the interviewees. At that point, the two authors needed to translate four interviews from Finnish to English by having the interview in Finnish on the tape. It can be argued that language skills of those authors are adequate since they are studying in an international program. Moreover, some Swedish was needed to translate as well, but the authors did not find it complicated. Second, the authors reorganized the data i.e. what was said on the tapes preferred to themes applicable for the purpose of the study.

Hence, within the empirical findings, the most relevant information from the interviews is presented. Lastly, the data was analyzed by comparing it with the theory and by adding the authors' observations.

2.6. Quality of the Research

Methodology plays an important role in determining the reliability and validity of the research. According to Yin (2003) four aspects should be considered when designing research; ***constructing the validity, internal validity, external validity*** and ***reliability***. Each of them has certain strategies in order to ensure the trustworthiness and quality of the research.

2.6.1 Construct Validity

During the research process, the researchers developed a set of operational measures for the study. At this point, the authors believe that they developed operational measures with the help of the study made with the EC2006 organization in the spring of 2004. This gave the authors basic knowledge about the topic to construct a framework for the studied concepts. Additionally, relevant literature and courses during the Master's education gave the authors an understanding what should be acceptable information to gather. Moreover, the interview guideline ensured that all the same aspects were covered with each of the interviewees.

2.6.2 Internal Validity

Internal validity relates to how research findings match reality. The focal point is to have the right focus when conducting the study. (Yin, 2003) The authors believe that the study conducted within the EC2006 organization would increase the internal validity since it helped to determine to focus of this study. The authors believe that the sample of eight cases is respectable and can provide valid information. Thus, it can be argued that the sample is comprehensive to represent actual practices that are undertaken within event organizations. Moreover, by pairing up the events, the authors have ensured that each event type has been treated with suitable representation. The authors

also trust that they have interviewed the right person within each organization. Finally, cross-referencing and multiple sources are used to validate the research.

2.6.3 **External Validity**

The next aspect of the qualitative study, according to Yin (2003), is external validity. It raises the discussion if results of the research are possible to generalize to other cases as well. However, the study needs to be internally valid before generalizing the information. As discussed above, the authors believe that the study is internally valid. Furthermore, according to Merriam (1998), the generalizing information generated by qualitative study is always a sensitive issue. Therefore, the researchers of this study do not want to make definitive recommendation to practitioners, but describe different practices within events and their organizations. Still, some observations are made about how sponsorship could be arranged. Moreover, since this study does not include the perspective of the sponsoring corporations, the authors are not entitled to decide what the best-practice is or to judge, which events are successful or not.

2.6.4 **Reliability**

Lastly, Yin (2003) and Merriam (1998) explains that the reliability refers to in which extend the research can be replicated. Qualitative research has changing aspects and the phenomenon that is studied cannot be statically evaluated. This suggests that if a study should be repeated the results will be altered. On the other hand, the authors agree that the sample size is representative in order to find the similar practices that exist within the event organizations. Furthermore, the same questions can be asked again. Thus, if the same questions are presented to the similar sample, it may be that related areas will emerge within the findings.

3   THEORETICAL FRAMEWORK

The theoretical framework will familiarize the reader with the existing theories related to the topic at hand. The presented theories will serve as a platform for the analysis of the gathered information. First, different types of events are defined and basic concepts of sponsorship are discussed to provide reader with basic knowledge about the topic. In addition, existing sponsorship arrangement models are presented, which can be used in practice. This is followed by the introduction of the strategic thinking within general business activities along with event strategies. Marketing strategy is also presented along with different forms of marketing mix as a natural continuum from strategies. Theories about image, stakeholders and networks are included. The portfolio approach is also introduced as an alternative model that could be used as a part of event sponsorship strategies.

3.1.   Definition of Event

Without doubt it has been Getz (1997) who has effectively investigated the role of events and the management surrounding it. In his book, "*Event Management and Event Tourism,*" he stresses that events have great importance within tourism and that event management should be viewed as a business. Firstly, Getz (1997) defines events as temporary occurrences, which can be either planned or unintentional. All events have a clear ending, which creates a major part of their appeal since it is impossible to experience it again once it is over. Each public event has a unique ambience created by the combination of length, setting, program, design, staffing and attendances etc.

The term 'special event' was probably first given by the director of public relations at Disneyland, Robert Jani (1955). Jani (1955) defines it by stating:

> *"A special event is that what is different from a normal day of living"* (Jani, 1955 in Goldblatt, 1997, p. 2).

Some thirty-five years later, Goldblatt (1997) defines special events as:

> *"A unique moment in time celebrated with ceremony and ritual*
> *to satisfy specific needs"* (Goldblatt, 1997, p. 2).

Furthermore, Getz (1997) defines events by using the terms special, hallmark and mega, and has made an attempt to classifying their characteristics and distinguishing the differences between events that are for public or private groups. He defines that "special events" are intentionally organized. He argues that two definitions are needed to cover aspects of both organizers and customers:

> (1) *"A special event is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring or organizing body"* and

> (2) *"To the customer or guest, a special event is an opportunity for leisure, social or cultural experience outside the normal range of choices or beyond everyday experience"* (Getz, 1997, p. 4).

According to Getz (1997), the term "hallmark event" describes a recurring event that holds meaning for the host venue, community or destination to have competitive advantage. For instance, an event may be significant by having tradition, being attractive, holding an image or having a large amount publicity. An important aspect of a hallmark event is that in due course the event and the destination are associated. Thus, the event gives great meaning to a place, creates images and gains exposure. He continues by defining the term "mega-event" as

> "*By way of their size or significance, are those that yield extraordinarily high levels of tourism, media coverage, prestige, or economic impact for the host community or destination"*
> (Getz, 1997, p. 6).

Getz (1997) argues that the definition may be subjective because some events may never attract large amount of visitors, but may be able to generate large publicity by having media coverage. This illustrates that a "mega-event" is

relative to significance rather than the measure of the size of the event or the audience that it reaches. (Getz, 1997)

Watt (1998) comments that there are an extremely wide variety of events. He continues to stress that it is important to recognize diversity and to treat every event differently. Each event has its own characteristics and requirements to be identified and met. (Watt, 1998) Getz (2004) presents a typology of planned events and suggests that any event can be considered "special", whereas "hallmark" and "mega" are expressions that can be only used to describe public events. Getz (2004) states that the purpose and circumstances of the event can determine, which category the event falls into. Moreover, an event can be categorized into more than one. The typology that Getz (2004) presents includes seven different categories of planned events, which include cultural celebrations, business and trade, sport events, educational and scientific, recreational, political and state, and private events. Cultural celebrations consist of many types and according to Getz (2004), festivals are the most common form. He presents a working definition, which states that

> "*A festival is a public, themed celebration*"
> (Getz, 2004, p. 18).

However, he continues to state that other event types can be commonly included in and/or as festival elements. For instance, art and entertainment or sport and recreation events are commonly seen within a larger festival. (Getz, 2004)

3.2. Sponsorship

Sponsorship is largely seen within events and festivals and is considered a promotional medium. Corporate organizations commonly give event organizations funds or services to fulfill what has been set out to do. Corporate organizations use sponsorship for building corporate image, targeting audiences, or product trial. Allen et al. (2002) suggest that event sponsorship is an exchange relationship. The use of sponsorship within events has increased, which has given event organizations more responsibility in attracting sponsors, preparing categories and providing benefits etc. However, with much time and

effort by event organizations, sponsorship contributes to the overall event operations. (Allen et al., 2002)

3.2.1 **Concept of Sponsorship**

As presented in the literature, sponsorship is highly associated with events and especially with sporting events (Catherwood and Van Kirk, 1992; Olkkonen, 2001; Dolphin, 2003; Skinner and Rukavina, 2003; IEG Sponsorship Report, 2003), but the question can be raised of where the concept has originated. Dolphin (2003) discusses that sponsorship has a long and distinctive history and that conclusions have been drawn that it has emerged from a background of philanthropy. In other words, it could be suggested that sponsorship began with the notion of giving within a dynamic marketplace to communicate and to gain objectives. According to Polonsky and Speed (2001), corporate "giving" can be seen as generating a competitive resource for the organization. Furthermore, they present the notion of corporate giving is used as a promotional tool. This means that organizations have attempted to gain a competitive resource in order to gain association between the firm and the recipient. (Polonsky and Speed, 2001) It could be argued that corporate giving can be seen as philanthropy, sponsorship or cause-related marketing with the reasoning that there is potential in generating competitive resources. However, there is a difference between true unselfish giving and corporate giving. Unselfish giving firms do not use association as a resource and it is important in their decision to give to an organization. In contrast, strategic giving uses firm-recipient associations as a promotional tool to gain leverage. (Polonsky and Speed, 2001)

McAlister and Ferrell (2002) compare sponsorship and cause-related marketing with strategic philanthropy. The main difference is that philanthropy pursues to connect corporate assets and knowledge to social problems and needs. This is an on-going process where all organizational members are involved. Whereas, cause-related marketing regularly connects the organization's product directly to a social cause by using the organization's marketing plan. The main reason for an organization to use cause-related marketing is to support causes that are important to its target market to increase product sales. Lastly, sponsorship involves money and in-kind gifts in return for acknowledgment with a certain cause or an event. The primary focus of sponsorship is the product and/or the organization to gain brand awareness and target market affiliation. (McAlister

and Ferrell, 2002) However, Polonsky and Speed (2001) argue that sponsorship is a commercial activity and that literature has identified that sponsorship has a wide range of objectives.

3.2.2   **Development of Sponsorship**

As it is known today, commercial sponsorship has merely been with us since the 1950s and 1960s (Meenaghan and Shipley, 1999; Skinner and Rukavina, 2003). At the time, motor sport, golf and tennis were the forerunners of sponsorship. According to Goldblatt (1997), sponsorship was founded in professional sporting events. Given that events have large demographics, it is therefore ideal for sponsorship. The main reason why sponsorship has been brought forth is the need for advertisers to reach certain market and the need for event organizers to identify additional funding not covered by normal revenue. (Goldblatt, 1997)

During the 1970s and up to the beginning of 1980s, sponsorship had its era of development. In the year of 1984, the "Los Angeles Olympic Games" led to an explosion of sponsorship marketing. (Catherwood and Van Kirk, 1992; Getz, 1997, Goldblatt, 1997) The organization needed additional funding due to few government-funding sources. Olympic sponsorship turned out to be successful for the corporations in terms of increased sales. This event encouraged other companies to take part in event sponsorship in the future. (Skinner and Rukavina, 2003) In the 1990s, sponsorship became more sophisticated. Corporate organizations started to better utilize their business opportunities that were offered by an event environment and also followed their investment more carefully. (Alaja, 2001; Skinner and Rukavina, 2003)

In recent times, there has been a transformation in sponsorship involvement. There has been a shift from sporting events toward arts events. (Sponsorointibarometri, 2004) According to Goldblatt (1997), the reason is that sponsors are looking for high-targeted demographics and the audiences at arts events provide it. Hence, these certain events are predicted to benefit from sponsorship in the future. The role of sponsorship has gained a stable place within the marketing of events, especially from festivals to community fairs to hallmark events and among sports. At the moment, the challenge in the area of sponsorship is to develop the relationship between event organizations and

corporations, as well as to develop new creative solutions to stand out in the commercialized world. (Getz, 1997; Alaja, 2001)

3.2.3   **Definition of Sponsorship**

With the consideration of the growth of sponsorship, as mentioned in background chapter, Dolphin (2003) criticizes that sponsorship has a lack of definition and stresses that research remains without a clear theoretical base. It has been seen within the literature that the definition of sponsorship has many nuances and through the years the concept has been given many different variations. In 1971, the Sport Council of the UK suggested the following definition:

> *"Sponsorship is a gift or payment in return for some facility or privilege, which aims to provide publicity for the donor"* (Waite, 1979 in Meenaghan, 1983, p. 4).

Within the definition above, the word "gift" is said to be inappropriate because it does not refer to providing a counterpart (Waite, 1979 in Meenaghan, 1983). Furthermore, companies tend to aim to benefit other than only publicity. Three years later, the Royal Philharmonic Orchestra (RPO) (1974) proposed the next definition:

> *"Sponsorship is the donation or loan of resources (people, money, materials, etc.) by private individuals or organizations to other individuals or organizations engaged in the provision of those public goods and services designed to improve the quality of life"* (RPO, 1974 in Meenaghan, 1983, p. 4).

Whereas, this definition fails to stress the motives for sponsorship contribution, in addition, the words "donation" or "loan" do not give true descriptions of the nature of sponsorship. (Meenaghan, 1983) Meenaghan (1983) also criticized many other earlier definitions by different organizations active in field to be too narrow and insufficient to reflect wideness of sponsorship activity or inadequately precise to provide theoretical base for an examination of sponsorship practices. To serve the purpose, he recommended a definition underneath:

> *"Sponsorship can be regarded as the provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives"* (Meenaghan, 1983, p. 5).

The definition from Allen (2001) resembles the definition from Meenaghan (1983); however, it was found within the context of event management.

> *"Sponsorship is an investment, in cash or in-kind, in return for access to exploitable business potential associated with an event or highly publicized entity"* (Allen, 2001).

Moreover, this characterization follows closely to the definition of the International Events Group (1995 in Getz, 1997). Olkkonen (2001) argues that an all-inclusive definition of sponsorship is difficult to outline; however, he believes that in most sponsorship definitions certain fundamental elements of the phenomenon can be identified.

> *"In general, sponsorship can be illustrated as a mutually beneficial business relationship between two parties being named as sponsor (usually companies) and sponsored (e.g. actors in the field of arts, sports, education)"*
> (Olkkonen, 2001, p. 311).

Nowadays, it is more common to involve also other parties such as sponsorship agencies and media organizations. These sponsorship relationships are all about exchanging different resources between the participants involved. In other words, in sponsorship relationships, all parties are expected to benefit from the arrangements and to be actively involved. (Olkkonen, 2001)

3.2.4 **Event Sponsorship**

By referring to the definitions above, it is evident that resource flow is considered the most important component of why events want sponsors. Furthermore, events that have common goals, images and have sponsors that fit with them will allow benefits for both parties (Catherwood and Van Kirk, 1992; Getz, 1997; Gwinner, 1997). Companies realized quite soon the value of

having the connection between sponsors and an event. The main benefit gained in having an event sponsored is clear with the reason that sponsorship generates resources that would not be otherwise accessible. This can be in terms of gaining revenue for administration and operations. However, services can also be gained through sponsorship. For example, this can be through human resources with the use of the sponsor's staff and expertise. (Getz, 1997)

Getz (1997) also mentions that sponsorship helps to enlarge the event's constituencies such as gaining supporters or more contracts. Events can also extend their market reach for instance by having sponsors as a part of an event. This can lead to additional advertising and public relations efforts. (Getz, 1997) Image enhancement can also occur with the association with a sponsor that has a positive corporate image (Gwinner, 1997). In addition, it is important for events to have stable sponsorship relations. By having a stable sponsor relationship with major and long-term sponsors, it can attract other sponsors to take part of the event. (Getz, 1997) In particular, event sponsorship can be seen as an exchange relationship. According to Allen et al. (2002), event sponsorship entails the development of an equal relationship. This suggests that the organization providing the sponsorship and the organization that receives the sponsorship are the parties that interact in order to gain from each other. (Allen et al., 2002)

3.2.5   Event Sponsorship Arrangements

According to Getz (1997), events must be seen and managed as marketable products in order to be successful towards sponsorship. Event organizations can begin to look at an event through the idea of its platform to develop and understand the product that is being sold. The platform of an event can consist of the event, the organization, the programs of the event and its participants. By looking at this framework, event organizations can begin to create what should be sponsored within the event. Furthermore, event managers can use this framework for the use of systematically auditing their organization and event to identify the value and potential benefits. This will lead to marketing the event and targeting general types of sponsors or specific companies. (Getz, 1997)

Furthermore, Skinner and Rukavina (2003) suggest that the event product should be broken down to determine what should be sold for sponsors. This

forms the first elements of a sponsorship marketing plan. (Skinner and Rukavina, 2003) Moreover, Allen (2001) presents ten steps to sponsorship success and the first step is to take inventory. This suggests that elements in an event are valuable for sponsorship. Thereafter, it is recommended that every event organization should start by creating sponsorship relationships or even partnerships with media organizations (Watt, 1998; Skinner and Rukavina, 2003). Even though event managers are always interested in gaining financial support, media partners can provide very valuable in-kind services such as advertising time. Moreover, media partners will probably help the event organization to sell sponsorship deals to other companies. (Skinner and Rukavina, 2003)

In addition, Goldblatt (1997) mentions that event managers should know sponsor's needs, wants, and desires previously when attempting to sell sponsorship. Furthermore, he mentions that sponsorship must be an accurate match to the expectations and objectives of the sponsor. Skinner and Rukavina (2003) suggest that managers of events could sell sponsorship by learning a sponsor's personal interests. Even though sponsorship helps to achieve the quality wanted for the event, nevertheless sponsors requires time from event organizers and event financial resources to meet their objectives (Goldblatt, 1997).

3.2.5.1 Packages

Watt (1998) proposes that preparing an attractive, realistic and deliverable package of benefits for sponsors is a starting point for sponsorship selling. Skinner and Rukavina (2003) mention that sponsors have gained more experience in event marketing and have started to include added value to agreements. Also Getz (1997) argues that potential sponsors have become more sophisticated in their needs. This suggests that event managers should understand what sponsors are looking for in order to be successful in attracting sponsorship and keeping sponsors in the long run. (Getz, 1997) One way for events to add value for sponsor agreements is to create packages. Skinner and Rukavina (2003) suggest that before creating value, it is essential to consider what sponsors do not want. Listening to potential sponsors can help develop benefits in becoming a sponsor for an event. Skinner and Rukavina (2003)

emphasize creating benefit packages such as providing the best hospitality, creating business-to-business opportunities, providing exclusivity or making the event's demographics fit its sponsors.

Catherwood and Van Kirk (1992) suggest to have packages to entice the sponsor or give them an opportunity to make an impression on major customers and specific target markets. For instance, preferred ticket packages can include sponsors with reserved parking, special entertainment and souvenir items along with tickets that have viewing benefits. By having this type of package, it can allow more value to the experience during the event. Another package that Catherwood and Van Kirk (1992) presents are private hospitality packages that offer areas where sponsors can invite their customers to the event. This can be done through creating pre-event celebrations or creating an area where there can be private entertainment. Skinner and Rukavina (2003) mention that event managers should be creative with hospitality efforts such as creating a unique experience rather than just offer food and beverages. The last package that Catherwood and Van Kirk (1992) presents is a visibility package that allows opportunities for site signage, product sampling and advertising.

Modern sponsorship packages include different elements of sponsorship benefits, not just visibility aspects, tickets and hospitality services. Catherwood and Van Kirk (1992) argue that most sponsoring companies are serious when asking event promoters for assistance in the structure of sponsorship. This is when companies ask for help for the reason that many do not know how to get most out of their sponsorship investment. (Catherwood and Van Kirk, 1992) Furthermore, Otker (1988) reveals that a large amount of sponsorship appears to be entered without any clear, formal objectives and that the objectives set are frequently not suitable or incomplete (in Farrelly and Quester, 1997). Additionally, Watt (1998) points out that companies should be aware that sponsorship requires more resources than just the actual investment contributed to an event organization. In order to make the best out of sponsorship and maximize the PR benefits from an event, companies must be ready to make additional investment on for instance human resources, related advertising, corporate hospitality and promotional items like T-shirts. Moreover, with some innovative thinking sponsorship can be capitalized in many different ways. (Watt, 1998) However, Event Publishing LLC (2004) stress corporate sponsors have become more methodical and logical in the partnerships with events

organizations and want more out of their investment, which might not stress the need for tangible products (www.event-solutions.com). As discussed by Getz (1997), tangible sponsorship benefits are not as important as qualitative benefits.

Alaja (2001) proposes that after lining up all the services and products an event has to offer, applicable service packages should be put together for each company category. By packaging, it is possible to give more value to your partners that help the event organization to get more benefits as well. The quality is more important in the content of a package than quantity. Moreover, it is important to leave some flexibility for potential partners' wishes. (Alaja, 2001)

3.2.5.2 Sponsorship Categories

Sponsorship categories can be seen in two different ways. Firstly, by knowing the product, the event organization can determine categories for approachable companies to sponsor. This means that categories are made based on different business areas (e.g. beverages, automobiles, and telecommunication) in order to have applicable packages for each category to avoid competition within chosen sponsors. (Skinner and Rukavina, 2003) Furthermore, Alaja (2001) proposes that event organizations should aim to find a certain role for each sponsor within its event. It has been stated that defining and assigning value to sponsor categories is a difficult task when negotiating a sponsorship deal. Many large organizations, including Nokia, are frustrated in converging categories. While event organizations want to make the most of salable categories, sponsors require extensive exclusivity than before. (www.sponsorship.com)

Secondly, there are several methods in which sponsorship can be presented. For instance, grouping sponsor companies can make different hierarchical categories (Alaja, 2001). Getz (1997), Alaja (2001), Skinner and Rukavina (2003) have identified hierarchical approaches with fees and benefits recognized. Getz (1997) gives an example of four-level-hierarchy with the following categorization: ***title sponsor, gold, silver*** and ***bronze sponsors***. Title sponsor is the company, which name appears along with the name of event or, in other words, the sponsor gives its name to the event. As expected, this is the

most expensive group for the corporations, but the tangible benefits should also be better than for companies in other categories. Each sponsor of certain group pays a same sum of money in order to get the benefits of that hierarchical level. (Getz, 1997) Additionally, Skinner and Rukavina (2003) identify six types of sponsors: ***title sponsor, presenting sponsor, in-kind sponsor, official sponsor, media sponsors*** and ***co-sponsors***.

According to Alaja (2001), it is fairly common to group companies into four different levels. The first group is the ***main sponsors***. Frequently, an event organization is capable to offer equivalent and visibility for one to four companies. The next group in the hierarchy includes normal ***sponsors***. The number of sponsor should depend on the needs of the organization and benefits it can offer to corporations. The third group consists of ***suppliers***, which provide the event organization with necessary services (i.e. security or cleaning). These contracts are also called barter-contracts meaning that money is seldom exchanged. The last group that Alaja (2001) presents is a group for ***advertisers***, which buy advertisement space in sport arenas or in event leaflets. However, Alaja (2001) does not consider advertising group to be actual sponsorship since the relationship does not include any other aspects.

The greatest weakness of the examples above is that they do not actually offer a product, but stress the needs of the event organization. Sequentially, Getz (1997) presents a system that allows potential sponsors to know precisely how many sponsors are wanted in each group, at what cost and the types of benefits. He gives a following example: one title sponsor, seven "presenting sponsors" for program elements or entertainment groups, five product exclusivity sponsors, three exclusive media sponsors and any number of donors. (Getz, 1997)

3.3. Strategy

As mentioned before by Getz (1997), it is recommended that events should be seen as marketable products and should operate as a business. In addition, Getz (2002) has conducted research that asked festival management professionals about festival failure. Within this study, the results clearly showed that festivals inadequate marketing or promotion, lack of advance or strategic planning and

lack of corporate sponsorship were the main factors that were likely sources of failure. (Getz, 2002) Watt (1998) recommends that event organizations should take up a serious attitude towards strategies because lack of strategic approach can be hindrance for successful sponsorship. He believes that if sponsorship strategy were not carefully thought-out, ad hoc actions would not lead to good results. Therefore, it is important to emphasize the concept of strategy within events. (Watt, 1998)

In the 1960s, Kenneth R. Andrews and C. Roland Christensen from the Harvard Business School articulated the concept of strategy to meet the needs of the companies to see their individual functions in a holistic way. They saw strategy as a unifying idea that linked together the different functional areas in the company such as marketing, production and finance and related its activities to external environment. Company's strength and weaknesses and in addition to opportunities and threats of external environment formulated a starting point to this approach. According to the central concept of the early work, a company was to meet the competitive requirements of an industry in the unique way that distinguished it from its competitors; to create a competitive advantage. (Montgomery and Porter, 1991) Furthermore, Porter (1979, p.137) crystallizes the thoughts of his predecessors: *"The essence of strategy formulation is coping with competition"*. Already two decades ago, he wanted to remind that competition does not exist only within the same industry, but the perspective of competition should be widen to suppliers, substitute products, potential entrants etc. when considering a strategy. (Porter, 1979) Furthermore, strategic management must be seen as a way of thinking rather than a process that a company goes through once a year. This means that it is embedded in every decision, every activity and at every point of customer contact. Strategic thinking must be future oriented, dynamic, and interactive at all levels of the corporation. (Olsen et al., 1998)

3.3.1   Approaches to Strategy

In the existing literature (e.g. Montgomery and Porter, 1991; Fifield, 1998; Olsen et al., 1998), strategy is posed on different levels. ***Corporate strategy*** proposes what business the company is in and sets the corporation's general objectives and the scope of operations. It is designed for managing the entire organization and it is what makes the corporate as a whole to add up to more

than the sum of its business units. Furthermore, ***business strategy*** is more detailed and it concerns how each business unit of the firm contributes as effectively as possible for the corporation, while achieving a competitive advantage in its market. Corporate and business strategies are essentially the same for the organizations, which does only one kind of business; nevertheless, both are important to the companies with several business areas. (Porter, 1987; Olsen et al., 1998) According to Olsen et al. (1998) the third level is ***functional strategies***, which are applied within the individual business units. They are associated with everyday activities of the business in very detailed matter such as allocating the organization's resources to each of the various functional areas. Different functional areas are marketing, finance, human resources, research and development, operations and administration. (Thompson, 1995; Olsen et al., 1998)

Porter (1980) introduced three generic strategies: ***cost leadership***, ***focus*** or ***niche strategy*** and ***differentiation***. The low cost leader in any market gains competitive advantage by being able to produce goods and services at the lower cost than competitors. Market focus strategy means that an organization focuses effort and resources on a narrow, defined segment of a market. Smaller firms often use this strategy. (Porter, 1980) Nowadays, Porter (1996) says that the only true competitive strategy is to be different from your competitors. The request of productivity, quality and speed has lead to extensive use of different management tools such as benchmarking, outsourcing and total quality management, which are too often misunderstood to be strategies. With the help of these techniques, it is moderately easy for rivals to copy the market position and competitive advantage of any firm. Positioning used to be one of the important parts of the strategic planning, but it has turned to be too static for today's dynamic markets and constantly changing environment. (Porter, 1996) Thus, the essence of strategy is choosing "*to perform activities differently or to perform different activities than rivals*" (Porter, 1996, p.62). Furthermore, Fifield (1998) argues that profitability is directly linked with the organization's ability to successfully differentiate and brand its products and/or services; as a consequence, these activities have to be strictly strategic decisions. The essence of differentiation is market orientation since products and/or services must be different in the eyes of the customers. In addition, it must be ensured that the differentiated image and positioning is consistent with the organization's business and marketing objectives. (Fifield, 1998)

3.3.1.1 Implementation of Strategy

Andrews (1971) states that it is not much use in having strategy unless the strategy can be implemented. It can be argued that strategic planning itself is relatively easy while implementation and realization of those plans demand time, energy and commitment from all the members of an organization. (Andrews, 1971) McNeilly (2002) presents three steps for strategic decision-making, which includes getting the right information, making good decisions, and then implementing what has been decided. He recommends that the use of direct communication and leading by example are the important areas for implementing the strategy throughout the organization. (McNeilly, 2002) By coordinating the company's goals, policies and functional plans based on the unified strategy, the strategic approach is actualized (Montgomery and Porter, 1991).

Mintzberg and Waters (1985) have been researching the process of strategy formulation based on the idea that strategy is a "pattern in a stream of decisions". In order for a strategy to be deliberate or realized, Mintzberg and Waters (1985) mention that there are three conditions that should be fulfilled. First, organizations should have an intended strategy where detailed intentions and desires exist before any actions can be taken. Second, the intentions of the organization must be known to all involved, so that there can be no doubt that the intentions were originated from the organization. The intentions should be shared by the involved as their own or otherwise acknowledge to them from higher authorities within the organization. Thirdly, those collective intentions must be realized as planned, this suggests that there should not be any external force, which may interfere. Mintzberg and Waters (1985) continue to discuss that strategies can also be imposed from the outside. Emergent strategies are also described, which proposes that patterns or contingencies can be realized regardless of intention. It is important to understand that emergent strategy means "unintended order" that suggests that an organization learns what works or taking actions to search for a practical pattern. The environment in which an organization exists can directly force the organization into a pattern of action, despite of organizational control. In reality, organizations seem to compromise. (Mintzberg and Waters, 1985)

3.3.1.2 Event Strategy

Strategic planning is a key element of successful event management as any other business management. Getz (1997) argues that many events do not have strategies, but they succeed because of the vision and managerial skills of event manager. However, he claims that the most events would benefit from going through a strategic planning exercise even if they did not prepare a formal plan. (Getz, 1997) According to Thompson (1995) the strategic management consists of three elements. First, the current situation must be understood in order to gain strategic awareness. After that different strategic options (strategic choices) available are recognized. Third phase is to implement and evaluate the chosen strategies. (Thompson, 1995) Getz (1997) has introduced a strategic planning process for events illustrated in Figure 2. Also, Allen et al. (2002) have presented a model of strategic planning process for events. That model has basically the same consecutive phases that Getz's (1997) model, but does not integrate the notions of destination and separate marketing mix strategies. The five marketing mix strategies are introduced shortly. ***Market penetration strategy*** means attracting more users to an existing event. It can be accomplished through better promotion, price discounting, and better sales for special interest groups or giving better value for money. ***Product reformulation*** i.e. modifying the program or other fundamental elements of the product can stimulate repeat visits in the case that established audiences are losing interest. ***Market development strategy*** search for new target markets for the same product, often in geographical terms or by benefit-defined segments. Also event organizations can apply ***product development*** for instance by offering the variations of the event aimed at the same market. ***Diversification*** aims to create new products for new markets. This strategy is seldom used in event context. (Getz, 1997)

As mentioned earlier, SWOT-analysis should formulate the starting point for strategy formulation (Montgomery and Porter, 1991). Allen et al. (2002) crystallizes this idea by stating that strategies should employ strengths, minimize weaknesses, avoid threats and take advantage of opportunities that have been recognized. After that, elements of desired future should be identified in order to make it possible to set goals. This should be supported by market research. Based on the gathered information and objectives, strategies can be created. (Getz, 1997)
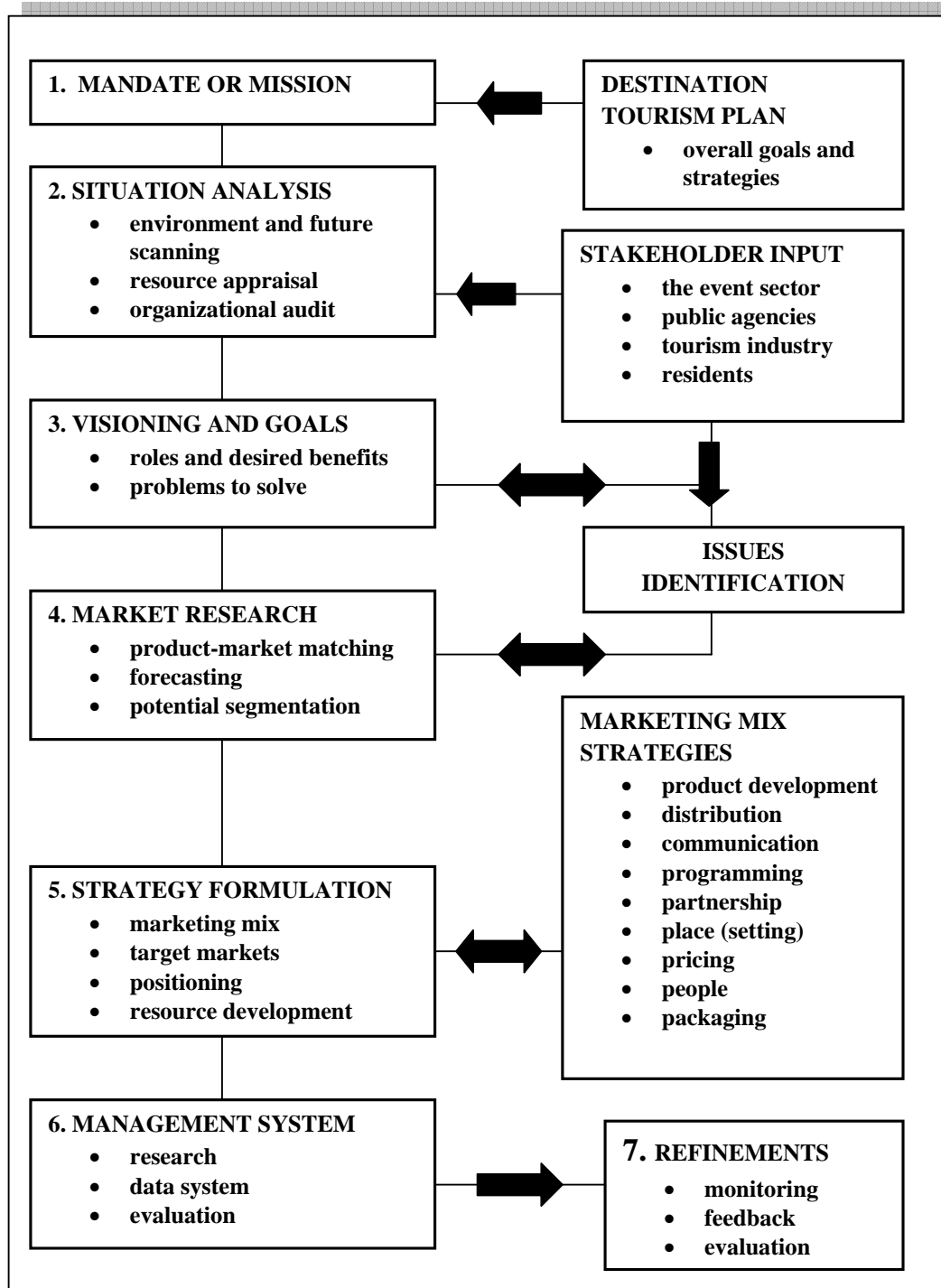
Figure 2: Strategic Planning Process for Events and Event Tourism (Getz, 1997 p. 94)

Getz (1997) has applied Porter's (1980) generic strategies, mentioned above, to event marketing strategies. First of all, he states *"events must cultivate*

uniqueness in program, theme, and targeted benefits and use the marketing mix to gain a position of strength relative to competitors" (Getz, 1997, p. 267). Moreover, he reminds that stressing value is more important than competing on price. Events with refined theme and highly targeted benefits can employ the market focus or niche marketing strategy by pursuing one target market above all others. According to Getz (1997) cost leadership is not applicable to many events because no direct competition or the free-of-charge ticketing. However, if costs can be kept low through subsidies, economic of scale or more efficient operations, it enables to have lower prices, which should result in higher demand than competitors; whereas keeping the prices the same, as competitors should result in higher relative profit margin. (Getz, 1997)

Allen et al. (2002) have also introduced some generic strategies, which can be applied to festivals and events. Even though bigger is not necessary better, a **growth strategy** may be appropriate if historical data suggest that there is a rising demand for the type of event planned or a financial imperative necessitates increasing revenue. Growth can be measured with several different indicators such as more revenue, more event components, more participants, or a bigger share of the event market. **Consolidation** or **stability strategy** means that attendance is maintained at a given level by limiting the ticket sales. This strategy is based on the fact that supply is fixed while demand grows giving the possibility eventually to increase ticket prices. Increased revenue allows improving the quality of an events and its program further. Some times an appropriate strategy is to reduce the scale of an event while adding value to its existing components. **Retrenchment strategy** is often applicable when the operating environment of an event changes. Thus, it has usually negative connotation, but it can be a necessary response to an unfavorable economic environment or major change in socio-cultural setting. Lastly, they mention **combination strategy**, which, as the name suggests, includes elements from more than one generic strategy. For example, aspect of an event that do not appeal target market could be cut back while at the same time growing other feasible aspects. (Allen et al., 2002)

3.3.2 Marketing Strategy

According to Fifield (1998), marketing strategy should be derived from the corporate/business strategy. It refers to the means by which the marketing

objectives will be achieved. It is important for marketers to know that their marketing strategies should not be changed with time. This suggests that an organization should have a clear focus and provide strong efforts during its marketing planning process. (Fifield, 1998) Marketing strategies also includes the selection of target markets, plus the development a marketing mix. The purpose of having a marketing mix is to match the needs and function of the chosen market. (Ferrell et al., 1994) Therefore, the marketing strategy of an organization is about the execution and development of the marketing mix. (Fifield, 1998)

3.3.2.1 Marketing Mix

Since Borden introduced (1962) and McCarthy (1964) simplified the concept of marketing mix, the 4Ps (*price, product, place, and promotion*), companies have incorporated these elements as key building blocks for their marketing programs (Magrath, 1986; Grönroos, 1994). Regardless, Grönroos (1994) argues that the marketing mix is not valid in describing the phenomenon of marketing because it is just a list of categories of marketing variables. He states that the marketing mix is production-oriented definition of marketing, not market or customer-oriented. However, it does not indicate the nature and scope of interaction. (Grönroos, 1994) Considering the nature of the service product, Booms and Bitner (1981) added three more Ps (*people, physical evidence* and *process*) to the original marketing mix. Fifield (1998) has used these same seven Ps as the strategic marketing mix. He argues that it helps convert strategic marketing planning down to everyday marketing tactics and operations. However, he wants to point out that long-term strategic planning, retaining a vision of the big picture of the marketplace, should not be confused with the tactical decisions that are made on a daily basis. (Fifield, 1998)

Furthermore, Balmer (1998) argues that the basic view of marketing should be rethought. This suggests that organizations should extend the marketing mix further. He presents the idea that this can be done by expanding the original 4 Ps by adding six additional with *philosophy, personality, people, performance, perception* and *positioning*. With his suggestion, it brings thought into communication in regards to the stakeholder groups that are likely to be

involved in organizations and takes into account other means of communication channels. (Balmer, 1998)

Gummesson (1994) also considers that the 4 Ps will always be necessary, but he suggests that since relationships are a large part of business activity, they should have a stronger meaning within marketing theory. He presents 30 relationships (30Rs) to better apply relationship marketing (RM). (Gummesson, 1994) Grönroos (1997) also reasons that relationships should be in the discussion of industrial and service marketing approaches. He stresses that relationship building and management are two cornerstones of marketing and believes that marketing is an interactive process in a social context. Gummesson's (1994) presentation of 30Rs distinguishes many aspects of what types of relationships exist within business. Some relationships focus on market relationships, which involve the customer and others that develop in the classical marketing network or even through electronic networks. In addition, relationships can be seen internally within the organization. Gummesson (1994) also presents relationships that are "mega", which focus on the networks with stakeholders such as governments and the mass media. Lastly, he presents relationships that are inter-organizational, which exist between external providers. By knowing which relationships may exist, organizations can begin to establish relationships that are essential to an organizations specific business and contribute to profits. Gummesson (1994) suggests that these two areas should be taken into consideration in the marketing planning process. (Gummesson, 1994)

3.3.2.2 Event Marketing Mix

"Marketing events is the process of employing the marketing mix to attain organizational goals through creating value for clients and customers. The organization must adopt a marketing orientation that stresses the building of mutually beneficial relationships and the maintenance of competitive advantages". (Getz, 1997 p. 250)

Hence, Getz (1997) presents a comprehensive eight-component marketing mix for events, which includes product, place, programming, people as experiential components and partnership, promotion, packaging along with distribution and

price as facilitating components. The event ***product*** is what event organization tries to sell to its customers and it, also, works as a platform for other competitive weapons (Alaja, 2001). Getz (1997) mentions image building as an element of the communication mix, which refers to the full range of communication tools such as advertising and public relations or ***promotion*** as it is included in eight Ps of event marketing mix. ***Place*** refers, first of all, to the location and setting of the event, but also to the distribution of an event product. Events have key ***programming*** element for animating a place, at the same time, it is also a marketing decision by creating a targeted benefits. ***People***, both the staff and customers of an event, are a fundamental part of the marketing mix. The staff is part of the production process, thus, the need for internal marketing rises. In addition, it can be said that customers are part of the production since great portion of it take place simultaneously with consumption. Often, it is difficult for individual events to reach their marketing goals on their own. Hence, the formation of ***partnership*** can be very practical tool to increase awareness. ***Packaging*** means offering any combination of elements for sale at single price. The purpose of the packaging in the event context is to make event experience more attractive by lowering costs (compared to buying all the elements separately), maximizing convenience or providing added value in the form of extra features that cannot be obtained otherwise. Furthermore, events can be packaged along with destinations to add the value of both. Often an event has several ***prices*** for its products including admission to the event, merchandize, vendor rentals and sponsorship fees. Moreover, even though an event would be free of charge, a price is imposed on customers in the form of time, travel costs or lost opportunities. (Getz, 1997; Watt, 1998)

Allen et al. (2002) refers to the 7Ps marketing mix of Booms and Bitner (1981) introduced above in the context of event marketing. This mix differs from one of Getz's (1997) with some elements; whereas Allen et al. (2002) talk about ***physical evidence*** (including branding, decoration, tickets, programming and theme) along with ***process*** (e.g. booking, queuing, and parking), Getz (1997) has separate P for programming and he has added rest of the aspects under other Ps. Additionally, he has two alternative Ps: partnership and packaging.

According to Dolphin (2003), the emphasis is growing in regards to sponsorship as an element of the marketing mix. For instance, Alaja (2001) considers co-operation with sponsors to be one of the sport marketing tools

addition to product, price, marketing communication and availability. On the other hand, Getz (1997) does not present sponsorship strongly as a separate component as Alaja (2001) does. However, partnership and promotion may represent the ties between a sponsoring firm and an event. The purpose of sponsorship co-operation is to search for clear competitive advantage. Sponsoring enables the development of the event product itself; moreover, it allows investing more in marketing communications. Furthermore, carefully chosen sponsors tend to reinforce the positive image of the event, which will be discusses below. (Alaja, 2001)

3.3.3 Image as a Strategic Tool

Markwick and Fill (1997) argue that organizations have become more interested in the benefits of managing identity and the impact that a strong brand may have on stakeholders. This suggests that organizations should understand the components associated with the term corporate identity such as corporate image and personality (Abratt, 1989). There are links that exist between these concepts (Markwick and Fill, 1997) and they can be considered to be a platform for building a brand and marketing the organization (Balmer, 1998).

In the 1950's attention was dedicated to the corporate image and thereafter, during the 1970's and 1980's, corporate identity and corporate personality were in focus (Abratt, 1989; Balmer, 1998). The distinction between corporate image and corporate identity was largely emphasized, which have encouraged definitions for clarification and understanding. During recent times concepts such as reputation and brand management have been in focus. This has allowed distinct contributions in management. (Balmer, 1998) Balmer (1998) presents the idea of corporate image while presenting the evolution of corporate identity. He states that there are three distinct approaches to corporate image. He presents image from the psychological, graphic design and marketing and public relations paradigms. For instance, the psychological paradigm focuses on symbolic relationships between the firm and its stakeholders. The graphic design paradigm attempts to influence perceptions through the use of graphic form. Lastly, marketing and public relations concentrate on the understanding of experiences, beliefs about and knowledge of a firm, which is held by individuals or groups. (Balmer, 1998)

In addition, Abratt (1989) continues to present the meaning of corporate image and argues that the concepts are unclear and that definitions of personality, identity and image have emerged together. Nonetheless, Brenstein (1984, in Abratt, 1989) considers that corporate image is an overall impression that is formed as a direct or indirect result of several formal or informal signals emanating from the organization. He considers that image is the feelings and beliefs in the minds of the audiences and come from experiences and observations. (Brenstein, 1984 in Abratt, 1989) Moreover, it has been presented in the literature that stakeholders perceive an organization's identity and the result and the interpretation is an image (Kapferer, 1997; Markwick and Fill, 1997). Images materialize through encounters that create experiences, beliefs, feelings, knowledge and impressions that individual stakeholders have about an organization (Markwick and Fill, 1997).

Markwick and Fill (1997) argue that reputation often is used in conjunction with image and can lead to uncertainty. Dowling (1994, in Markwick and Fill, 1997) distinguishes both corporate image and corporate reputation and regards corporate image as the overall impression an entity makes and corporate reputation as the evaluation in which an organization is held. In addition, Balmer (1998) states that corporate reputation is the perception of an organization, which develops over time and that focuses on what it does and how it behaves. Therefore, it can be understood that reputations are stronger than images and could represent positively or negatively (Markwick and Fill, 1997; Balmer, 1998).

During present time, the concept of corporate branding has been used as an alternative to the notion of corporate identity (Balmer, 1998; Balmer and Gray, 2003). Aaker (1991) emphasized the crucial role of brand equity and places importance on "*set brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers*" (Aaker, 1991, p. 15). Furthermore, building a brand relates to influencing and strengthening a brand image that consumers remember and will be stable over a period of time (Roy and Cornwell, 2003). Keller (1993) uses the term brand knowledge and defines it with two components, brand awareness and brand image, which are differential effect of brand equity. Also presented in literature (Keller, 1993; Kapferer, 1997), the term brand image suggests that associations held by stakeholder

recollection reproduce perceptions about a brand. This suggests an organization communicates both to the firm and its customers in order create loyalty, awareness, quality, associations and competitive advantage, which brand equity, is based on (Aaker, 1991).

3.3.3.1 Managing Image

Schuler (2004) mentions that an organization's audience forms images through perceptions and deals with the information received. She proposes that organizational communication managers have the greatest control over, which information is released to the public. First, she suggests that an organization should know, which image the organization would like to build in the public's mind. In some cases, organizations do not know what image they want to express to its audience. In addition, it is important to know, which image the public has already formed. Figuring out the average image of the organization's target market can aid managers in making future decisions about images. Furthermore, she presents a method for organizational image configuration, which evaluates communication action in order to form the best image. The configuration includes identification of the organizational public, selecting the target public, identification of image characteristics, measuring the importance and satisfaction and by knowing this information to display the results graphically. (Schuler, 2004)

In addition, Keller (1993) suggests that brand equity should be thought of as a multidimensional concept. The main area in which it is dependent is the knowledge structure from the consumers and the actions an organization takes to capitalize by customer knowledge. He suggests six general guidelines to manage customer based brand equity. First, organizations should have a wide outlook of marketing in order to create value of the brand and improve brand knowledge. Secondly, he suggests that marketers should identify what they would like their consumers to think in regards to the organization, its service or its product, or in other words, which associations do organizations want their customers to have. Thirdly, Keller (1993) recommends that marketers should consider various marketing communication alternatives. For instance, he mentions the growth of "nontraditional" media, promotion and other activities such as event sponsorship and product placement. Fourth, managers should

also consider long-term views in decision making. This gives insight that brand awareness and image may assist or harm marketing decisions. Fifth, managers should gain information in regards to the measurement of consumer knowledge to distinguish changes and suggest how changes are related to the efficiency of marketing mix communications. Lastly, Keller (1993) suggests evaluating potential extension candidates for possible feedback on core brand image. He includes this as a guideline for the reason that brand extensions capitalize on the brand image. (Keller, 1993)

3.3.3.2 Event Image

Getz (1997) uses the term "image enhancer" as a benefit for both the sponsor and the event organization. Furthermore, according to Skinner and Rukavina (2003), it is extremely important that potential sponsors have good impressions of an event before sponsorship is sold. Therefore, it is of interest to investigate the meaning of image, what it entails and how organizations managed it. (Skinner and Rukavina, 2003)

According to Ferrand and Pages (1999), sports organizations are largely preoccupied with images. This means that there is more recognition on image and its influence on the behavior of people involved such as members of the sport organization, audiences, media, and sponsors. Gwinner (1997) has presented attention to the event and brand images issues, which can have impact through sponsorship. With the degree of similarity between the event and the sponsor, Gwinner (1997) states that products can either have functional or image-related similarities with an event. Functional similarity takes place during the event while participants actually use the sponsoring products. The image-related similarity is when the image of the event is related to brand image. By creating these similarities between event and sponsor firm can result in stronger links and help consumers' link event image to the brand. (Gwinner, 1997) Therefore, managers or promoters of an event are successful when they search for sponsors that fit the event and its image (Catherwood and Van Kirk, 1992).

Otker (1988, in Ferrand and Pages, 1999) suggests that success in sponsorship is possible where there is a real and logic link between the sponsor and the

event. In turn, this can lead to attracting sponsors, especially with the purpose of image building. However, a negative image can result in a weak link between the two organizations. (Otker, 1988 in Ferrand and Pages, 1999) Goldblatt (1997) states that an event can benefit from additional exposure through sponsorship for example gain higher creditability for the event and may help secure funding from other sources.

In addition, Gwinner (1997) presents the idea that through sponsorship an event's image may be transferred through association to the sponsoring product. If so, associations may exist between events and sponsors, meaning that event images are formed from a number of external and internal factors. Extending on this concept, Gwinner (1997) presents determinants such as event type, event characteristics and individual factors, which may be seen as an event platform and may impact public perception. The result is creating an event image from individual experiences gained through the level of quality perceived and the history of the event. (Gwinner,1997)

3.3.4   Stakeholder Strategy

Svendsen (2000) presents the idea of stakeholder strategy and argues that is should be a major component of an overall corporate strategic plan. With the use of stakeholder strategy, it can help provide an agenda for an organization to create new relationships with strategically important stakeholders and also re-familiarize or lengthen existing relationships. Accordingly, Svendsen (2000) presents major steps involved in developing stakeholder strategy. The first stage is to identify key stakeholders. Taking an inventory of key stakeholders, identifying new and important stakeholders can help develop cooperative partnerships that can lead to new opportunities. Cleland and Ireland (2002) also suggest that every project manager must identify and interact with key actors within the project system environment or in other words manage feasible stakeholders. The second stage that Svendsen (2000) puts forward involves a dialogue with stakeholders to understand the interests and expectations and to share the goals and expectations of the organization. The purpose of creating this type of dialogue with stakeholders is to determine the goals for each stakeholder group and possible ways to collaborate. Within this stage, there are two areas that need to be addressed. The first being that organizations should extend on relationships with existing partners and the second being that

organizations should initiate new collaborating relationships. Lastly, internal structures should be positioned, which will lead to action planning. It is suggested that a relationship-building strategy group should be formed to oversee the development of relationship building. The group would include managers who deal with major stakeholder groups. The main task for the group is to assist in gathering information and feedback. In addition, teams should be formed to implement relationship building with each priority stakeholder group. These teams would focus on developing and implementing the relationship-building action plans. The relationship-building groups and teams should be interrelated in order to clarify the goals of stakeholders and the organization. The information gathered from the teams can be used to develop the action plans. (Svendsen, 2000)

Each project has its own unique set of stakeholders who form the network around the organization; thus in many projects, stakeholders have a major impact on the success of the project (Cleland and Ireland, 2002). Stakeholders are organizations or people who can hurt or help the organization with its objectives. Even a single event organization has a great number of stakeholders such as customers, media, government, suppliers, owners and competitors to operate with. (Miller and Lewis, 1991) Sponsors are often one of the most important stakeholder groups of an event organization (Miller and Lewis, 1991; Allen et al., 2002). There are primary stakeholders that have direct strategic and operational roles that help with directing the organization; however, secondary stakeholders are those who influence an organization without being directly engaged in the organization (Cleland and Ireland, 2002). Stakeholders form a natural web of relationships within and around an organization. Some of these relations are formal and well defined, whereas others are informal and unrecognized. Stakeholder relationships have a tendency to change over time depending on changes in preferences and their interpretation of the current situation. (Enquist et al., 2002)

3.3.4.1 Managing Stakeholders

According to Cleland and Ireland (2002), stakeholder management is an important part of the strategic management of an organization because political, social, legal, technological, and competitive environments can affect an organization's ability to survive and grow. In order to manage stakeholders, an

organization should know important stakeholders and their specific preferences with the development of goals. (Enquist et al., 2002) Svendsen (2000) also suggests that action plans should include specific objectives, roles and timelines that have been revised based on the discussions with potential partners. It is suggested that organizational systems and structures should be in place to support collaborative efforts. In addition, communication and coordination systems should be included. (Svendsen, 2000) According to Polonsky (1995), co-operation and communication with all the stakeholders is essential; moreover, direct communication helps an organization to engage its stakeholders for mutual objectives.

Another aspect of stakeholder involvement is the level of commitment toward the goals of organization. Commitment is usually stronger among those who have participated in the development process of an organization than the commitment level of outsiders. (Enquist et al., 2002) Ford et al. (1986) discuss the interactions that companies have with each other. The interactions can be bilateral or sometimes multilateral where two parties are involved at each moment. This situation may be more complicated for the reason that actors have several intentions and different types of interpretations are present. In addition, memories can also influence a current interaction, which is based on past experiences. For instance, pervious memories can increase predictability and creates standard procedures within an interaction, which is often a basis of trust. (Ford et al., 1986)

3.3.4.2 Event Networking

Lundin and Söderholm (1995) present the idea that a temporary organization is largely dependant on individuals. The project team consists of individuals who hold beliefs, attitudes and expectations that impact the outcome of teamwork and the organization. They have made the observation that the concept of team can be perceive by two different approaches (see Figure 3). The first approach is the relation between individuals and the team and the second being the relation that exist between the team and its environment or surrounding organizations. The first approach focuses on individuals who have expectations and experiences that are brought into the team. However, new expectations and experiences are also gathered together during the project, which helps to build

commitment within the team and in addition, creating motivation, communication and leadership. Moreover, there is a relation between the team and its environment where legitimization and commitment issues are in focus. The members of the team are pulled together for the reason of task; however the team must relate to surrounding organizations and its environment. (Lundin and Söderholm, 1995)
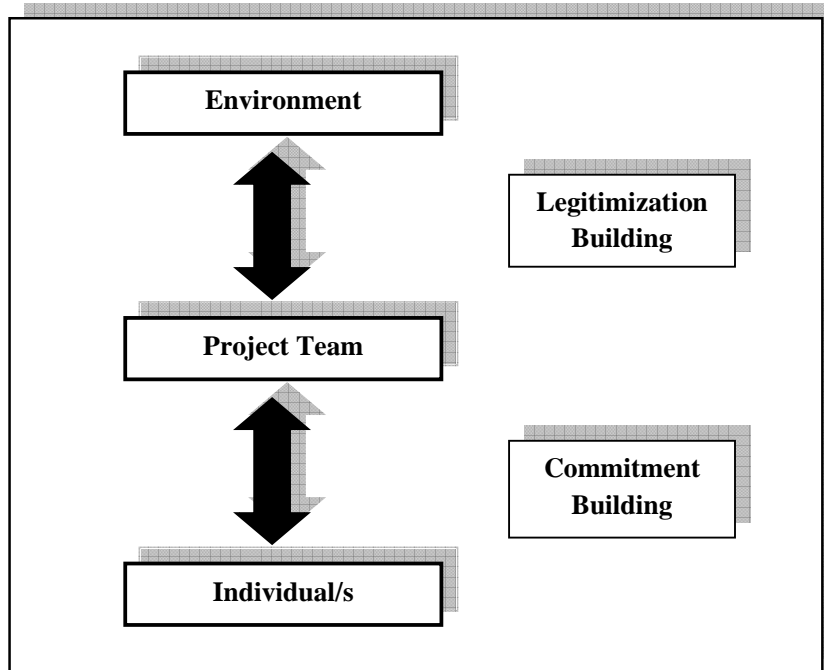
Figure 3: Relation between Individual, Team and Team Environment (Lundin and Söderholm, 1995, p. 443)

Larson and Wikström (2001) have used the concept of project network when presenting festivals and events. They suggest that project work is performed through interactions with other organizations and that an event organizer has great dependencies on building relationships with these organizations with the purpose of organizing and carrying out the event.

Furthermore, new forms of organizations are growing all the time in business and the numbers of small one-time and non-traditional organizations are also increasing. This suggests that there are many actors involved with the distribution of materials, authority concerning regulations and objectives within an organization. (Erickson and Kushner, 1999) By having different actors

involved within an organization, results in different strategies regardless of the similarities in vision and goals (Hellgren and Stjernberg, 1995). Public events generally come together only a few days a year and include partners who are dependent upon one another's success. Network identity is appropriate in public events since they present a unique picture of how a potential partner is perceived and may add value to a network. Participants usually have other commitments to other events outside the network. Public events have considerably greater degrees of interdependence, lack of intra-network competitive concerns and substantial levels of resource commitment (Erickson and Kushner, 1999). Erickson and Kushner (1999) also argue that the more national sponsors the promoter has in its micro-network, the more moneymaking potential it brings to a facility owner. The facility owner should be able to provide the sponsor visibility, sponsor prerequisites and contacts that enhance the value of a national sponsorship. In order to execute a given event, successful partners have to be pulled together as a network. The facility owner and the promoter are the center of a public event and the relationships between them are usually the starting point of most network models. Neither can survive without the other, facility owner needs entertainment and the promoter needs the sites. Both must participate to draw enough sponsors, media attention, and public interest to generate the necessary payback to be successful. (Erickson and Kushner, 1999)

The basic idea of a network is that participating firms go outside their own sphere of control and gain support with partners to achieve control over their environment (Asley, 1984 in Erickson and Kushner, 1999). Partners must have something to offer in exchange to obtain attractive resource or capability from a partner. Network theory can be linked to the competency idea where the firm should concentrate on what it does well and specializes in and buy from those companies that focus different core competences. This unique mutual exchange provides links to its partner within the primary relationship, but also to other network participants and third parties. Value is provided because partners establish independent links and can find the cost and time commitment prohibitive. (Erickson and Kushner, 1999)

Ford et al. (1986) present several aspects of interaction, which concern the effects of interactions and with the implementation of interactions. First, *capability* describes the relationships in terms of what can be done for each

other and the needs that can be fulfilled. The second aspect deals with the notion of ***mutuality***, which focuses on sharing the same goals and interests. Thirdly, the concept of ***particularity*** is presented for the reason that interactions have uniqueness and different direction depending whom is involved. Lastly, ***inconsistency*** exists within interactions. This concept focuses on that there may be conflict and cooperation within the interaction. By presenting these aspects, Ford et al. (1986) view organizations in the context of their network of interaction. These four dimensions are strongly associated and can also be seen as a process of learning. Learning can take place when individuals or groups discover when and how they can make use of each other. (Ford et al., 1986) Huber (1991, in Ford, 1996) discusses organizational learning and has described it as a pervasive, ongoing process that involves knowledge acquisition, information distribution, information interpretation and organizational memory. There are models, which described the cognition and communication processes and, which lead to organizational learning. Organizational design implications tend to have strong contrast to each other and those design implications focus on the ways in which organizations process information. In organizational learning processes models, action typically plays a secondary role. (Huber, 1991 in Ford, 1996)

3.3.5 **Portfolio Management as a Strategy**

Markowitz (1952) instituted portfolio theory; he points out that risk and return are two basic parameters to a portfolio. The theory is based on expectations that risk reduction is possible by constructing diversified portfolios of assets, which are not completely positively correlated (Lizieri and Finlay, 1995). According to Brink and Lindahl (2001), a portfolio will minimize the variance or assume a certain risk where portfolio will maximize the return. Dobbins et al. (1994) presents the modern portfolio theory (MPT), which can be described as risk management for the reason that one cannot make decisions about the returns one shall achieve. However, a person can make decisions about the risks that they are expected to be taken. Portfolio techniques are commonly used at the strategic level by financial institutions and investing institutions (Lizieri and Finlay, 1995).

Uncertain and changing information, multiple goals and strategic consideration, dynamic opportunities, independence among projects and multiple decision

makers and locations, characterize the portfolio decision process. The original portfolio selection models were highly mathematical and employed techniques such as linear, dynamic, and integral programming. Portfolio management models have also been used as a financial or economic model. Nowadays, classical methods have been modified and adapted to become more relevant as portfolio selection aids for instance scoring and sorting models. In recent years, mathematical portfolio and project selection models have been more realistic and are now able to integrate multiple constraints, multiple time periods, different goals and objectives and other partners into a single-choice-model. Portfolio management can be seen differently, which might be a problem within an organization. All departments have their own goals and concentration areas and cannot see portfolio management as a whole. According to Cooper et al. (2001), there are specific reasons for portfolio management. First, to yield the right balance of projects and investments, second is to communicate project priorities both vertically and horizontally within the organization. The last reason is to provide greater objectivity in project selection. (Cooper et al., 2001)

In addition, Cooper et al. (2001) continue to discuss portfolio management and what it tries to achieve. They present three well-known objectives of portfolio management: The first objective is the ***maximization of the value***. The second is to achieve a desired ***balance*** of projects in terms of a number of parameters. And lastly, the final portfolio project should be strategically ***aligned and truly reflects the business's strategy***. There are also varieties of methods that can be used to achieve maximization goal. Cooper et al. (2001) suggest that the end result of each maximization method is rank-ordered list of projects. The choice of the right portfolio method depends on the goal upon, which management had explicitly or implicitly has focused on. Cooper et al. (2001) also found in their survey that most companies' portfolios are unbalanced and they have too many small projects within a portfolio. The third goal, the need to build strategy into the portfolio, is important part in success. Everything boils down to strategy. (Cooper et al., 2001)

Project portfolio definitions are similar to many of the definitions for project program management. However, it could be a strategy or unplanned result when many different projects happened to run simultaneously. In contemporary business, multi-projects and temporary systems are common; however, theories

about these have limited empirical foundation and moreover, there are few studies relating to the identification of problems in managing multiple projects. (Elonen and Artto, 2003) Engwall and Jerbrant (2003) argue that there is always competition between different managers and projects concerning priorities, personnel, attention and resources within a company with multi-projects. The primary theme in multi-project management is the issue of allocation of resources between simultaneous projects. They found in their studies that the resource allocation is significantly important because many projects are dependent on the same resources such as personnel. If there are problems in one project like delays and disturbances, there are often negative effects on other projects. In their studies, they also found that there was lack of long-term knowledge development, problem solving and that process improvement were subordinated to short-term problem solving. To the whole portfolio, it might be fruitful that management in the organization is engaged to long-term development. (Engwall and Jerbrant, 2003)

3.4.   Summary of the Theoretical Framework

Within the theoretical framework, essential components of events and events sponsorship have been introduced and discussed. With the help of the model (Figure 4) presented below, the authors have summarized the theoretical framework of the present study. The purpose of the model is to illustrate the interrelationships between the chosen theoretical elements and enable reader to have clear overview of the topic at hand.

Figure 4: Summary of Theoretical Framework

The first level of the model includes the theory about events and sponsorship. The authors have offered several definitions and types of events. Getz (2004) has presented numerous forms of events, which include special, hallmark and mega. He continues to mention that these forms can be categorized into either or several types of events. Under these forms, Getz (2004) presents festivals to be the most common. However, sport events also are included within the typology.

The second level that is included in the model represents strategic approaches. Corporate strategy places importance on general objectives of an organization, while business strategy is more detail and focuses on business unit to contribute to its effectiveness (Porter, 1987; Olsen et al., 1998). However, functional strategy is important because it should be applied to individual business areas. These focus on everyday activities, which include marketing, research and development and operations (Thompson, 1995; Olsen et al., 1998). By implementing different levels of a strategy, organizations co-ordinate company goals, policies and functional plans. Existing event strategies proposed by Getz (1997) and Allen et al. (2002) are discussed for the reason that events should have set strategies in order to be successful within their market. Getz's (1997) model represents strategic planning process for events and event tourism (Figure 2). This model includes the progression of from an events mission to having management systems. Additionally, stakeholder and network theories are discussed since sponsors are considered to be important stakeholders within many events and also crucial elements of event networks.

Lastly, the third level presents tools that are needed to successful sponsorship selling. Marketing has a large role in promoting the event for both the audience and for sponsors. The marketing mixes are presented because according to Fifield (1998), they should be used for the execution of the marketing strategies. The event marketing mix presented by Getz (1997) mentions other aspects such as people, programming, partnership and packaging, which should be considered addition to the original 4Ps that Borden (1962) has introduced (price, product, place, promotion). Furthermore, corporate images have a large role in marketing the organization (Balmer, 1998). Over time, images develop and create experiences, beliefs and impressions, which will hopefully build a strong brand. Also included within the third level is the notion of portfolio. This idea suggests that organizations should construct a diverse portfolio of assets (Markowitz, 1952) in order to reduce risk and maximize the return (Brink and Lindahl, 2001).

4   EMPIRICAL DATA

The following chapter presents the empirical data collected in interviews. Data is organized according to preferred themes in order to make it easier for the reader to compare the actual information and see the differences between the chosen cases. Only the information that the authors consider to be applicable is presented.

4.1.   Introduction of Cases

As discussed in methodology chapter, the authors have chosen altogether eight events from both Sweden and Finland to represent the cases of the present study. These eight events are selected to form four comparable pairs by having one event from each country. All the cases and their business ideas are introduced below. Moreover, a list of existing sponsors of each event is presented in Appendix 2.

4.1.1   **Sport Events**

The *19th European Championships in Athletics* (referred as EC2006) will take place in Göteborg in Sweden (between August 8th and 13th 2006). EC2006 are granted by the European Athletic Association (EAA) and will be organized in co-operation with the city of Göteborg and the Swedish Athletic Association. The City of Göteborg consists of Göteborg & Co. and Got Event AB. Göteborg & Co. will be responsible for marketing the city in connection with the games and the planning and the carrying out activities associated with the EC2006. Got Event AB is an organization that takes care of the venues such as the main stadium in Göteborg. Furthermore, Swedish Television will be a participating organization, which will collaborate with Göteborg Athletic Federation. (www.goteborg2006.com) Under the supervision of the Local Organization Committee (LOC) is the operational team. Toralf Nilsson, Project Manager or the General Secretary as he is called by the LOC, is responsible of his operational team to LOC. At the moment, operational work is divided into eight functional areas, which all have its own head person. Functional areas are

divided as follows: administration, ceremonies, competition, facilities, logistics, marketing, promotion and TV & Media. Nicklas Larsson is responsible for sponsoring as head of marketing. The business idea and objectives of the EC2006 organization is to promote and strengthen the brand of Swedish athletics and Göteborg as a region of tourism and business. The aim of EC2006 is not to make a profit, while they try to achieve break even. (Larsson, 20.4.04 and 13.10.04)

The biggest sport event in the world in 2005 will take place in Helsinki next summer (between August 6th and 14th). The **10th IAAF** (International Association of Athletics Federations) **World Championships in Athletics** (referred as WC2005) is the biggest sport event ever organized in Finland. (www.helsinki2005.fi) The organization of IAAF World Championships in Athletics was founded in the beginning of 2003. Director of Marketing and Sales, Jukka Kunnas joined the organization in February 2003. The WC2005 event is owned by the Suomen Urheiluliitto, SUL (Finnish Sporting Association), whereas Track and Field Finland Ltd. owns all the marketing rights except audience marketing of the championships. However, Track and Field Finland Ltd. is owned by the SUL. Jukka Kunnas as a head of marketing, together with Mikko Vanni who is the chairman of the marketing committee, have taken care of all the sponsorship arrangements. According to Kunnas (1.10.04) the business idea of the WC2005 is to *"produce a sport product concept with unique qualities"* and the goal is to serve the image objectives of the athletics in the long run. Even though the organizations aims to work effectively and profitability, it is almost impossible to try to make profit because of the hard conditions formed by IAAF and Dentsu (one of the biggest communication agency in the world), which IAAF has hired to work with marketing and communication issues. It would demand optimal success in every sub area to make profit, not only revenue should be as high as possible, but costs have to be managed carefully in order to keep them in minimum. (Kunnas, 1.10.04)

4.1.2 City Festivals

Malmö Festival started in 1985 and it is the oldest city festival of its kind in Sweden. It is arranged every year at the end of August. Malmö Festival offers over 900 hours of free entertainment on some 15 stages. The program of

Malmö Festival contains of a wide variety of film, music, theatre, performances, poetry, literature and more. The food is also placed at the top of the list of the most appreciated features of the Malmö Festival: *"Eat your way around the world in 8 days"* is one of the slogans. It has about 1.4 million visitors over eight days. (www.malmofestivalen.se) Malmö Festival is owned by the city of Malmö. The organization is part of the city's street and park department; thus, approximately 50 percent of the funding consists of tax money. Hereby, the aim of the festival is not to make a profit; however, if any profit could be made it would be used for some other activities in the city. There are 13 employees working within the street and park department and all of them are more or less involved with the festival. The current director of Malmö Festival is Per Alexandersson who started to work with the festival 14 months ago. He has initiated some changes for instance by hiring an agency to *"help them to work in a more professional way with sponsorship"* (Alexandersson, 3.11.04). The agency is both creating a new strategy and doing the actual sponsor acquisition. Due to the reason that Alexandersson (3.11.04) has taken a new approach, the Malmö Festival does not really have valid sponsorship contracts at the moment. Therefore, the list of sponsors presented in Appendix 2 is from the last summer. Because of having a public owner and the use of tax money, the idea of Malmö Festival is to be accessible for all the inhabitants of Malmö and offer something to for all ages and tastes. Moreover, the festival has to be free-of-charge and take place in the public areas such as parks and squares. The festival should contribute to making Malmö a vibrant city that people like to be in and are keen to visit. It also participates in creating a unique community spirit among the people of the city and an increased integration. The foundation stones of the Malmö Festival are encounters, variety and experiences. (Alexandersson, 3.11.04; www.malmofestivalen.se)

Helsinki Festival is a cultural festival arranged every year in the late August and early September. Their first festival took place in 1968. The festival has performances in music, theatre, dance, the visual arts, cinema and city events featuring both Finnish and international artists. Some of them are free-of-charge, while one must buy a ticket for some other events. In the summer of 2004, about 220, 000 visitors attended the festival. Helsinki Festival is the biggest festival in Finland according to the number of visitors. (www.helsinginjuhlaviikot.fi) The organization behind the Helsinki Festival is Helsinki-viikon säätiö (Helsinki Week Foundation), which is part of Helsinki

City Group. The organization is non-profit for public good. Eight persons are working around the year for the organization of Helsinki Festival, some of them being part-time employees. Mari Alijoki is the marketing manager and responsible for sponsorship arrangements. In the spring, the number of employees increases with assistants and trainees. Since year 1997, Image Match (sponsorship consulting company) has worked as a consult, but also they have taken care of the contract negotiations on behalf of Helsinki Festival. From that time, the organizational structure has been the same even though the festival itself originates from the 1960s. *"Art belongs to everybody"* is the slogan of Helsinki Festival. The business idea is to have art performances that would not otherwise take place in Helsinki. Key words are: many-sidedness, internationality, urbanism and high-quality. (Alijoki, 30.9.04)

4.1.3 **Rock Festivals**

Hultsfred Festival is the largest and longest running youth-oriented music festival in Sweden and it started in 1986. Next summer, the festival will be celebrating its 20th anniversary. Hultsfred Festival takes place in the middle of June in a small town called Hultsfred, which is located in the south-east of Sweden equally far (approximately 300 kilometers) from Stockholm, Göteborg and Malmö. (www.rockparty.se) Over the last four years, almost 30,000 people have paid entrance to the festival each year, which means a more or less sold out festival. Hultsfred Festival is owned by a permanent association called Rockparty. Rockparty also organizes other events, but Hultsfred Festival is their biggest. Hultsfred Festival has decreased in employees for the reason that the festival did not make enough money to cover fixed costs from the past summer's festival. There are three full time employees left. One of them is Therese Elofson, who works as the Marketing Manager and is responsible for sponsorship arrangements. They also have consultants and part time workers who put time and effort into the festivals. Additionally, there is a professional committee that takes part in bigger decisions. Rockparty is a non-profit organization. Thus, if some profit is made it will put back into new projects of developing the festival. According to Elofson (18.10.04), the business idea of Hultsfred Festival is to have a fun music festival that attracts many kinds of different people and offer them a broad scale of music (punk, hard rock, hip hop etc). The festival is also a place to discover new bands. (Elofson, 18.10.04)

Everybody should have good "party" at Hultsfred Festival (Elofson, 18.10.04) as it was also mentioned in the context of Ruisrock (Salonen, 29.9.04).

Ruisrock is the oldest on-going music festival in the world beside Pinkpop in Holland, founded in 1970. Ruisrock takes place on the beautiful beach of Ruissalo, right at the outskirts of Turku, the 4th biggest city in Finland. Last summer (10th though 11th July, 2004), 43,000 visitors attend to the 35th Ruisrock festival to see many national and international artists. (www.ruisrock.fi) Vantaa Festival Ltd. is a company owned by three men who arrange two festivals, Ruisrock and Ankkarock, annually. Each of the owners has clear responsibilities and other jobs beside the festival organization. Six to seven people work part-time with the festival organization around the year. All the big decisions are made together with the three owners. However, Ari Salonen is responsible to make sponsorship deals with companies on his own. He believes that this small organization and all of the owners contribute different features, which are considered strengths. One of the owners of Ruisrock is a well-known figure in rock business in Finland. It can be argued that he is a kind of person that raises the interest of media and is often considered to be an authority. Originally, 16 years ago when the event organization Vantaa Festivals Ltd. took over Ankkarock in Vantaa, the goal was not to seek profit. Four years ago they needed to turn Ankkarock chargeable because of the continuously growing number of visitors that caused safety and traffic issues. The organization took over Ruisrock in Turku during 2001. Nowadays, both festivals are aiming to make profit. Salonen (29.9.04) defines the business idea of Ruisrock with two words *"relaxed party"* in the "*one of the most beautiful festival ambience in Finland"* (Salonen, 29.9.04). He points out that a successful festival is the best promotion for the following years. (Salonen, 29.9.04)

4.1.4   **Film Festivals**

Göteborg Film Festival was founded in 1979 and is arranged annually at the end of January and the beginning of February. Göteborg Film Festival is owned by a cultural association, which consists of approximately 20,000 private members. Most of the members are quite passive, but in order to see the films during the festival everybody has to buy membership. Managing Director, Svante Hjertén is responsible for the sponsorship arrangements and formal

sponsorship decisions are made together with the board. The board (also called a legal board) consists of Hjertén and five other people, who are not directly connected to everyday festival operations. In order to create good networks, they wanted some people to be ambassadors of the festival. The people invited to be ambassadors form an honorary board of ten members. Thus, Göteborg Film Festival does not aim to make any profit. If any profit is made it is directly used on developing the festival. The business idea of Göteborg Film Festival is to work for the audience to produce screenings of high quality films and to make film as an expression of culture in the Scandinavian region. (Hjertén, 8.10.04) Hjertén (8.10.04) says *there is not much of a business aspect of it, of course, we have to work it and produce it with our business eyes and in a business way to make it going, but we do not have any business ambitions actually*".

Espoo Ciné is an international film festival held annually in August during consecutive six days. It takes place in the city of Espoo, adjacent to Helsinki in Finland. The festival is organized and owned by the non-profit association, Espoo Film Festival Association and was founded in 1989. However, as in the case of Göteborg Film Festival, if any profit is made, it will be used in developing the content and quality of the festival. The festival employs one person around the year, while other four employees work full-time three to five months a year. Festival Coordinator, Jenni Ukkonen, works individually with many matters and big strategic decisions are made together with an eight-member board. Moreover, the board is responsible for the program of the event. According to Ukkonen (27.9.04), the business idea of the Espoo Ciné organization is to arrange a film festival once a year. They want to show audience mainly new, European movies, which would not otherwise be presented in the theaters in Finland. Films are expected to be of current interest, artistically noticeable and significant. (Ukkonen, 27.9.04)

4.2.   Sponsorship Definitions

The authors of this study asked all the interviewees to present their own definition of sponsorship in order to construct an understanding of the different sponsorship approaches. Salonen (29.9.04), the owner of Ruisrock, mentions that during the past five to seven years there has been an obvious change in the

field of sponsorship. He continues to say that the people of the rock generation have become the decision makers of the companies. Nowadays, firms are ready to sponsor rock festivals instead of more sophisticated events, such as jazz happenings. Furthermore, he believes that the audiences of rock festivals have high purchasing power and are easier target market for many companies since they are more open to new ideas. (Salonen, 29.9.04) Likewise, Alexandersson (3.11.04), the Director of Malmö Festival, sees the trend that companies with good trademarks aim at the segment of the young people, therefore they want be part of events and share experiences with the segment. However, he believes that most companies have not succeeded very well in sponsorship because it has been handled in very traditional manner. Event organizations want sponsors to add something for the audience. (Alexandersson, 3.11.04) Salonen (29.9.04) said that sponsorship used to be "*banderole between two birches*", but nowadays, the firms demand return on their investment. Also, Alijoki (30.9.04) mentions that visibility used to be basically the only benefit that sponsors got from the relationship. Instead of the word "sponsoring", Salonen (29.9.04) would prefer to use "promotion". Few companies want to have only visibility for its logo, more commonly companies want to be presented at the event by having competitions, handing out free samples etc. It is also important for companies that they are presented in a sophisticated way. They want people to remember their co-operation with the event organization and above all, they want to have measurable results. (Salonen, 29.9.04)

Kunnas (1.10.04), from WC2005, describes sponsorship to be "*commercial function that has to derive from the objectives of the company*". A sponsored object must offer its counterparts something in return, that can help a company reach the objectives, for example that are related to company image, brand awareness, product image, indirect or direct sales, internal marketing and product development. Alijoki (30.9.04), the Marketing Manager of Helsinki Festival, defines sponsorship to be "*a promotional tool, but if compared for instance with marketing, it is a more profound collaboration instrument, which aims to a win-win relationship*" (Larsson. 13.10.04). Whereas, Larsson (13.10.04) at EC2006 defines sponsorship as business development rather than a marketing tool. In his opinion, companies can associate themselves to an activity and commercially trade rights to be recognized with the event. In return, companies contribute either services or money for the event organization. This can be seen as a tool that can be integrated into internal and external

communication toward consumers and customers of the company. Moreover, sponsorship can involve sales promotion, deal promotions, commercials, product demonstrations, brand activities; or as Larsson said *"you can utilize more and less all parts of your business to develop with the help of sponsorship"* (Larsson, 13.10.04). He continues to define that sponsorship is a way to acquire rights to associate a company to something such as sport, culture, corporate citizenship or music. With the sponsorship rights you can reach specific target groups. Larsson (13.10.04) states that sponsorship can also be called association marketing. However, he considers sponsorship to be more than marketing and branding, it is a way to develop your own business. He gives Formula 1 as an example; the Grand Prix is both product development and showcase of product from the car manufacturer. (Larsson, 13.10.04)

All of these five descriptions by different representatives of the event organizations have the aspect of marketing, while not included in the following three definitions. These definitions have more practical and case related approaches.

Hjertén (8.10.04), at Göteborg Film Festival, defines sponsorship as *"changing exposure and content for resources either material resources or financial resources"*. Espoo Ciné's Event Coordinator, Ukkonen (27.9.04), takes a similar stand by defining "sponsor" to be co-operation party, which supports the festival financially or considerably with products and services. Whereas, Therese Elofson (18.10.04) from Hultsfred Festival states that *"we want to find co-operating partners that we can have a good exchange with. That is the most important in our situation. We do not want to have companies that pay millions and only set up big logotypes; we are not interested. We would like to have two-way communication...to work close together… in that way we believe that is how we get most out of each other."*

All the definitions presented above include the element of mutually beneficial exchange. Many of them include the notion of goals of the particular event organization. However, goals of the investigated event organizations are presented more in detail in the next chapter.

4.3. Goals of the Event Organizations

In connection to the business ideas of the event organizations, their goals and how they aim to achieve them were discussed. Several organizations have a marketing perspective and others give explanation to the goals of the overall organization. In some cases, the goals of the events are closely related to some bigger framework, such as destination marketing or image enhancement.

WC2005 uses the marketing point of view when discussing the organization's goals. Kunnas (1.10.04) states *"the ultimate goal is to influence the image of athletics in the short and long run"* since it has had problems lately with the reflection. The market share has decreased both in the number of amateurs and audience, moreover the audience is aging. Thus, the aim is to change the image and have new customers and fans for the sport of athletics in Finland, even after the WC2005. (Kunnas, 1.10.04) Larsson (13.10.04) states that the business idea and objectives of the EC2006 organization is to promote and strengthen the brand of Swedish athletics. In addition, Larsson (13.10.04) focuses on promoting the City of Göteborg as a region for tourism, business and to live; along with the EC2006. In the EC2006, Larsson (13.10.04) says that there are many strategic decisions that have already been made to achieve their goals. Larsson (13.10.04) continues to mention that there has been an integrated approach together with the city from the beginning. The EC2006 organization is also aiming to sell tickets further way from the region and turn EC2006 into a nation wide event. (Larsson, 13.10.04)

Malmö Festival is part of the general program to *"make Malmö a better place to live"* (Alexandersson, 3.11.04). Alexandersson (3.11.04) reveals that Malmö used to have a reputation of a criminal city. One third of the population in Malmö is not born in Sweden. This fact creates some special circumstances such as language barriers. Even if it is not possible to solve the problem fully with the festival, it serves the purpose of a meeting place for locals and a chance to get to know each other's culture, for instance by having music bands from different areas of the world. Thus, the goal is *"not to be the biggest or greatest festival in the world"* (Alexandersson, 3.11.04), but to make a really good festival for everyone in Malmö with a moderate sum of money. Additionally, Alexandersson (3.11.04) thinks that goals *"come down to attitude"*. He wants Malmö Festival to be *"one of the real festivals"*

(Alexandersson, 3.11.04). The purpose of the festival is that it should be for the people of Malmö, but Alexandersson (3.11.04) would like the festival to have national recognition. As a big festival, it should be able to obtain more money from the corporate world and it is a good platform for local companies to exploit. (Alexandersson, 3.11.04)

Göteborg Film Festival shares the ideas of promotion within the film industry. For instance, Hjertén (8.10.04) mentions that one goal focuses on being the marketplace and meeting point for the Nordic film industry. In order to achieve their goal of being the most important film festival in the Nordic region, they have established a marketplace called Nordic Event. Nordic Event is a four day event that is produced parallel to the film festival. They hold closed screenings of the latest Nordic films for approximately 150 to 200 people from all over the world, including important decision makers from film festivals, representatives, company buyers and distributors. Hjertén (8.10.04) mentions that they play the role of a "broker", meaning that they try to have Nordic producers and their films to meet the buyers. He continues by saying that Göteborg Film Festival can never be the biggest in Europe or less in a global area; therefore they have a larger goal to be the most respected film festival. This suggests that other festivals can look upon Göteborg Film Festival as a very creative, innovative and for having good content. Taken as a whole, the organization has three goals or visions; the first is "*to be most loved event in Göteborg*", second is "*to be the most important film festival in the Nordic area*" and the third goal is "*to be the most respected festival in Europe*" (Hjertén, 8.10.04). Hjertén (8.10.04) also mentions that another goal is to try to keep the position and to be number one, in terms of being the biggest public event in Göteborg on a yearly basis. He stresses that Göteborg Film Festival is special and does not want to be compared with other events in Göteborg. In order to achieve this goal, the organization is working at the local level to get a larger audience for instance by hiring a new, local advertising agency. (Hjertén, 8.10.04)

Fifteen years ago, Espoo Ciné organization created their first goal. It was to assure different interest groups, such as audience, supporting parties and partners of the worthiness of the event to establish the film festival. In order to achieve their main goal, Espoo Ciné started with a great deal of effort into different activities like corresponding, to assure the city of Espoo and Finnish Film Foundation to enable Espoo Ciné to become part of permanent cultural

supply. The members of the board of Espoo Film Festival Association have taken personal risks in the form of bank loans in order to achieve quality goals. The members of the board travel a great deal to different film festivals to find high quality films and to create contacts. In the end of the 1990s, the number of visitors reached the steady flow of approximately 20,000 visitors yearly. At the time, the goal of existence was reached and the continuity had been guaranteed. Within the organization, there have been discussions whether the goals should be set higher in terms of the size of the event. However, it has been concluded that within the frame of six days, the growth is difficult to reach. Alternatively, expanding the length of the festival would demand considerable raise in funding. Moreover, other film festivals have proven that having two weekends and a week in between is difficult concept to raise the interest of people throughout the entire ten days. Naturally, Espoo Ciné hopes to increase their audience every year with the amount of several thousands, but the primary focus at the moment is to improve the content and the quality of the festival. (Ukkonen, 27.9.04) Additionally, Helsinki Festival has goals that are closely related to the content of the event. Alijoki (30.9.04) refers to key words (many-sidedness, internationality, urbanism and high quality) as mentioned before as goals. Moreover, a more concrete goal is to raise wider national interest. (Alijoki, 30.9.04)

Both music festivals seem to have very straight forward goals. The goal of the Ruisrock is to have a sold out event every year. This is done by developing the festival all the time, for instance with famous bands both national and international. Since Ruisrock has such a long tradition, it has raised international interest. Salonen (29.9.04) mentions that within a couple of years the organization hopes to get some extra space to be able to have more audiences. This would be condition for having even bigger and more expensive bands because 25,000 visitors per day are not enough to cover costs of the world's top bands. (Salonen, 29.9.04) Elofson (18.10.04) at Hultsfred Festival has the same main goal: to sell as many tickets as possible and to make Hultsfred Festival well-known. Additionally, they have a long-term vision to be the best music festival in the world and the biggest in Sweden. In regards to sponsors, Elofson's main goal is to find the right co-operating partners. Hultsfred Festival has said "no" many times to companies that want be sponsors to the festival for the reason that they have not found companies to be compatible with the festival. She mentions that they both should "*speak the*

same language and they should be almost the same and feel equal" within the partnership. (Elofson, 18.10.04)

4.4. Reasons for Event Organizations to Have Sponsors

There are different opinions about having sponsors and what their role is in the event. Funding is the most important reason for events to have sponsors, but in all the selected events there are other reasons for sponsorship acquisition. In many cases, sponsor contribution is wanted to improve the quality of the event. As Elofson (18.10.04) says *"our sponsors allow us to have a higher quality in many areas"*. Also for Malmö Festival, sponsorship funding is a vehicle to make a better festival; moreover, they hope sponsors add some elements to the program such as street basketball games for the audience. Nowadays, artists and bands are often so expensive that it is hard work to cover all the costs and this is an important reason to have sponsors. (Alexandersson, 3.11.04)

Sponsor support seems to be very crucial for different events even though tickets sales are play a large part in many cases as well. The EC2006 gains about one third of the budget from the sponsoring companies, "*but of course the value, which they bring to the marketing, is a huge amount of money as well, but that is not part of the budget*" (Larsson, 13.10.04). Furthermore, Kunnas (1.10.04) argues that the actual amount of sponsorship funding is the biggest of all times in a sport event in Finland is between 15 to 20 percent of the whole WC2005 budget. The biggest source of income is the ticket sales with approximately 70 percent. (Kunnas, 1.10.04) Also, Salonen (29.9.04) states that about 15 to 20 percent of Ruisrock's funding comes from sponsors; this portion consists mainly of money. The largest part of the support to the Espoo Ciné is donated by the city of Espoo (30 to 40 %). Moreover, the state in the form of Finnish Film Foundation finances the festival approximately with 20 percent of the budget. Another 30 to 40 percent consist of ticket sales. The rest (about 10 %) is financed with sponsor support. The most of this is various services and products related to the film festival. (Ukkonen, 27.9.04) Ukkonen (27.9.04) claims that the festival organization could not afford to buy all those services without the exchange with the sponsor companies. According to Alexandersson (3.11.04), the production of Malmö Festival costs about 80 million Swedish crowns. As mentioned before, half of the funding of Malmö Festival consists of

tax money. Another important source of money is from vendors that are paying rent for their stands. At the moment, sponsorship funding does not play a huge role, but in many cases sponsors arrange certain elements of the program. (Alexandersson, 3.11.04)

Ukkonen (27.9.04) says that external support in its various forms is essential for non-profit event organizations. A factor, such as image, does not play an important role when choosing the sources of funding. For instance, Espoo Ciné is willing to have almost any sponsor if it does not interfere totally with the main principals of the festival. Every additional funding is considered welcome. She points out that sponsors probably are more vital for Espoo Ciné than what they are for the companies; however, she believes that at its best, sponsor relationships are equally subservient. Sponsors of the Espoo Ciné are closely related to the field, having a natural interest in the film festival. (Ukkonen, 27.9.04) In addition, Hjertén (8.10.04) raises the natural connection that Göteborg Film Festival has with its main sponsor (Canal+), since it is a television film channel. However, Ukkonen (27.9.04) would not call support from the state or city to be sponsorship even though those backings are vital for Espoo Ciné.

4.4.1 **Sponsors as Suppliers**

Sponsors can also be suppliers toward an event and produce services or products to an event. In the case of Espoo Ciné, Göteborg Film Festival and Hultsfred Festival, the most support is gained through so called barter-contracts, which means exchanging goods and services instead of actual money transferred (Elofson, 18.10.04; Hjertén, 8.10.04; Ukkonen, 27.9.04). In fact, Göteborg Film Festival would not have sponsors at all, but they have realized that the money they have and get from different sources were not enough. They need to gather the funding from somewhere else and are not able to increase the ticket prices anymore; therefore, they are forced to have sponsors. (Hjertén, 8.10.04)

Kunnas (1.10.04) considers sponsors to be strategic partners for the WC2005 organization. First of all, sponsors enable many activities by providing economical support to the event. However, the collaboration must have synergy. Sponsors as strategic partners communicate the event, often work as a

distribution channel and work as producers. (Kunnas, 1.10.04) Especially in the case of WC2005, all companies in the supplier category take part in the project by providing goods and services, but also have a role of sponsor by contributing pure economical support. These two relationships are parallel, even though simultaneous and complimentary. (Kunnas, 1.10.04)

4.4.2 **Additional Reasons to Have Sponsors**

Larsson (13.10.04) argues that nowadays partners have to be selected more carefully, "*because you want partners that are promoting the event in a way that it stimulates the perception in the same way as you do, so you want an active partner assisting you to market your event*" (Larsson, 13.10.04). In other words, what you want from sponsors besides money is also that they activate and spread the word about the event; thus, increases the equity of the event. It is extremely important to have sponsors to strengthen the events position. (Larsson, 13.10.04) Ukkonen (27.9.04) supports the idea by saying that special screenings for sponsors' guests bring in visitors that would not otherwise attend the event. She believes that these visitors may come again and spread the word about the event.

Alijoki (30.9.04) mentions "learning" to be an important reason for Helsinki Festival organization to have sponsors. Communication with the business world organizes the work within a cultural organization, which probably is not used to working as a business organization. Alijoki (30.9.04) agrees with Kunnas (1.10.04) that there is always something to learn in marketing communications from big corporations. Sponsors also bring credibility for the event organization; "*you can proudly present your event and its sponsors*" (Alijoki, 30.9.04). She says that Helsinki Festival is an image factor for its sponsors, but sponsors are also an important image factor for them, unlike Ukkonen (27.9.04) thinks. Also, Hjertén (8.10.04) believes that in some way sponsors give credibility for the event organization.

4.5. Strategic Approaches

It can be seen in the empirical data presented below that the level of strategic management varies relatively within the chosen eight cases. Some of the event organizations have carefully thought out strategies, whereas others have not actually gone through the process of strategy formulation or have not given consciousness thoughts for having strategy. Therefore, only clearly stated strategies are presented in this section; however, some evidences of underlying strategic thinking can be seen along with other empirical data. These evidences will be used additionally in the analyses part when discussed about strategic approach.

The organization of WC2005 has built up a comprehensive differentiation strategy. They want to differentiate the event concept from the previous ones even on an international level in terms of the core product and supporting services; create something new for new target groups without neglecting the old "heavy users". In fact, WC2005 is just one personification of the broader strategic planning. Beside the event strategy, there is the general strategy of the Finnish Athletic Association and it is to develop new products within spare time sports, plus youth hobby, associations and school exercises. Plenty has been done through the event and its marketing strategy by creating a new kind of sport product concept. Different models have been considered in how WC2005 could be combined with this on-going product development. Naturally, this planning involves the national athletic team. Another important issue is how to transfer all the experience, "know how" and created concepts to future events after WC2005. (Kunnas, 1.10.04) Kunnas (1.10.04) wants to point out that this is a very all-inclusive, comprehensive project.

Whereas, WC2005 is part of the wider strategic planning of the Finnish Athletic Association, EC2006 organization has built up their strategy together with the City of Göteborg. The idea is to expand the activities around EC2006 to cover the whole city. This is done to promote the city, but at the same time, it creates competitive advantages for sponsorship acquisition. However, Larsson (13.10.04) mentions the current success of Swedish athletics is also a strength. There is an overall strategy, which is based on objectives they want to achieve; moreover, separate strategies derive from general strategy that are formulated, for instance for different segments and media. All of this boils

down into a master plan of action. One aspect of the strategy is to have surprises and exceed expectations. For example, it is important to consider different angles and how to positively surprise the spectators. (Larsson, 13.10.04)

Elofson (18.10.04) tells that Hultsfred Festival wants to keep ticket prices low because the target group is so young that they do not have much money to spend, especially in the beginning of the summer when students have not gotten their summer job salaries. Having sponsors allows Hultsfred Festival to have reasonable ticket prices for its audience. (Elofson, 18.10.04) This can be considered to be a strategy.

Furthermore, Alijoki (30.9.04) mentions shortly that the Helsinki Festival organization uses strategic approach. The Festival Director, Risto Nieminen, creates the idea of the festival and business strategy together with his team, hence, the sponsorship strategy is derived from the general business strategy. (Alijoki, 30.9.04)

4.5.1 **Strategy Formulation**

Only Jukka Kunnas, Director of Marketing and Sales within WC2005 organization brought up the detailed general strategy formulation process. Marketing wise, the project of WC2005 started in February 2003 when Kunnas started to work with the project. The first six months were dedicated to strategy building and planning. Market research with broad image studies, competitor and SWOT-analysis were conducted to find strategic thesis. The analyses of these theses were brought into strategic toolboxes in, which the right strategy was found. According to Kunnas (1.10.04), the strategy was found quickly and fairly easily. After that, different support strategies such as segmentation, communication, distribution channel and pricing have been determined. This phase was followed by the innovation process that gave a big pool of ideas relating to, for instance communication and product development. Next, these ideas were put in alignment with strategy, target market segmentation and image objectives. This led to an event product. After the first phase, strategies were turned into plans. About one and half years before the event will take place; all the plans were transferred to the operational level. (Kunnas, 1.10.04)

4.5.2   **Sponsorship Strategy**

Until Larsson started working within the team of EC2006, there was not a marketing manager. Therefore, a French consulting company, LZA Business Development, was invited to build up a comprehensive sponsoring strategy. This strategy is now applied to practical work, which is being executed at the moment with additional perspectives from Larsson and the whole project team. The process of sponsor pursuit started with mapping the market. The sponsors of all major events in Sweden were listed. Moreover, another list was made of the companies with great marketing power. These companies were categorized according to different business areas. The companies within each category were rated. The rating was based on good brands and size of the customer base; also companies that wanted to enlarge their business or who would have either direct or indirect business value of commitment with EC2006 were recognized. While considering different potential sponsors, the team tried to keep in mind the big picture, meaning that the sponsor should not only fit with portfolio of sponsorship, but also support the image of the city and the event. The main selling argument is that EC2006 is the biggest sponsor opportunity in 20 years within Sweden. One strategy has been to create relationships through the existing network of the project team members. (Larsson, 13.10.04)

Also, the organization of Helsinki Festival has used the help of a sponsorship consulting company, Image Match. After having the program designed, it is possible to define what products can be offered to potential sponsors. This product defining work is done together with Image Match; however, decisions are made in the organization of Helsinki Festival. They trust that they are able to have a good festival, which then is offered to potential sponsors instead of planning the program based on sponsor's requirements. On the contrary, companies have their own special knowledge that the festival organization can learn from. (Alijoki, 30.9.04) As mentioned before, the organization of Malmö Festival has decided to turn to a sponsorship agency for expertise. Alexandersson (3.11.04) claims that it is difficult to find focus within the festival. It offers many possibilities because of its big size, in terms of area and multiple stages. The sponsorship agency has planned to theme different venues to attract consistent target groups in certain areas, instead of having something for everyone in all areas. They believe that these venues that have clear segments are easier to sell to potential sponsors. Furthermore, the festival

organization has decided to increase the amount of sponsorship money for the future. (Alexandersson, 3.11.04)

Kunnas (1.10.04) considers sponsors to be strategic partners for the organization; therefore they wanted to have best cost efficient partners that also are best suited for the WC2005's strategy. Sponsors are strategic partners that communicate the event, often work as a distribution channel and work as producers. Especially in the case of WC2005, all companies that are in the supplier category take part of the project by providing goods and services but have a role of sponsor by contributing pure economical support. The WC2005 had a competition for all significant companies within the chosen branches of business. After having offers, they found out that the chosen companies could see the project as a useful sponsor object with clear added value. Having both of these aspects figured out, WC2005 made the deals that they call *"optimal partnership"* Kunnas (1.10.04). He tells that one aspect of the strategy is in marketing, which is to be distinguished from competitors by helping sponsors to convert their investment. Kunnas (1.10.2004) praises, *"this is a nice event because the scale is so huge that once this has genuinely and really given the opportunity to try out theories, which are about to realize"*.

4.6.   How Event Organizations Attract Sponsors

The efforts taken to get sponsors are closely related to an organization that has sponsorship strategies. As mentioned earlier, some organizations have used (EC2006) or are using (Malmö and Helsinki Festivals) the expertise of the sponsorship agency. (Alexandersson, 3.11.04; Alijoki, 30.9.04; Larsson, 13.10.04) After Alexandersson (3.11.04) joined the team of Malmö Festival, he has started to change sponsorship arrangements by hiring an agency because he believes that their organization, especially when the city is playing such an important role, does not have enough skills to take care of sponsorship. Furthermore, according to his experiences, agencies tend be more innovative in sponsorship solutions. In attracting sponsors, Alexandersson (3.11.04) emphasizes the importance of media partners. Therefore, his next goal is to have a television station as a partner. It is much easier to get other sponsors after having good media partners. Additionally, good media sponsors will help to turn Malmö Festival from local event to little bit more national, which will hopefully assist in getting more sponsors. (Alexandersson, 3.11.04)

Most of the investigated organizations are in the situation of having sponsorship contracts that are valid or they will be renewed in the near future. For instance, Helsinki Festival signed contracts last spring that are valid until the end of 2006, although there are still two empty places in the categories. (Alijoki, 30.9.04) Salonen (29.9.04) argues that the organization of Ruisrock does not systematically try to find new sponsors since the aim is to keep existing companies satisfied. When some company contacts them and show interest in being a sponsor, Salonen (29.9.04) evaluates the actuation and benefits that the company can offer. Moreover, he points out that the companies want to have more than just visibility, which is not always possible to arrange. For instance, they do not want to allow promotion that includes distribution of magazines or other printed material because it would increase the amount of litter at the festival area. (Salonen, 29.9.04)

Elofson (18.10.04), as Marketing Manager, usually contacts potential sponsors for the Hultsfred Festival. She is working directly with the organizations and there is no agency company in the middle. Sometimes she knows someone at an organization to contact, but often she just contacts a company that she is interested in working with. (Elofson, 18.10.04)

Kunnas (1.10.04) believes that they have succeeded well in attracting sponsors since they did not sell "old athletics", but a package of strategy, plan and product development, new target groups and position, along with the size of the event. Since 1994, Kunnas (1.10.04), who has a strong history with sponsorship from the European Championships in Athletics in Helsinki 1994 to Helsinki's year as European Cultural Capital in 2000 (Marten, 2004), has developed the event sponsorship selling concept. The concept of the presentation is based on presenting the strategy, product development, target market, image position and plan of the events right from the beginning. The benefits for potential sponsor i.e. what the deal includes weighs only about ten percent in the concept presentation. (Kunnas, 1.10.04)

The sponsoring concept has been divided into four areas. The first one being (1) advertising, which includes number of visibility elements such as program leaflets and ads at the venue. In the context of WC2005, visibility possibilities are quite standardized, but generally the organization aims to be more innovative in the matter. Kunnas (1.10.04) does not really believe that a list of

logos would increase the value of attention; primarily, it is the signature of the partnership and indication of the official status. The most important factor for sponsors is how to use the theme of the event in their own advertising and internal marketing. The second area concerns (2) other communications, Kunnas (1.10.04) means activities such as trade fairs, the Internet and brochures, consumer and selling contests. The third element, (3) public relations, is managing customer and interest group relationships, as well as human resource management. Within this area, WC2005 has done a great deal of product development because it is one of the cornerstones of the differentiation strategy. They want to offer exceptionally good hospitality services, for instance every day a different theme related to previous host cities of the World Championships. WC2005 aims to produce new experiences for both the companies' hosts and customers. The last element is indirect and direct (4) business activities. Direct business appears in the form of event producer. An indirect business opportunity means how the sponsorship is applied to stores and other premises and to selling contests. Event context provides good possibilities for product development and launching new products. (Kunnas, 1.10.04)

Since Alexandersson has recently started working with Malmö Festival, he wants to renew the sponsorship arrangements. Therefore, Malmö Festival does not have many valid sponsorship contracts at the moment. (Alexandersson, 3.11.04) On the other hand, EC2006 will take place in two years and they are middle of the sponsor acquisition process. According to Larsson (13.10.04), EC2006 organization is planning to have all the sponsors by next year in the spring of 2005. As long as they progress in what they are doing, there is no need to change the strategy of trying to find sponsors through the network of the EC2006 team. When it comes to the main packages offered to potential sponsors, Larsson (13.10.04) says that they have not been very innovative. Packages include traditional visibility aspects and hospitality rights, communication associations and such. However, he believes that the integration of the city makes those packages different with additional added values. (Larsson, 13.10.04)

4.6.1 **Benefits offered for Sponsors**

First of all, each event organization offers visibility in printed material (e.g. program leaflets), and exposure at event sites (e.g. logos presented by the stage or on the huge screen) within the specific target group for its sponsors (Alexandersson, 3.11.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Ukkonen, 27.9.04) and it is also traditionally expected (Alijoki, 30.9.04; Salonen, 29.9.04). Especially, Hultsfred Festival and Ruisrock emphasize the benefit of having a clear target group (Elofson, 18.10.04; Salonen, 29.9.04). For instance, by sponsoring Ruisrock, companies are able to reach approximately 25,000 people a day, along with 700 representatives of media (Salonen, 29.9.04). Both organizations like to have co-marketing with their sponsors prior to the festival taking place and offering them a chance to do in-house promotion during the festival, for instance in form of contests and product samples (Elofson, 18.10.04; Salonen, 29.9.04). Also, in the case of Helsinki Festival, some sponsors are given a right to promote their product or services in connection with events. (Alijoki, 30.9.04)

Another common benefit is free tickets and hospitality services provided for the sponsors employees and/or customers (Salonen, 29.9.04), such as pre-screening at Espoo Ciné and Göteborg Film Festival (Hjertén, 8.10.04; Ukkonen, 27.9.04). Hjertén (8.10.04) told that one reason, last year they arranged for their main sponsor (Canal+) a VIP lounge, was to give the representatives of the company an opportunity to be present and talk to customers. Whereas Göteborg Film Festival allows only the logo of main sponsor to be presented before screenings (Hjertén, 8.10.04), Espoo Ciné offers its sponsors the possibility to have advertisements before films (Ukkonen, 27.9.04). According to Alijoki (30.9.04), it varies a great deal in what benefits companies find important; some prefer to have plenty of visibility, while others find hospitality services to be much more important.

Additional to concrete benefits, some of the studied event organizations want to offer more sophisticated packages with added value. Alijoki (30.9.04) believes that image related benefits are essential profit that festival organization can offer sponsors. Hence, the company affiliates itself to festival's image and can take advantage of that in their communication. She reminds that it is not only useful for companies to buy sponsorship, but after signing up the deal they

should work hard to have as much advantage of the deal as possible. This often requires some extra resources within a company. Since Kunnas (1.10.04) has found the internal lack of resources in potential companies to be barrier for selling sponsorship, WC2005 organization provides sponsors with their knowledge already at the point of selling. A large amount of work is done in consulting role by listening, feeding ideas and reminding companies of the existing opportunities i.e. giving ideas how sponsorship can be utilized instead of only having the exposure during the event. Since WC2005 is a huge investment for all of its sponsors, the organization has prepared a profiting plan for some of the companies because all the sponsoring companies do not have enough resources to conduct it themselves. He also brings up that sponsorship as a marketing tool competes, for instance with advertising about the resources that firms have allocated for marketing in their budgets. (Kunnas, 1.10.04)

After finalizing all the partnership contracts, the EC2006 team is also prepared to work together with partners to materialize their investment, identify values and synergies possible to achieve through this relationship. Separate sponsor client service within the organization will be opened to serve sponsor in any questions they might have. Moreover, other projects are acknowledged which could possibly support the benefit of sponsoring the EC2006. Each agreement is to be made for two years including hospitality rights at other events such as Finnkampen in Göteborg (2005) and in WC2005. (Larsson, 13.10.04)

4.6.2 **Sponsorship Initiative Made by Sponsoring Companies**

It seems to be common for potential sponsoring companies to take initiative and contact event organizations to show their willingness to be a sponsor (Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) and actually Alexandersson (3.11.04) wishes that it would happen more often. However, in the case of Malmö Festival, most of them are local companies, which want to be a sponsor just for one night in order to invite their employees and clients to see some show and enjoy hospitality services. Some of them do not even want to be exposed. (Alexandersson, 3.11.04) Larsson (13.10.04) states that they have been lucky because they were already planning to contact the companies that initiated sponsoring the EC2006. Salonen (29.9.04) believes that probably the reasons why companies initiate to sponsor Ruisrock are because of the good

image and the media value of the event. Usually, those companies can be considered as suitable sponsors (Alijoki, 30.9.04). According to Kunnas (1.10.04), those companies have been sponsors before and they see the possibilities what sponsorship can offer. In other words, they have a strong experience being sponsors; thus, the co-operation with them is more interactive than consultative. Frequently, these companies have realized that they have common target group with the festival (Ukkonen, 27.9.04). Also, in the case of Hultsfred Festival, there are similar aspects; "*sometimes there are companies, which are working within an event business or companies that have been working with event organizations that would like to work with us*" (Elofson, 18.10.04).

4.7.   Criteria for Sponsor Selection

Within event organizations choices have been made over sponsorship with regards to which companies meet set criteria and what they have to offer to the event. The main themes that have emerged are relationships, co-operation and the level of competence of sponsors, and gaining goods and services. For instance, Espoo Ciné organization considers the selection of sponsors consists of companies that have some natural connection to the film festival; therefore most contracts are based on exchange. (Ukkonen, 27.9.04) Yet, all sponsor relationships are based on genuine co-operation. They do not perform on-going acquiring of new sponsors because they want to have sponsors that are motivated and have something to offer for the event. She mentions that sometimes she receives phone calls from sponsorship agencies that offer to take care of the sponsorship arrangements. However, she believes that the natural relationship with sponsors can not be born that way. (Ukkonen, 27.9.04) Hence, Espoo Ciné and Hultsfred Festival organizations are mainly looking for relevant goods and services. When asked what type of sponsors Hultsfred Festival wants to have next year, Elofson (18.10.04) replies that she would like to involve some of the bigger mobile companies, e.g. Nokia or Sony Eriksson, in order to get mobile phones for the event organization.

Helsinki Festival mentions that they have had good relationships with former sponsoring companies and consider that it is important that sponsors have a natural fit to some existing project. Thus, the festival organization would not

accept any company, if the potential sponsor did not match the values and moral of the festival. (Alijoki, 30.9.04) In relation, Hultsfred Festival had of the same reasoning; Elofson (18.10.04) mentions that the organizations must feel right and that there should be something that sponsors can stand for. The sponsors that work best for Hultsfred Festival are the ones that have the same values and believe in the same issues such as the environment and morality issues. (Elofson, 18.10.04) Furthermore, Alexandersson (3.11.04) from Malmö Festival argues that the city as owner being of such a big event has some limitations and rules for sponsorship, even though he considers that the city of Malmö to be rather liberal. It is important that every sponsor has a good reputation and that they fit the image and policies of the city as an institution. He would not consider, for instance Coca-Cola to be an appropriate sponsor for Malmö Festival. It is quite important what the brand stands for. He hopes that they could get experienced sponsors, preferably a company that has worked with sports before. Also, beverage and food companies would be good partners since their products have something to do with basic human needs. (Alexandersson, 3.11.04) There are some companies in region of Malmö that truly want to take part and be sponsor of Malmö Festival. According to Alexandersson (3.11.04), these companies must be given the opportunity; thus, the organization can not really set strict criteria. However, potential sponsors must be able to contribute enough money. In order to reach the set criteria, negotiations with sponsors have to be done in a really careful and detailed manner. In the end, lawyers are used to ensure the appropriateness of the contracts. (Alexandersson, 3.11.04)

As an organization, EC2006 wishes to have sponsors that have capability and knowledge for being sponsors. For instance, according to Larsson (13.10.04), they want to have competent sponsors who they know will actuate its rights in many ways. He mentions that EC2006 has criteria for all sponsors that they approach. They want their sponsors to be top in the category, to be experienced sponsors, to be known sponsors and active. In addition, when looking for sponsors, the organization is looking for national sponsors that will have national and a wider impact that will spread a much stronger message. (Larsson, 13.10.04)

Within EC2006 and Espoo Ciné, their criteria has not changed over time. For example, Ukkonen (27.9.04) states that in the past eight years, the criteria for

sponsor selection have been the same. Regarding the criteria for choosing sponsors, Larsson (13.10.04) mentions that the organization has not changed its criteria over time, however they are still selective. Larsson (13.10.04) says that there might be a day when they have to change the strategy, if they do not get the financing and contracts with these criteria during the spring of 2005.

On the other hand, the interviewees also consider sponsors in regards to their audiences. It can be argued that Sonera is able to offer some extra value for its customers by being sponsor of the Ruisrock (Salonen, 29.9.04). Furthermore, Salonen (29.9.04) mentions that sponsors can add value to the event for the customers, especially in the festival area. For instance, a sponsor can arrange a competition for visitors and in connection hand out desirable prizes. (Salonen, 29.9.04) Elofson (18.10.04) argues that sponsors do not have a large affect on the customer or festival visitor, but of course the experience at the festival changes a little. She gives the example that almost every sponsor at Hultsfred Festival does something within the festival area. She says that "*there are many sponsors that arrange some activities to visitors. When the festival is a couple of days long, it is good to offer something else other than just listening to music*" (Elofson, 18.10.04). However, Hjertén (8.10.04) believes that the audience at the Göteborg Film Festival does not care too much about the sponsors. He says that "*of course there is a group of people saying that it would be nice to consume festivals without being exposed to all the commercial messages…there is not so much commercial messages in our festival*" (Hjertén, 8.10.04).

When choosing sponsors, some organizations consider the suitability for the event's image. Alijoki (30.9.04) mentions that sponsors are image factors for them. In the case of Espoo Ciné, according to Ukkonen (27.9.04) factors such as image does not play important role when choosing the sources of funding. Alexandersson (3.11.04) told that people living in Malmö are very proud of the festival and they consider themselves to be part of the festival. This is another reason to have suitable sponsors.

4.8. Sponsorship Arrangements

There have been similar approaches in how sponsors are categorized within most of the investigated cases. It has been seen that sponsors have been grouped into two groups by the most of the event organizations. The first category is main sponsors and the second being either partners or suppliers. Sponsors are categorized depending on the investment and involvement. However, the number of sponsors within the categories seemed to differ somewhat. Among the eight studied events, there is also one organization that does not categories the sponsors. Furthermore, categorization also refers to the business areas of sponsoring companies. In this matter, some event organizations have evidently taken more sophisticated approach to categorization. In connection, some other aspects of practical sponsorship arrangements are presented.

Ruisrock organization groups its sponsors according to their investment. At the moment, they have two main partners, whose all-inclusive investment altogether is more than the investments of all other sponsors. The festival organization did not really think to have two main partners, but over time, the demands of those two companies have increased, which naturally led to more expensive contracts. The logos of these two companies are presented bigger in all printed material and in general more visibility is given. Within the categories, the contracts are fairly similar in value to each other, although both main sponsors have different interests for instance visibility within the festival area. All of the benefits are not priced separately and every detail is not mentioned in contracts. (Salonen, 29.9.04) According to Salonen (29.9.04), when having a good, long-term relationship, small extra wishes are mutually accepted as a gesture of goodwill. However, he wants to emphasize the value of long business relationships and talks about the loyalty of event organizations with their sponsors. He proves that by stating that about 90 percent of the sponsors have been the same during the existence of the Vantaa Festival Ltd. Once you have succeeded to make a deal with a company, it should be respected and not even be discussed with other companies in the same field. Even though a new company could offer a good deal for one year, it is not necessarily the best solution in the long-run. He believes that *"the old customer is the best customer"*. Furthermore, making a new deal always demands more effort than working with the party you have already built up a relationship with.

This does not mean that the contract would be developed and refined over time. The most of the contracts are made for one year at a time, but typically the contracts are renewed in the early autumn. Salonen (29.9.04) aims to close all the sponsorship deals for the upcoming festival in the end March 2005. (Salonen, 29.9.04)

Hultsfred Festival can be compared to the categorization of Ruisrock. Hence, Hultsfred Festival uses the terms main sponsors and partners. They had three main sponsors at the last festival, although they would like to have a maximum of five. Additionally, they usually have six or seven partners. With these sponsors, they work exclusively with their branch. The contracts are similar in regards to the amounts of money, but different in regards to other services between them. (Elofson, 18.10.04) Also, Kunnas (1.10.04) says that the value of contracts is often similar to each other, but how companies utilizes the relationship varies. Elofson (18.10.04) admits that the organization of Hultsfred Festival has become better over the years with sponsorship. In the beginning of the sponsorship, Hultsfred Festival wanted to make contracts only for one year with the new sponsor and test the relationship before making longer contracts. Years ago, they worked with maybe five or six different sponsors and all of them got the same benefits despite the different sums of money they contributed for the organization. Since then, the organization has structured its sponsorship policy. (Elofson, 18.10.04)

Göteborg Film Festival has a similar categorization by having main sponsors and suppliers that are based on barter-deals. Hjertén (8.10.04) considers that the festival could have two main sponsors, but at the moment, they only have one. He continues by saying that the barter-deal list does not have any limitations. However, he does not believe that it would be likely to have something like 100 barter deals for the reason that it would be hard to communicate or to expose so many companies. Hjertén (8.10.04) states that there is a framework from which they try to set up the deals, however, the event organization has to be flexible; some of them do not need certain aspects within a deal and some do. Hjertén (8.10.04) continues to mention that main sponsor contracts are made for two years and other sponsors are made for one year at a time. It has turned out that it is very easy to renew these deals; they have had a tendency to keep going on. Most of the sponsoring companies are based in Göteborg, which has made it easy to have a relaxed relationship with them. (Hjertén, 8.10.04)

Different to other organizations, Helsinki Festival has categorized its sponsors into three groups. The first one called partner-category i.e. main sponsors. In this category, there are four places reserved for sponsors even though only two of those are filled at the moment. The two partners have different kinds of contracts from each other since they both have their own individual name projects within Helsinki Festival. Helsingin Sanomat (the leading newspaper in Finland) hosts the biggest single event called "The Night of Arts", whereas S-Ryhmä (a retail and hospitality corporation) hosts the "Huvila Festival Tent" with music and entertainment. The second category is called sponsors, which has six reserved places. However, at this time, they only have four sponsors. The companies in the sponsor category do not have individual projects, but they are involved in the entire Helsinki Festival. In addition to these two groups, they also have a membership program for companies. Thus, this group includes hospitality services with no visibility aspect. The number of members in this category is indefinable. Each sponsoring company in the partner and sponsor categories has exclusive rights of its own business area. All the existing contracts have been made in the spring of 2004 and are valid until the end of 2006. Therefore, the contracts are made for three festivals. (Alijoki, 30.9.04)

Alexandersson (3.11.04) says that in an ideal situation, Malmö Festival would have only one generous sponsor since it would be less work for the organization. Albeit, seriously speaking he thinks that one main sponsor in addition to some other sponsors would be the best arrangement because too many sponsors are difficult to handle. Malmö Festival has categorized its sponsors, but especially now that they have the agency working with sponsorship arrangements, the categorization will be more comprehensive. First of all, categories are based on monetarily investment and type of contracts i.e. barter-deals form one group. Malmö Festival used to have one sponsor for each day; however, Alexandersson (3.11.04) likes it better to have one sponsor per stage or certain festival venues during the course of the whole festival. The reason for this is that it is easier to work with sponsors this way. He would prefer to have similar contracts with each sponsoring company, but it is not really possible since the sponsors have such different needs and participate in different activities.

Alexandersson (3.11.04) hopes to have long-term contracts with main sponsors, in the other words, three years at the time. He believes that longer contracts are

dangerous because it can not be said if the event exists anymore after several years. Especially, if some activities are planned together with a sponsor at the festival area, it is practical to have sponsors for at least two years. On the other, trends change frequently so that it is not always good to have same activity time after time. Alexandersson (3.11.04) agrees with Hjertén (8.10.04) that usually barter-deals are made only one year at the time. Alexandersson (3.11.04) does not have negotiations with sponsors because he does not believe to be the right person for the job. Therefore, negotiations are handled by the sponsorship agency and his duty is to improve media situation with TV- and radio stations. Malmö Festival used to have three radio stations as sponsors. It has not been any problem because none of them wanted to be exclusive, but instead have exchange based on barter-deals. For instance, NRJ has arranged one concert for young people with artists that Malmö Festival could not otherwise afford. However, in the future Alexandersson (3.11.04) aims to have only one radio station because that is the way he is used to work with sponsorship. On the other hand, as long as the city is the owner of the festival, having a title sponsor such as *"Carlsberg proudly present Malmö Festival"* will never happen. (Alexandersson, 3.11.04)

4.8.1 **The Influence of the Parent Organization**

Parent organizations, IAAF and EAA, have defined somewhat authoritarian rules for local organization committees of sport mega-events' host cities concerning sponsorship arrangements. Furthermore, they have long-term sponsorship contracts with several companies, meaning that the sponsors of the actual event cannot operate within the same business areas. (Kunnas, 1.10.04; Larsson, 13.10.04) Additionally, IAAF has given all international television and marketing rights to Dentsu, which is one of the biggest advertising and communication enterprise in the world (Kunnas, 1.10.04). The local organizing committees have negotiated with parent organizations to define the categories in which they can have national partners. (Kunnas, 1.10.04; Larsson, 13.10.04) Still, Kunnas (1.10.04) reveals that WC2005 organization has to pay a certain fee for Dentsu to have their national sponsors. In its rules, EAA has structured the field of marketing into several categories such as beverage companies, clothing etc. With this structuring, EAA wants to ensure that no conflicts of interests are raised. The project team aims to find sponsors for each available category. (Larsson, 13.10.04) According to Larsson (13.10.04), a sponsoring

company often sets the restrictions to be the only one in its business category. At the moment, the EC2006 have contracts with two national sponsors that Larsson (13.10.04) considers to be almost identical. The organization has developed a frame agreement and has developed two levels of right packages: (1) sponsors that is more business to consumer related and (2) suppliers that are more business-to-business oriented. When asked if they had the same contract arrangements with suppliers, Larsson (13.10.04) said that it was more complex with those contracts because they should also have a section about the delivery. He mentions that this is always tricky because they have to know "*how to value and perceive value*" (Larsson, 13.10.04). As in the case of WC2005, EC2006 does not only have barter-deals with suppliers, but the contracts include money as well. (Kunnas, 1.10.04; Larsson, 13.10.04)

EC2006 will have two main sponsors and eight supplier-sponsors. Whereas, WC2005 has negotiated eight national-partner places and eight supplier-sponsor places for the event. All the places are now filled; the two missing national partners will be announced soon. At the moment, the event organization is negotiating with Dentsu about two additional supplier that are needed. Since Dentsu has provided WC2005 organization with standardized contract models, all the deals are similar to each other within the category. The differences derive from how the companies take benefit of the rights included in the contracts. Certain companies may want to exploit all the benefits offered, while others only want to use half of the rights. Kunnas (1.10.04) describes that all their partners are individual and have heterogeneous goals. He reveals that at least one company will launch a new product and are planning to change their brands. Some of the companies have clear goals within the internal marketing. All the companies have one common factor; they want to make indirect and direct business. The scale of this event is so huge that it enables direct business compared to other smaller events, which does not necessary give the possibility; even though indirect business opportunities such as promotions and distribution channel marketing are meaningful. Among the sponsors, there are both consumer brands (e.g. Sonera and Finnair) and obvious business-to-business brands (e.g. Edita publisher). The sponsor contracts are valid until the end of the year 2005; however, they wish that the sponsors will continue partnership with athletics in the future. (Kunnas, 1.10.04)

4.8.2   **Sponsors in the Same Category**

Espoo Ciné mentions that they do not like to categorize their sponsors for the reason that sponsors are considered on a case-by-case basis. However, the only difference made is between commercial companies and public supporters (state and the city of Espoo). Despite all, the sponsors are presented equally in the print material; individual contracts are made with each company. The goal and starting point is to reach contract, which satisfies both parties. Nevertheless, Ukkonen (27.9.04) points out that the role of a sponsor is considered case-by-case, which is based on what the event organization sees reasonable. Written contracts are made for one or two years at a time, yet in the case of the most valuable contracts longer periods of time are discussed orally to ensure continuity. No significant changes have occurred during the past years concerning sponsorship arrangements in the Espoo Ciné. Naturally, small refinements are done all the time and as time has passed by relationships with certain sponsors have deepened. As mentioned before, Espoo Ciné organization is mainly looking for relevant goods and services. The value of these contributions is evaluated in order to determine the benefits for the sponsor. The payment is tailored according to the target market of the sponsor. Often, there are companies, especially big, international ones that know very well what they want as a benefit for their contribution. (Ukkonen, 27.9.04)

The sponsor selection of Espoo Ciné overlaps in business fields, for instance there are two radio stations, which compete for the same audience. For the reason, the logo of another station is presented bigger in the program book. The radio stations have raised the discussion of the situation. Ukkonen (27.9.04) says that the only solution is to be honest what the event organization can offer for both of them. From the perspective of Espoo Ciné, the two radio stations can offer different benefits because one of them is a non-commercial station. If the situation demands a decision between the two, the event organization must consider all the different aspects to decide with which station to continue. Ukkonen (27.9.04) thinks that one is closer to the idea of Espoo Ciné spiritually, whereas the other can offer advertising time. Earlier, three different television channels were sponsors of the event at the same time, but the biggest one was ready to invest so much into the event that the organization was willing to give up the two smaller ones. (Ukkonen, 27.9.04)

4.8.3   **Importance of Knowing Event's Sponsors**

Most of the event organizations follow their sponsors' business activities during the contract season. Alexandersson (3.11.04) follows the business activities of the sponsoring companies because of his own interest. Otherwise, he thinks that the sponsorship agency does it very effectively. Alijoki (30.9.04) thinks that it is important to know what their sponsors are doing, for instance if the sponsor launches a new magazine, it could be a good possibility to further develop the sponsor relationship. She believes it is crucial to know your partners and their business activities. (Alijoki, 30.9.04) The organization of Ruisrock follows their sponsors' business actions to know how to involve Ruisrock in their marketing (Salonen, 29.9.04). Hjertén (8.10.04) says that he only actively follows the main sponsor's activities. Although, he thinks that he needs to be updated when meeting the sponsors. Also, Elofson (18.10.04) think that she must be aware of what their sponsors do. She finds it interesting to know, which other events they are working with. Thus, it is possible to evaluate if the company suits the event. (Elofson, 18.10.04) Reasons to follow sponsors' activities can also be more unselfish. The WC2005 organization is aware of the monetary goals of the each sponsor and they work together with the companies to achieve these goals, thus they must follow the business activities of their sponsors. (Kunnas, 1.10.04) Then again, Larsson (13.10.04) says that since they are in middle of the sponsorship acquisition, they have to follow the activities of the potential sponsors to know which companies to approach. On the other hand, Ukkonen (27.9.04) states that they do not actively follow the business activities of their sponsors, but naturally start to pay attention to marketing and issues that are raised up in the news. She also finds it interesting to know other partners their sponsors have. (Ukkonen, 27.9.04)

Some interviewees (Alijoki, 30.9.04; Kunnas, 1.10.04) admit that something could happen within the sponsoring company that would not make them continue their relationship. Alexandersson (3.11.04) believes that if some serious violations towards the environment or within the firm, any event organization would give up the contract. When an event organization is sponsored by a company, it will also be part of the trademark (Alexandersson, 3.11.04). Kunnas (1.10.04) gives an example that in theory, it could be possible that a supplier cannot meet the expectations of the event organization and that could lead to demolition of the sponsor contract. Salonen (29.9.04) does not

really believe that the business activities of sponsoring companies could ruin the image of the festival. On the contrary, he could see the possibility that sponsor would withdraw because of the bad publicity for the event, therefore he thinks that it is important to take well care of the business and follow the law. (Salonen, 29.9.04) Carefully considered, sponsorship arrangements can be considered competitive advantage when event organizations try to attract sponsors. However, it seems that there are many other aspects too as discussed in the following chapter.

4.9.   Competitive Advantages of the Event Organizations

All the selected events seem to represent the top of their category and/or region. Therefore, all of them have some clear competitive advantages compared to other events. However, many of the interviewees recognize other events as competitors (Elofson, 18.10.04; Kunnas, 1.10.04; Larsson, 13.10.04). The number of visitor or the size of the event is often mentioned to be a competitive advantage (Hultsfred Festival, WC2005, EC2006, Malmö Festival and Helsinki Festival) along with having a good location (Ruisrock, Espoo Ciné, Malmö Festival). Furthermore, many organizations believe that they have something special to offer sponsors.

One reason to create differentiation strategy for WC2005 is to be distinguished from other events and sport leagues, such as ice hockey, in the eyes of potential sponsors. (Kunnas, 1.10.04) Nevertheless, he considers other organizations to be their competitors in attracting sponsors. There are some clear competitive advantages in WC2005 compared to other events. It is the biggest sport event arranged in the world in 2005 and the biggest in Finland for all times. The organization trusts the differentiation strategy and its unique product concept including comprehensive core and support services that they have built up. Moreover, communication, especially advertising, is quite different from other sport events. (Kunnas, 1.10.04) Competitive advantages in case of EC2006 are similar from the national perspective; however, EC2006 is unique since it is the biggest event in two decades within Sweden. Furthermore, EC2006 has competitive advantages in the context of sponsorship arrangements, which are its size and probably being the most professional organization to stage events at this magnitude in Sweden completed with the whole City of Göteborg being

the arena. (Larsson, 13.10.04) On the contrary to WC2005, a strong advantage of EC2006 is the fact that athletics is one of the most popular sports in Sweden at the moment. Larsson (13.10.04) sees the bigger picture and argues that event organizations are also competing with any investment within the potential sponsoring company. The same money can be invested in other forms of marketing, human resources or sales promotion. Hence, it is also the question what are the investment priorities within potential sponsors. (Larsson, 13.10.04)

Hultsfred Festival has also similar advantages because it is a well known brand among many young people in Sweden. Elofson (18.10.04) states "*…sponsor organizations know that Hultsfred is a very good place to meet large amounts of young people from all over the country, at the right age and in natural environment*" (Elofson, 18.10.04). Nevertheless, Hultsfred Festival often competes with sport and other festivals for the same money because there are plenty of music tours during the summer. According to Elofson (18.10.04), it is a very difficult competition. Hultsfred Festival's competitive advantage is also that, among Swedish festivals, they are clearly the biggest with attracting about 26,000 visitors every year. "*We meet the largest amount of visitors and we are the earliest in the summer, which is an advantage for companies to start with their campaigns or products*" (Elofson, 18.10.04). She also argues that they are good in working with sponsors. As discussed about the number of visitors, Malmö Festival has approximately 1.4 million visitors during eight consecutive days. This means that it is possible to reach broad target group of potential customers within a city environment. The wide scale of program and audience makes it possible to work in different ways with different kinds of sponsors. According to Alexandersson (3.11.04), the sponsorship agency considers the city as an owner of Malmö Festival, which is positive thing because sponsors find it reliable and safe especially in the context of long-term relationship. On the other hand, the festival organization is not very commercial. (Alexandersson, 3.11.04)

There are event organizations that do not really consider other events to be their competitors because they rely on the existing relationships and they believe that they have something unique to offer for potential sponsors. Salonen (29.9.04) believes that Ruisrock is not competing for sponsors with other event organizations for the reason that they have been loyal for their own sponsors.

Moreover, a good geographical location is a competitive advantage for them to attract sponsors. Salonen (29.9.04) argues that bigger cities have more interesting target areas for potential sponsors in Finland. Long tradition and media value of Ruisrock are in importance for commercial sponsors. Among different festivals competition on bands is quite hard. Therefore, this festival organization has invested on good backstage services such as food. In order to develop their own festivals, the owners visit every year some festival in Europe to find out new ideas. Additionally, they follow the trends of music business by reading international magazines. (Salonen, 29.9.04)

Alijoki (30.9.04) does not really find other events as competitors of sponsors because she thinks that Helsinki Festival is rather different from other festivals by being a multi-cultural event. On the other hand, she recognizes that Finland is a small country not with too many companies. Thus, this fact creates competitive situation. Since Helsinki Festival is multi-cultural, it has different kind of audiences; moreover the total number of visitors has been highest in Finland during many years. Sponsorship wise, she believes that one competitive advantage to other events is that the marketing of the festival differ from others by concentrating on image advertising. Helsinki Festival is a known event with a good deal of publicity. Additionally, all the four basic values (many-sidedness, internationality, urbanism and high quality) are considered to be competitive advantages. (Alijoki, 30.9.04)

All bigger film festivals in Finland have different repertoire from each other, meaning that even though they have similar audiences, generally interested in film festival, the product is different. Ukkonen (27.9.04) claims that Espoo Ciné has a very wide age range among its audience causing target groups with different backgrounds. The location is an important advantage since the inhabitant density is high around the area of Espoo and Helsinki. Moreover, foreign visitors easily reach the festival location of Tapiola. Additionally, the festival is taking place all the time at the same site, not in different theaters like many other film festivals. Hence, Espoo Ciné does not really consider other event organizations to be competitors in attracting sponsors. (Ukkonen, 27.9.04) Although, it is interesting to see what kind of sponsors other events have, says Ukkonen (27.9.04). Even though Göteborg Film Festival does not have a competitor within the film festival area, in Göteborg or on a national level; according to Hjertén (8.10.04) all the other events in Göteborg are

competing with them when they are running for barter deals. Film festivals tend be culture expressions with glamorous connotation in world. Thus, Hjertén (8.10.04) believes that the competitive advantage of Göteborg Film Festival is that it is nice, funny and easy consuming festival. The festival also attracts a very wide range of people. (Hjertén, 8.10.04)

4.10. How Sponsors Influence the Development of the Event

Most of the interviewees believe that the sponsors do not actually change the nature or the content of the event, but they admit that sponsors are vital for the existence of the events. However with involvement, the sponsors have an influence on the final product, especially in the cases where they have the role of producer and expert of their own field.

Sponsors have been part of the decision-making in the WC2005. However, they have not affected the strategy and the plan because that is what they have bought. (Kunnas, 1.10.04) Generally, the way sponsors take advantage of an event changes the nature of that event; have influence on the very final product and what an event offers to its customers. Kunnas (1.10.04) argues that sponsors have implications on the product's desirability. This is also a question of brand synergy. The event should produce added value for its sponsors, not the other way around. On the other hand, Kunnas (1.10.04) gives an example of Finnish alpine skiing, which has succeeded to raise interest among the public because of three very strong brands (Audi, Carlsberg and MTV3-national television channel). He believes that if Audi would draw back the deal, it would decrease the interest of alpine skiing in Finland. (Kunnas, 1.10.04) In addition, Larsson (13.10.04) believes that sponsors can definitely affect the event, "*especially, if you get good experienced sponsors, they would push you to perform better and activate its rights to produce the event and increase their equity*". Thus, if the event succeeds to get sponsors that are willing to develop the event instead of just financing, it is ideal for the development of the event. Moreover, in the case of EC2006, active and attractive sponsors can help to build up a positive image of Göteborg, for instance by raising the interest of the press. (Larsson, 13.10.04) Salonen (29.9.04) takes the same standpoint with the representatives of sport mega-events. The sponsors have affected the

development of Ruisrock because they have their own wishes. Together, the festival organization and sponsors, discuss ideas and their applicability. Often sponsors are ready to cover extra costs, if their wishes are noticed. Salonen (29.9.04) also argues that firms need events for their marketing. Event organizations need sponsors' money and firms need events' clear customer groups. The organization of Ruisrock conducts market research on constant basis to know better their audience and have right kind of marketing and sponsors. (Salonen, 29.9.04)

Furthermore, sponsors can have direct influence on the event organization. According to Alijoki (30.9.04), the sponsors have brought in professionalism and organized the work for Helsinki Festival organization, such as in forms of schedules. Ukkonen (27.9.04) agrees with Alijoki (30.9.04) that sponsors bring exchange of ideas and thoughts into the organization of Espoo Ciné, and also professionalism in operational activities. Moreover, sponsors have definitely affected marketing and advertising of Helsinki Festival. When sponsors invest in an event, the organization becomes responsible for that investment. Sponsoring money enables to increase personnel resources. However, the sponsors have not had chance to change the program, although the resources distributed by the sponsors have made it possible to have varied program in the first place. Thus, Alijoki (30.9.04) would not say that the sponsors change the nature of the event, but the way things are done. The investors have to be kept in mind and the organization must make a commitment to its sponsors by having planned collaboration with them. (Alijoki, 30.9.04)

Alexandersson (3.11.04) thinks that the sponsors have not really affected on the development of the Malmö Festival; however, he believes that they may influence on the festival in the next two or three years depending on the amount of tax money contributed to the event. If the festival receives less tax money in the future as a consequence, they will need more support from sponsor; thus the sponsors will most likely influence the event more. Nevertheless, Malmö Festival organization does not want sponsors to have too much affect on the content of the event. (Alexandersson, 3.11.04) Alexandersson (3.11.04) sees that one problem with sponsor based funding is the fact that many companies are so connected to the circumstances in the world's economy.

Next year, Hultsfred Festival has been going on for 20 years and according to Elofson (2004), it is impossible for sponsors to come and steer the event. The festival organizer does exactly what they want and decides what is good or not. Elofson mentions that "*I can think that if a new event that starts its first or second year and if someone comes in and offers a large amount of money to do this or that, it is easier to change compared to us*" (Elofson, 18.10.04). She continues that some new ideas from sponsors can be implemented, but no one can have a large influence on the content. There are many sponsors that are trying, but they have not succeeded. "*For example, we do not have any stage sponsoring or any logotypes up on the stage. This is because we do not want people to think that someone else has booked or decided which artist to have on the stage*" (Elofson, 18.10.04). This is a great difference compared to Ruisrock, which has similar characteristics on many other areas (Salonen, 29.9.04).

Working with sponsors is a relatively new thing for Göteborg Film Festival. About 4 to 5 years ago they did not have that much of a sponsor policy and did not have many sponsors either. They had another way of looking at sponsorship. At that time, the funding came from ticket sales, membership card sales, from the city and from Swedish Film Institute. First, it was very political when Göteborg Film Festival decided to sign up with Canal+ to be a main sponsor. The old or main group of audience did not really sympathize with Canal+. However, the situation has calmed down. "*Of course among 100,000 ticket buyers, you will find a few thousand saying the sponsorship is bad, but I would also say if you were to sit down with those people and to sort things out and explain why we are working with sponsors, they would of course realize that it is a good thing*" (Hjertén, 8.10.04). Hjertén (8.10.04) thinks that in some way, "*Göteborg Film Festival do not have an interface or image of being very commercial, but Canal+ might have put us a little bit closer to a commercial issue.*" Canal+ has definitely made a big impact when they started to work with Göteborg Film Festival. "*Pragmatically, we need these sponsorships to do what we are doing. In the ideal situation we would not need sponsors, but we would be 100% self-financed*" (Hjertén, 8.10.04).

4.10.1   **Sponsors Role in Event's Image**

When asked if certain sponsors increase the value of the event for other potential sponsors or consumers, all of the event organization representatives offered similar responses. They mentioned that sponsors have a role within the event when it concerns images and brands. For instance, Salonen (29.9.04) at Ruisrock mentions that if well-known companies such as Sonera, decides to invest on certain events, it increases the credibility of the event in the eyes of the other firms. Also, Alexandersson (3.11.04) believes that certain companies can definitely increase the value of festival in the eyes of other potential sponsors and vice verse. Furthermore, Elofson (18.10.04) from Hultsfred Festival says that a strong brand can have an effect when there is a new sponsor coming in. She continues by saying that it creates safety if Hultsfred Festival already works, for example with Aftonbladet or SVT, which she considers to be big and safe. (Elofson, 18.10.04) The WC2005 also contributes to the idea of brand and image when mentioning sponsors and their value to an event. Kunnas (1.10.04) says especially brands that are image leaders of their own business field in the eyes of the consumers increase the value of the event. In addition, Larsson (13.10.04) from EC2006 agrees that sponsors increase the value of the event. He resumes mentioning that he believes that EC2006 is a good event with two of the bigger sponsors already signed in. He believes that "*with two of the bigger ones already signed in, they send out the message to the others that this is probably a good event*" (Larsson, 13.10.04).

Despite the operational impacts, Ukkonen (27.9.04) at Espoo Ciné argues that sponsors do not change the nature of the film festival. However, as all the others, she also believes that the certain partners increase the value of the event in the eyes of the other potential sponsors. (Ukkonen, 27.9.04) In addition, in regards to having sponsors, Hjertén (8.10.04) thinks that it makes it easier for him to approach new sponsors. Furthermore, Alijoki (30.9.04) from Helsinki Festival believes that certain sponsors enhance the value of the festival in the eyes of other potential sponsors. She suggests that networking is an imperative factor for sponsors and thinks it is significant who else is involved because sponsors have chance to get to know each other when having meetings about sponsorship arrangements. (Alijoki, 30.9.04)

4.11. Personal Relationship

Out of the eight cases, one interviewee emphasized the most meaning of personal relationships. Salonen (29.9.04) believes that personal relationships play an important role *"in car deals, so why not in rock business"*. When they started to think about potential sponsors for Ruisrock, they first had discussions with representatives of existing sponsors of Ankkarock that the same organization had arranged more than ten years. Since they had worked together already for many years and kept in touch outside of the rock business, the transfer was quite natural. It is matter of honor for the organization to take care of all its sponsors. For instance, TDK has been hanging along with the organization the past 15 years. Moreover, the worth of the contract is not best possible for the event organization, they want to maintain TDK's position because of the loyal relationship. Salonen (29.9.04) wants to emphasize that the agreements must be followed to keep all the sponsors happy. Moreover, when having good, long-term relationships, small extra wishes are mutually accepted as a gesture of goodwill. (Salonen, 29.9.04)

Even though the chosen sport mega-events are one-time occasions for their organizers, it seems that persons have already existing connection with some of representatives of sponsoring companies from previous businesses interactions. For instance, Kunnas has worked with most of the sponsoring companies before so it makes work more trustworthy. If any of the new acquaintances turned out to be disappointment, it would be very dangerous for the event organization because it would influence the whole process. *"Every player must know what to do on the field and we must be able trust the person who cleans the front of the goal"*, crystallizes Kunnas (1.10.04). He would not really say that personal relationships are meaningful, but he mentions that it is significant if there is a person with whom you have worked before in the organization. The previous experiences make it easier to trust that everything will work out as agreed; moreover, similar ways of thinking is an advantage. Also, Larsson (13.10.04) and Salonen (29.9.04) argue that trust is a very important attribute in creating a partnership, even if main points are stated in rather detailed contract. Kunnas (1.10.04) emphasizes reciprocal trust, while Larsson (13.10.04) and Salonen (29.9.04) state that a potential partner needs to be sure that everything that is agreed will be delivered by an event organization and the relationship

will give value for the investment. Larsson (13.10.04) continues by saying that a good personal relationship is an excellent starting point to create trust, but most importantly it is important to build trust around the whole event team.

Additionally, Elofson (18.10.04) says that it is common to work with a sponsor for many years if the relationship works very well. However, if the organization hires a new marketing manager, a new product manager or even a new CEO, it always seems that some changes will take place since they want to bring in new ideas. It is very hard to work with this type of organization that changes a lot of personnel because it makes it more difficult to keep up good communication. She continues by saying that, in the beginning the relationship, it is often between just two people, but later in the relationship she thinks it is important for sponsors to familiarize with others within the event organization in the case of her getting sick or changing a job. (Elofson, 18.10.04) Also, Alijoki (30.9.04) praises the long relationships they have had with many of the sponsors, which enabling open communication and continual development of the relationship.

4.12. Summary of the Empirical Findings

In this chapter, all the empirical findings are summarized in order to find the main themes. In the beginning of this section, the studied cases are introduced. This is done in pairs formed of the compatible events in Finland and Sweden. The four pairs consist of sport mega-events, city celebrations, rock festivals and film festivals. All of them except sport mega-events are arranged on yearly basis. These sport events take place every other year in different host cities and thus, they can be called one-time events from the perspective of the organizing committee. All the event organizations except one are non-profit organizations. If any profit is made, in most cases it is transferred to the development of the event.

The authors of the study invited interviewees to tell their own definition of the sponsorship in order to develop an understanding how sponsorship is seen within the practitioners. Two different approaches can be seen within the contributions. Five out of eight representatives of the event organizations included aspects of marketing in their definitions. They discuss sponsorship as a promotional tool and raised the issues of associating a company with the sponsored object along with company and product image, and brand awareness. The importance of a mutually beneficial relationship was emphasized. The following three had more practical and case related approach. The exchange of the resources and benefits are discussed in relation to two way communication.

Above all, funding is the most important reason for sponsorship within event organizations. In many cases, sponsorship funding is vital for the existence of the event and enables the development of the event concept. However, other reasons for sponsorship acquisition can be found as well. Closely related to funding is the fact that sponsorship is often based on the exchange of relevant goods and/or services. Hence, sponsors work as suppliers or producers of an event. Furthermore, two interviewees mentioned learning to be a good reason in having partnership with sponsors. Communication with the business world organizes the work within event organizations. There is always something to learn in marketing communications from corporations that often have strong experience within the field. It is also considered that having sponsors will bring

credibility for the event organization. An active sponsor is considered to be good promoter of the event and one source of ideas in developing the event.

The goals of the event organizations are often related to goals of some larger framework. WC2005 is one personification of the main strategy of the Finnish Athletic Association to increase the interest of Finnish athletics among sponsors, audience and amateurs. EC2006 is the showcase of Swedish athletics, but also the City of Göteborg. The city is promoted in relation to the event. Moreover, the purpose of the Malmö Festival is basically the same, although on a local level. Malmö Festival is part of the general program to *"make Malmö better place to live"* (Alexandersson, 3.11.04). On the other hand, some event organizations have more frank goals. Rock festivals want to have a sold out event every year. Furthermore, the quality and good content are considered to be a goal as well. For instance, at the moment Espoo Ciné does not really concentrate on increasing the number of visitors, but to improve the quality of the content. Especially film festivals want to be recognized and respected among the audience, but also professionals. The level of strategic management varies a great deal among the investigated events. Some of the event organizations have carefully considered strategies that, as mentioned above, are related to some bigger strategic thinking. On the contrary, others have not really given any thought for strategy formulation.

Most of the interviewees mentioned that they want sponsors to naturally fit the event concept, values and morale. In practice, this often means that the acquisition of the sponsors is based on the needs and wants of the event organization. This leads easily to barter-deals. A good relationship and fruitful co-operation are respected along with experience as a sponsor. Moreover, the event organizations hope that sponsors to bring some added value for the customers. Most of the interviewees argue that sponsors do not really change the nature of the event. However, some of them admit that sponsors can influence on the development of the event product. Everyone agreed that one respected sponsors makes it easier to attract other potential sponsors.

All the studied event organizations except one are categorizing their sponsors based on the investment and level of the involvement. The most common way is to have two-level hierarchical system. The most event organizations have main sponsors or partners on the top level. Usually, suppliers form the second

category. The contracts of main sponsors are generally made two or three years at the time, whereas supplier contracts are often made one year at the time, even though continuity is typically discussed for longer period of time. Sport mega-events are special cases since they are one-time events for the local organizing committees. The parent organizations have long-term contracts with some international sponsors, but these contracts do not influence on the national event organizations except by restricting the business areas they can have sponsors in.

All the chosen events represent the top their category and/or region. Hence, all of them have some clear competitive advantages. All the repetitive events are well established and have moderately long histories. Sport mega-events are exceptional in size and how widely they can affect their surroundings. Moreover, WC2005 have built up comprehensive strategy and sport concept and EC2006 is marketing itself together with the City of Göteborg. Music festival have clear target group consisting of young people and they have also found their position in the market. On the contrary, both city festivals have wide variety of program and, thus audience.

The meaning of personal relationships came up in couple of the interviews. The main theme was the importance of trust. It was mentioned that if one is working with a familiar person, it is easier to conduct the work. Moreover, the event manager should be able to trust everyone related to a project since there are so many details to take care of within the big event. In relation to sponsors, trust is particularly important when they work also as producers of the event.

5   ANALYSIS

In the analysis, collected data is combined and compared with the theoretical framework. Additionally, the authors present their own observations about the topic. The intention of the chapter is to make it possible for the authors to draw conclusions and answer the stated research problem. Analyses follow closely with the themes presented in empirical data.

5.1.   Event Identities and Sponsorship

According to Getz (1997) all the studied events are special events. Moreover, since all the events are public, they can be considered to be hallmark events (Ruisrock, Hultsfred Festival, Espoo Ciné, Göteborg Film Festival, Helsinki and Malmö Festival) or mega-events (WC2005 and EC2006). It could be argued that all the selected events represent the best of their category and/or region. In regards the pairs made by the authors with the help of Getz's (2004) typology of events, some patterns have been expected, while others have given more unexpected evidence.

Both WC2005 and EC2006 can be called mega-events because of their size and significance for the environment. These events are expected to yield high level of tourism, media coverage and economic impact for the host cities. (Getz, 1997) Hence, the destinations have a significant role in planning and executing the events. Since sports have a strong tradition in sponsorship (Goldblatt, 1997; Skinner and Rukavina, 2003) and still is the most sponsored area of interest (IEG Sponsorship Report, 2003; Sponsorointibarometri, 2004), it was expected that both sport mega-events have professional approach towards sponsorship. Moreover, they have strong, international parent organizations that have certain demands on the outcome of the event. According to Cleland and Ireland (2002), the parent organizations can be seen as important stakeholders, which have authority over the event organization. Therefore, these events have carefully considered implementation of management approaches including well-defined sponsorship arrangements.

The rest of the selected events are hallmark events. All the events have grown to be important for their host communities over the years. These events have long histories, Espoo Ciné being youngest at the age of 15 years and strong tradition along with moderately large audiences. In addition, each of these six events calls themselves festivals. Indeed, all of those events go well with Getz's definition of public, themed events. (cf. Getz, 2004) The studied music festivals represent the idea of a typical hallmark festival. For instance, Hultsfred is a small town, which has become known all over Sweden because of the festival. It can be argued that the existence of the festival generates activities, economically and socially. These are the oldest on-going music festivals of their kind in their countries. Compared with all the other six cases, music festivals appear to have the most specified target market consisting of relatively young people, average age staying well below 30 years old. Thus, the clear target market is attractive for many sponsors that make it easier to sell for potential sponsors. The music festivals contrast with all the other selected events by providing more all-inclusive experience for their visitors because most visitors stay couple of days at the festival sites. Moreover, both festivals take place on beautiful sites by the water. As mentioned by Elofson (18.10.04) and Salonen (29.9.04), sponsors assist in producing better festival i.e. better experience by bringing in additional activities. It is also important for Ruisrock and Hultsfred Festival to have a strong image and that sponsors can help support them in gaining a better image (Elofson, 18.10.04; Salonen, 29.9.04).

Out of all the investigated cases, film festivals turned out to be the most practical in their sponsorship arrangements. The main idea is to have sponsors that can provide resources, often in form of goods and services to help to actualize the event. The relationships are mostly based on exchange or barter-deals as they are often called (Alaja, 2001). This is the natural relationship that the interviewees emphasized. (Hjertén, 8.10.04; Ukkonen, 27.9.04) It is also important to mention that these organizations did not have clearly stated strategies, more of a very "loose" sponsorship policy as Hjertén (8.10.04) mentioned. Selecting sponsors is based on the operational need of the event organizations and could be considered as the underlying portfolio approach (Cooper et al., 2001). Both film festivals aim to show films that are not usually screened in the commercial movie theaters and the most of the films are shown in a particular area only during the festival. Thus, they try not have too much of commercialized image. These strongly culture-related festivals were reluctant

to concentrate on sponsorship arrangements to a larger extent. The emphasis lies within the content of the event. Moreover, the film festivals tend to be meeting places for the professionals of the field. (cf. Hjertén, 8.10.04; Ukkonen, 27.9.04)

According to Getz's (2004) typology, the chosen city festivals are cultural celebrations that can take many forms. In fact, since both are multi-cultural festivals, there are different kinds of cultural activities within one festival. These festivals take place during several days and in multiple venues. The aim of the festivals is to offer something for different target groups. Both city celebrations represented in the study have relationships with sponsorship agencies. Alexandersson (3.11.04) believes that neither he nor the city as an organization have adequate skills to take care of the sponsorship arrangements. Therefore, in the case of Malmö Festival, Alexandersson (3.11.04) turned to a sponsorship agency for expertise, as Erickson and Kushner (1999) recommended that an organization should concentrate on what it specializes in and use companies that focus on different core competences. The organization of Helsinki Festival made that decision already in 1997. Furthermore, Alexandersson (3.11.04) argues it is difficult to find focus in an event that includes very many elements for different target groups. In addition, Alijoki (30.9.04) tells that after having the content of the program designed, the agency helps them to define the product, which can be sold to potential sponsors. Another thing that these city festivals have in common is that both have certain stages or activities hosted by single sponsors. These festivals use allocation of resources between simultaneous projects or in other words use the multi-project approach. (cf. Engwall and Jerbrant, 2003)

Similar characteristics of the each event pair are summarized in the following table (Figure 5). The event typology of Getz (2004) is used to describe the events. Only the central resemblances are presented within the studied events.

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SPORT MEGA-EVENTS
SWEDEN: EC2006
FINLAND: WC2005
- Large number of visitors
- High level of tourism, media coverage and economic impact on host city
- Destinations are involved in the planning process and execution
- Strong influence from parent organization regarding to sponsorship
- Professional approach to sponsorship

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CITY CELEBRATIONS
SWEDEN: Malmö Festival
FINLAND: Helsinki Festival
- Hallmark-events
- Multi-cultural festivals with different kind of program for different target groups
- Multiple venues with some separate sponsors
- Works with agency to develop sponsorship arrangements

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MUSIC FESTIVALS
SWEDEN: Hultsfred Festival
FINLAND: Ruisrock
- Hallmark-events, cultural celebrations
- Clear, young target group
- Image enhancement is important
- Sponsors provide activities for the audience
- Sponsor help to create an all-inclusive experience for visitors

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FILM FESTIVALS
SWEDEN: Göteborg Film Festival
FINLAND: Espoo Ciné
- Hallmark-events, cultural celebrations
- Practical approach to sponsorship: sponsor provide necessary products/services
- Try to avoid too commercialized image
- Concentrate more on the content of the events than any other activities
- Meeting place for professionals

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Figure 5: Similar Characteristics of Event Pairs in Regards to Event Elements and Use of Sponsorship

5.2. Goals and Business Ideas of Events

It can be seen that the business ideas of the studied events are comparable to each other within the event pairs. On the other hand, the authors do not find it surprising because the pairs were formed based on several similar variables such as size, theme and purpose. Goals derive from the business ideas, which are strong foundations for strategic thinking (Olsen et al., 1998). The business ideas and goals give a framework for conducting the work. The reasons for having sponsors are connected to overall goals of the event organizations. Sponsorship is used as one of the tools to reach the goals. All the goals

mentioned by interviewees (cf. Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) have the same idea in regards to developing the events and gaining better positions in their market. In the beginning of the event life-cycle, it is important to gain legitimacy as mentioned by Ukkonen (27.9.04). She considered that to be their first goal. The goals of some event organizations (Malmö Festival, WC2005 and EC2006) are related to a bigger framework such as destination marketing or image enhancement of an industry (Getz, 1997). Helsinki Festival is well established according to Alijoki (30.9.04). One concrete goal is to raise broader interest especially at the national level as suggested by Getz (1997) with his market development strategy. Similarly, WC2005 organization has the same outlook to broaden the market and to reach new target groups. This could be argued to be market penetration strategy presented by Getz (1997). The goals reflect what is offered to customers for instance by having unique, high-quality programs. Moreover, the film festivals aim to gain respect within the industry (cf. Hjertén, 8.10.04; Ukkonen, 27.9.04). Some of the goals and business ideas were straight forward, which focus on the amount of visitors (Elofson, 18.10.04; Salonen, 29.9.04).

Ruisrock is the only organization among the studied events that aims to make profit. Hence, it is understandable that they have such frank goals. Despite the context of this thesis, it is important to remember that there are other sources of income as well. Other than sponsorship, governmental support plays an important role within some events (e.g. Espoo Ciné and Malmö Festival). That is often related to goals in regards to destination marketing (e.g. Malmö Festival and EC2006). Within the music festivals and sport events (Ruisrock, Hultsfred Festival, WC2005, EC2006), ticket sales are crucial source of income. However, there is no doubt that sponsorship would not play an important role within the event industry. The authors have seen that the level of sponsorship management varies within each of the specific events. Becoming acquainted with the different reasons to have sponsors can discover this for instance.

5.3. Reasoning for Event Sponsorship

The financial reasons are the main reason to have sponsors. This argument is supported by both empirical findings (cf. Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) and the existing event management literature (cf. Catherwood and Van Kirk, 1992; Getz, 1997; Skinner and Rukavina, 2003). All the interviewees did not want to talk about money in the context of sponsorship. It was mentioned by several of the selected representatives that the events were financed by the sponsors between 10 to 20 percent (Kunnas, 1.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04). However, resource flow can also be in form of goods and services (Alaja, 2002) and it is another major theme within the empirical findings. Thus, sponsors operate as suppliers or even producers of the event (Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Ukkonen, 27.9.04). These relationships are mostly based on exchange or barter-deals as they are often called (Alaja, 2001; Hjertén, 8.10.04; Ukkonen, 27.9.04). Actual money is rarely exchanged, but Ruisrock receives mostly money from their sponsors (Salonen, 29.9.04). This enables some event organizations to gain resources they would not otherwise be able to purchase. Sometimes these contributions are vital for the existence of the event. (Ukkonen, 27.9.04) Furthermore, it can be seen as a strategic decision. In this study, the film festivals represent that idea. They do not want to have a commercialized image that may restrict what can be offered to sponsors. For instance, Göteborg Film Festival does not want to have commercial messages before screenings (Hjertén, 8.10.04) even though it would give good value for sponsorship packages.

Funding and other resource contribution are closely related to creation of an event, its quality and the development. In some cases, having sponsors is provision to initiate an event. At that time, actual money and/or supplies are mostly needed. While other organizations use the sponsors to develop the event. This includes gaining concrete resources, but sponsors can also bring in other benefits for the event and its organization as discussed below.

5.3.1   **Development of the Event Product**

An event can be seen as a product and can be looked at from two different perspectives. One perspective is what type of product is sold for visitors or event's customers (Getz, 1997). The product consists for instance of a program and an event place that may be influenced by the events sponsors. The second perspective focuses on the sponsor as a customer and what kind of event product is sold to them. These two products include the same dimensions, but they are not the same. Customers may perceive an event from a different perspective than sponsors, meaning that they want to experience the product. Sponsors have the perspective that sponsoring an event is a tool for marketing and promotion for the company. However, on occasion, there can be conflicts between the sponsors and the customers about how the customer's product should look like because they may value different things. This was mentioned by Hjertén (8.10.04) at Göteborg Film Festival. When they signed Canal+ to be a main sponsor, it raised some discussions about appropriateness among the festival audience.

Sponsors enable the development of the event product (Alaja, 2001) sold to customers by providing resources, but also bringing in activities. Sponsors are considered to be large stakeholders within an event (cf. Cleland and Ireland, 2002) and thus, they may take a large role in the planning of an event product also by contributing ideas. For instance, in Hultsfred Festival almost all the sponsors arrange some type of activity in the festival area. Elofson (18.10.04) thinks that it is good to offer additional activities for people staying in the festival setting for several days. Additionally, Malmö Festival organization hopes to find sponsors that are willing to invest on such activities (Alexandersson, 3.11.04). Some of the Ruisrock's sponsors have arranged promotions in the festival area by having competitions (Salonen, 29.9.04). These are good examples of how sponsorship can add value and quality for the event customers (cf. Getz, 1997). Furthermore, this leads to competitive advantage among customers. It could be argued that a popular event among customers have a good change to raise the interest of the potential sponsors. Most likely, this is the reason why companies take the initiative to be a sponsor of the particular event. Among the studied cases, this phenomenon appears to be quite common. (cf. Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson,

18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04)

On the other hand, if the activity is really dependent on the sponsoring company and if the company decides to suddenly withdraw from the event; it may change the event product. Negative effects can be considerable. Therefore, within the studied events, long-term relationships are desired. (cf. Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) Yet, Alexandersson (3.11.04) brought up the point that trends change and to keep up with the trends may require different sponsors. However, if the co-operation with the sponsor is not dynamic and developmental, it may be argued that change of a sponsor can stimulate the creativity and operations within the event organization. In other words, if sponsors are active, they can take part in the event planning.

5.3.2 **Sponsors as Event Promoters**

The authors agree with Getz (1997) that having sponsors can help to extend the events' or festivals' market reach. Especially, Larsson (13.10.04) emphasized the sponsors' role as a promoter of the event. He thinks that sponsors should activate the audience, spread the word of the event and thus, strengthen the event's position in the market. Salonen (29.9.04) shares the same idea. The authors have observed that the sponsors bring in different forms of promotion. Above all, an event organization can make barter-deals with media sponsors i.e. the organization gets advertising time or space to promote the event (Alexandersson, 3.11.04; Skinner and Rukavina, 2003). The event can have co-marketing with its sponsors (e.g. Salonen, 29.9.04) by having competitions that have connection to both and provide entrance tickets as a prize. Often, hospitality services are included in sponsorship packages (e.g. Alijoki, 30.9.04; Kunnas, 1.10.04; Larsson, 13.10.04). Thus, sponsors can bring in visitors who would not otherwise attend. These people may find the event entertaining and spread the word about the event. (Ukkonen, 27.9.04) Furthermore, an active sponsor with a great deal of respect may attract potential sponsors, which can be seen as a form of promotion. Sponsor can make an event legitimate as discussed in the following chapter.

5.3.3 **Sponsors Creating Credibility and Legitimacy**

As argued by Hjertén (8.10.04) and Alijoki (30.9.04) sponsors create credibility for the event and the event organization. This can be interpreted to be legitimacy (Lundin and Söderholm, 1995) earned from the event stakeholders (cf. Cleland and Ireland, 2002). In order to gain legitimacy, the event organization needs to have stable interactions with its stakeholders and have clear communication. (cf. Ford et al., 1986) Thus, it is possible for the event organization to hold the same beliefs with stakeholders. This is particularly important when the events are partly financed by tax money (Espoo Ciné, Malmö Festival and Helsinki Festival) because taxpayers i.e. local people should accept how the money is used. Additionally, this should be considered when it is a mega-event such as WC2005 and EC2006, which can affect the community or the whole country. Hence, earning legitimacy should be one of the first goals of the event organization as discussed by Ukkonen (27.9.04). In addition, all the interviewees (Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) agree that certain sponsors enhance the value of the event in the eyes of potential sponsors. Goldblatt (1997) supports the idea that an event can benefit from additional exposure through sponsorship. Since this has been strongly seen within the selected cases, it can be argued that an event organization could concentrate on getting respected main sponsors that would help in gaining additional sponsors. On the other hand, if the event is not legitimate in its environment, especially within the local people, it may give bad publicity for the event's sponsors. Legitimacy is closely related to image of the event organization.

5.3.4 **Image in the Event Context**

As discussed along with legitimacy, all the interviewees (Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) agree that one strong company brand can support the image of the event and hence, attract other sponsors. Larsson (13.10.04) believes that already having recognized sponsors for the EC2006 will send out messages to others that the EC2006 is a good event to invest in. In addition, Kunnas (1.10.04) argues that strong company

brands that hold good images in the eyes of consumers increases the value of the event.

Image is a complicated factor because it has many variables within its concept (cf. Abratt, 1989; Balmer, 1998). It could be argued that not all the event organizations have really grasped the whole idea, although some of the interviewees are aware that the events can enhance the sponsor's company image and/or vice verse (Alijoki, 30.9.04; Kunnas, 1.10.04; Larsson, 13.10.04). Moreover, it was recognized that it is important to have a good event image (Salonen, 29.9.04); even though serious efforts have not been taken into consideration of image building in relation to sponsorship (cf. Getz, 1997; Schuler, 2004). Salonen (29.9.04) believes that holding a good image is one reason why companies have made initiatives to sponsor Ruisrock. Some representatives of the event organizations (Malmö Festival, EC2006) state clearly that events are building blocks for destinations' image; however, the authors believe that all the selected events are meaningful for the destinations and their images. Larsson (13.10.04) mentions that sponsors should fit the image of the EC2006 and the city of Göteborg. The city as an owner of Malmö Festival has some guidelines over the sponsorship arrangements. Alexandersson (3.11.04) mentions that there should be a connection to sponsors and what the festival stands for. This can be seen by having regional and local sponsors, which care about the event and the city as a whole. Kunnas (1.10.04) contributes to this idea because the WC2005 organization has included image objectives within their strategy. Furthermore, sometimes an event can be used to enhance the image of the industry. For instance, one goal of the WC2005 is to improve the image of the athletics in Finland (Kunnas, 1.10.04).

It has been emphasized in literature that event organizations wish to have sponsors that have comparable goals and good image (Catherwood and Van Kirk, 1992; Getz, 1997; Gwinner, 1997). This can be seen within Helsinki Festival and Hultsfred Festival because Alijoki (30.9.04) and Elofson (18.10.04) mention that sponsors must match the values and morals of the festival. Furthermore, Elofson (18.10.04), Kunnas (1.10.04) and Ukkonen (27.9.04) argue that sponsors should have a logical link with the event in order to build up image, which is supported by Otker (1988). According to Gwinner (1997) sponsor can have functional and image-related similarities with an event.

Functional similarities are noticed when a sponsor is promoting its product at the festival site (Elofson, 18.10.04; Salonen, 29.9.04). If the sponsor's brand image is related to the event's image, visitors may create stronger associations about both images. These can be considered to be a starting point for a relationship, which aims to build mutual image. The authors think that without some sort of association between a sponsor and an event, a clear event image would be difficult to create. That would include the danger to send out the wrong message to the event audience (cf. Aaker, 1991).

5.3.5   Learning

Often event organizations consist of people who have great interest in the content of an event, but practitioners may lack the skill and the knowledge in general business activities and management applications. Hence, sponsors can contribute in sharing information. Even though Alijoki (30.9.04) and Kunnas (1.10.04) have applicable background and experience, they still believe that their event organizations can learn marketing communications and other business activities from corporations. It could be argued that longer sponsorship relationship results in more learning because organizational learning is a pervasive on-going process as suggested by Huber (1991). Additionally, Alijoki (30.9.04) says that sponsors bring in professionalism and organize actual work. This has also been mentioned by Hjertén (8.10.04) when he discusses the relationship with the advertising agency, which has brought new ways of thinking and planning. The authors consider that learning can exist in every event organization; if not in form of managerial activities, but perhaps in the form of synergy. Learning from each other enhances mutual understanding (cf. Ford et al., 1986), which can lead to commitment (cf. Lundin and Söderholm, 1995).

5.4.   Strategic Thinking within the Event Organizations

The level of strategic planning concerning sponsorship varies a great deal between the selected events. The authors have recognized that sponsorship is seen by the practitioners as more of a tool to actualize general strategies and to reach their goals. Maybe therefore, it seems that many of the event organizations have not formulated particular strategies for sponsorship. Despite

the lack of clear strategic thinking, it looks like that most of the studied events are somewhat successful in what they are doing. This may be because of the vision and managerial skills of the people working in the organizations as suggested by Getz (1997). Watt (1998) emphasizes the meaning of the strategic planning in order to have successful sponsorship. Whereas, Svendsen (2000) thinks that organizations should include stakeholder strategy into the corporate strategic planning (cf. Montgomery and Porter, 1991; Fifield, 1998; Olsen et al., 1998). Since sponsors are one of the most important stakeholder groups (Cleland and Ireland, 2002) of an event organization, sponsorship strategy helps an event organization to create and to take care of sponsorship relationships (Svendsen, 2000). Naturally, the international mega-events (WC2005 and EC2006) have more comprehensive strategic planning because of the scale and the scope of the events along with the involvement of experienced parent organizations. Furthermore, the influence of the event reaches such a big area, principally the whole country. Then again, some destinations use events as a marketing vehicle. As Getz (1997) suggests in his model about the strategic planning process for events and event tourism (see Figure 2), the City of Göteborg has included the EC2006 in their strategic planning. The idea is to expand the activities around EC2006 to cover the whole city in order to promote the city for the tourists and in addition, to create competitive advantage in sponsor acquisition. (Larsson, 13.10.04) Furthermore, the fundamental goal of Malmö Festival is to make *"Malmö better place to live"* (Alexandersson, 3.11.04) and in fact, the festival organization is part of the city administration. Hence, the strategy of Malmö Festival is closely related to the destination development.

The Finnish Athletic Association uses WC2005 as a marketing vehicle to increase the interest of potential sponsors, audience and amateurs towards athletics in Finland. According to many authors (Montgomery and Porter, 1991; Fifield, 1998; Olsen et al., 1998) this can be seen as an overall corporate strategy. The event is part of the bigger strategy of the Finnish Athletic Association. Logically, WC2005 has its own business strategy (cf. Montgomery and Porter, 1991; Fifield, 1998; Olsen et al., 1998), which was basically built up following the ideas of models by Getz (1997) (see Figure 2) and Allen et al. (2002). After conducting SWOT-analyses (Montgomery and Porter, 1991; Allen et al., 2002), competitor-analyses and marketing research among others, the organization built up a comprehensive differentiation

strategy (Kunnas, 1.10.04), which also is one of the generic strategies created by Porter (1980). Later, Getz (1997) applied these generic strategies to event marketing strategies. According to Kunnas (1.10.04) the differentiation strategy was found fairly easily and as Porter (1996), 16 years later after creating the generic strategies, stated it is the only strategy that creates true competitive advantage.

The organization of Ruisrock would like to be able to have bigger, international artists or bands. In order to cover the huge costs of those performers, they should able to sell more tickets. However, it is not possible with the current festival area. Therefore, they have had negotiations with the city to broaden the land area. If this plan is realized, they will have change to increase the number of visitors and hence, invite more expensive artists. (Salonen, 29.9.04) This is clear evidence of an event's growth strategy (Allen et al., 2002). Whereas, Ukkonen (27.9.04) representing Espoo Ciné told that they do not want expand the event much because it would mean extension of the festival's length. Instead they wish to improve the quality of the content. Allen et al. (2002) would call this consolidation strategy. The interviewees did not clearly state the use of these strategies, but the evidence and connection to the theory of Allen et al. (2002) can be seen clearly. Hence, it could be argued that there is more underlying strategic thinking within the event organizations than evidently can be seen.

In addition, Helsinki Festival has a business strategy (cf. Montgomery and Porter, 1991; Fifield, 1998; Olsen et al., 1998) that boils down to sponsorship strategy (Alijoki, 30.9.04). The authors of the present study could contrast the sponsorship strategies to functional strategies introduced by Olsen et al. (1998) and Thompson (1995). EC2006, plus both Helsinki and Malmö Festival have used the expertise of the sponsorship agency to create sponsorship strategy. Although Malmö Festival is still in the middle of the process (Alexandersson, 3.11.04) and EC2006 worked with the firm only until they hired marketing manager (Larsson, 13.10.04). Thereafter, EC2006 team listed potential sponsors based on different parameters to find suitable partners (cf. Gummesson, 1994). The potential firms have been contacted through the existing network of the event team members. Erickson and Kushner (1999) argue networking to be effective way of working in the context of a one-time

project organization such as the WC2005 and the EC2006 (Lundin and Söderholm, 1995).

5.4.1 Putting Strategies into Practice

The implementation of the strategies should not be difficult because most of the permanent event organizations are somewhat small, often less than ten people (e.g. Ruisrock, Hultsfred Festival, Espoo Ciné and Helsinki Festival). Thus, effective communication should be easy to accomplish and it is easier for the project manager to lead by example as recommended by McNeilly (2002). On the other hand, in the context of event management, the project team is not the only party that needs to be included in the implementation of the strategies. If sponsors work as producers for an event (Kunnas, 1.10.04), they must be informed about the organizations strategic approach (cf. Svendsen, 2000; Cleland and Ireland, 2002). Both of these relationships are discussed and visualized by Lundin and Söderholm (1995). Mintzberg and Waters (1985) argue that strategies or pattern of actions can be imposed by the outside environment, in other words stakeholders. Sponsors can be seen important stakeholders or even strategic partner as Kunnas (1.10.04) considers. For instance, the organization of Ruisrock did not plan to distinguished main sponsors from others, but two companies wanted to have more and contribute more and therefore, those companies became main sponsors (Salonen, 29.9.04). However, time can be hindrance for effective strategic implementation (Andrews, 1971) because many event organizations work with scarce resources for instance all three owners of the Ruisrock have some other duties besides organizing festivals (Salonen, 29.9.04).

5.4.2 Marketing Sponsorship

Marketing strategy should be derived from a business strategy (cf. Fifield, 1998); moreover, sponsorship strategy is closely related to marketing strategy. Olsen et al. (1998) and Thompson (1995) define marketing strategies to be functional strategy with detailed everyday planning. The organization of Helsinki Festival starts by designing the program and after that, it is possible to define what products can be sold to potential sponsors (Alijoki, 30.9.04). For the same reason, Getz (1997) presents his idea about looking at the event through its platforms to recognize the different products within the event. The

product identifying work is done together with the sponsorship agency, Image Match. (Alijoki, 30.9.04) Getz (1997) mentions product development to be one of the marketing mix strategies in the event management context. On the other hand, some event organizations have started to look at their own needs in forms of goods and services (Espoo Ciné, Hultsfred Festival and Göteborg Film Festival) and have based their sponsor acquisition on that. This was one starting point for WC2005 as well; however, the reason why they succeeded in sponsor acquirement, according to Kunnas (1.10.04), was the fact that they presented companies their differentiation strategy and its elements, new target groups and position along with the huge size of the event. Also, Larsson (13.10.04) emphasized the size of the event when discussed about selling arguments. In the case of the EC2006, it is important to make sponsors fit the portfolio, but also support the image of the city and the event.

The studied events offer a wide range of benefits for their sponsors to sell sponsorship. Kunnas (1.10.04) summarizes the sponsoring concept of WC2005 with four areas: (1) visibility, (2) co-communication at trade fairs etc., (3) public relations i.e. managing interest group relationships and (4) direct and indirect business activities. Within all the cases, visibility was a largely represented in sponsor packages (Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04). This has been considered to the most traditional form of sponsoring and companies expect that their names, logos, etc. will be presented along with the event (Goldblatt, 1997). However, with the development of sponsorship, sponsors have expected more from the event in regards to value. This suggests that event organization should be more creative in developing valuable packages and benefits. (Skinner and Rukavina, 2003) According to Catherwood and Van Kirk (1992), many sponsoring companies want to receive advices about actualizing sponsorship. This need is recognized by Kunnas (1.10.04) and Larsson (13.10.04). The WC2005 have included consulting within their packages in order to sell sponsorship (Kunnas, 1.10.04). Both sport event organizations want to help their sponsors to materialize their investment (Kunnas, 1.10.04; Larsson, 13.10.04). As Svendsen (2000) suggests, Kunnas (1.10.04) is aware of the companies´ monetary goals set for sponsorship of WC2005 and he wants to assure that the sponsors are able reach those goals. The authors believe that this is a competitive selling argument and helps to develop sponsor business activities

within the event and also in the future. Another main benefit for sponsors is the amount of potential customers or having a large target market. This has been apparent within the rock festivals (Elofson, 18.10.04; Salonen, 29.9.04). Different hospitality services are also offered to sponsors. For example, tickets are given to sponsoring organizations for their employees and customers (Alijoki, 30.9.04; Hjertén, 8.10.04; Ukkonen, 27.9.04). In addition, image can be essential benefit for sponsors (Gwinner, 1997; Alijoki, 30.9.04). The authors have detected that sponsor packages help to create beneficial relationships, both business and social.

5.4.3   **Applying Event Marketing Mix to Event Sponsorship**

On an operational level, marketing strategy is execution of the marketing mix (Fifield, 1998). Traditional marketing mix is widely presented in literature and used by practitioners in actualizing marketing strategies. The main idea of traditional marketing mix (4 Ps: *product, place, price, promotion* by Borden, 1962 and McCarthy, 1964) was to present core decision variables of any marketing plan. Getz (1997) and Allen et al. (2002) have modified the original marketing mix to meet the requirements of the event marketing perspective (*people, programming, partnership, packaging* by Getz, 1997 and *people, physical evidence, process* by Allen et al., 2002). In addition, Balmer (1998) has complemented the four traditional Ps with six extra ones (*philosophy, personality, people, performance, perception and positioning*) in order to emphasize what the organization stands for and how the organization communicates to stakeholders to conduct marketing and building image. This takes into consideration that corporate identity and corporate communication are important for corporate marketing. (Balmer, 1998) The authors of the study have applied the ideas of those marketing mixes to sponsorship context to develop an *event sponsorship marketing mix – 10 Ps*. The purpose of the event sponsorship marketing mix is to bring up all the different elements that should be addressed by the event organization within the sponsorship arrangements. Even though Grönroos (1994) has criticized the validity of marketing mix, the authors believe that it is applicable as an "operational checklist" within event sponsorship arrangements. After setting the goals and designing the strategy, all the aspects of the event sponsorship marketing mix should be considered to actualize the strategy and to reach the goals.

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5.4.3.1 Marketing Mix Applied to Events

The event marketing mix (Allen, 1997; Getz, 1997) derives from the marketing mix designed for the services (Booms and Bitner, 1981). The authors have seen some evidence of all these different aspects within the studied events. However, none of the interviewees mention the marketing mix as a marketing tool. For many experienced practitioners, the marketing mix is very familiar and thus, they probably do not consciously think about it. Furthermore, all the repetitive events in the study are moderately old and well-established. Therefore, it can be argued that the fundamental decisions are made concerning many of the elements such as place. The authors trust that the use of the marketing mix helps to see the entity and ensure that all the important aspects of event sponsorship will be covered.

Above all, an event *product* is an entity for instance consisting of *program* that is sold for event customers (cf. Getz, 1997; Watt, 1998; Allen et al., 2002), but it is also something that is sold for potential sponsors as mentioned in the discussion of developing the event product. The product sold for potential sponsors includes for instance program, image, place and the audience or target group from the sponsors' point of view (cf. Alijoki, 30.9.04). Event organizations should aim to create attractive product that is different from the other events (Kunnas, 1.10.04) to have competitive advantage in sponsorship acquisition. On the other hand, as discussed earlier in the analysis, sponsors tend to shape the event product.

In the event marketing mix, *place* refers to an environment, both location and the actual venue where the event takes place (Getz, 1997; Watt, 1998; Allen et al., 2002). But, it also refers to accessibility for the audience (Getz, 1997) and the authors consider that sponsors can be included as well. Salonen (29.9.04) argues that it is easier to attract sponsors for the event that takes place in the closeness of a bigger city such as Turku in the scale of Finland or otherwise in the area with high dense in population. Additionally, Ruisrock Festival site is located on a beautiful inshore area. This is believed to be an attractive environment and is always an advantage in the world of experiences. Also, Espoo Ciné occurs near the big city of Helsinki, with many potential customers for sponsors (Ukkonen, 27.9.04). The city being the extension of the arena in EC2006, sponsors have better possibility to reach also the people who do not

visit the actual venue (Larsson, 13.10.04). Moreover, if the event has multiple venues, they can be dedicated for more specified target groups and sold to different sponsors. This advantage has been utilized in the Helsinki and Malmö Festival.

Promotion includes four different aspects that all are about communicating (cf. Getz, 1997; Watt, 1998 Allen et al., 2002) the event for different stakeholders (cf. Miller and Lewis 1991; Cleland and Ireland 2002). First of all, the event organization has to promote itself for potential sponsors and build up an attractive image. The authors believe that Balmer's (1998) idea about ***perception*** can be included under promotion, which places importance on how the public identify the event. Second, the actual selling process includes several promotional elements such as personal selling and public relations. At this point, some event organizations turn to a sponsorship agency. Thirdly, the event must be promoted in order to have an audience. With the help of advertising and other communication tools, the event organization aim to communicate about the nature of the event to reach right target audience. The appropriate target audience plays an important role for sponsors. Sometimes the event organization can have co-marketing together with its sponsor in form of competitions. Moreover, often the logos of sponsors are presented along with event advertisement. (Alijoki, 30.9.04; Ukkonen, 27.9.04) Finally, it should be considered how sponsors can utilize the event to promote their own goods or services. The promotions done by sponsors (McAlister and Ferrell, 2002) at the event sites are often important part of sponsors visibility and benefits (Ruisrock and Hultsfred Festival); moreover, these promotions can have an effect on events image, but also bring extra value for customers.

Balmer (1998) argues that organizations should considered ***positioning*** in the minds of important stakeholder or in the case of sponsors. Furthermore, an event organization should have competitive advantage in relation to other events, which are attracting potential sponsors. Most of the interviewees (Alijoki, 30.9.04; Elofson, 18.10.04; Kunnas, 1.10.04; Larsson, 13.10.04; Salonen, 29.9.04) did not really consider other events to be tough competitors in the sponsorship market because everybody sees their events to be unique. For instance, WC2005 can offer exceptional possibilities to utilize sponsorship. Moreover, Kunnas (1.10.04) told that one reason to build up the differentiation strategy is distinguished in the competition. One of the elements they sold to

sponsors, in addition to differentiation strategy, was the market position. Whereas, Salonen (29.9.04) trusted the good existing relationships with sponsors. Additionally, an event can be positioned in relation to external environment and, thus earn legitimacy (cf. Lundin and Söderholm, 1995). Right positioning may turn an event into a hallmark event (cf. Getz, 1997) in the eyes of stakeholders (cf. Miller and Lewis, 1991; Cleland and Ireland, 2002).

People are a vital element that initiates all the other elements and make the actual work (Getz, 1997; Balmer, 1998; Watt, 1998; Allen et al. 2002). In the context of sponsorship, there are several sets of people interrelating with each other on very different levels. Above all, people working in the event organization interact with representatives of the sponsoring companies (cf. Balmer, 1998). Even though the two organizations work together, it is the people who create true *partnership* between a sponsor and an event organization. Partnership means that the event organization and a sponsor have good communication with each other and; hence, are aware of each other's goals and have also common goals. This creates commitment and trust (cf. Ford et al., 1986) within partnership. Especially, in the case of repetitive events, long-term relationships seem to be more fruitful for both parties (Salonen, 29.9.04) and make it possible to develop the event together, which is favorable for both parties. Additionally, partnership enables the mutual learning. (Alijoki, 30.9.04) Since all this can be seen as a separate strategic approach, the matter has been discussed in detail in the first part of the analysis. Since Gummesson (1994) has stressed relationships by presenting his 30Rs, the authors also believe that relationships are vital for event organizations and sponsoring organizations to understand the meaning of stable relationships to reach mutual partnership.

In the context of sponsoring, *packaging* (Getz, 1997; Watt, 1998) means that the event organization combines different elements of the event product. According to Watt (1998) a starting point for sponsorship selling is preparing an attractive, realistic and deliverable package of benefits for potential sponsors. Packages can consist of several different elements such as hospitality services, visibility aspects, promotion opportunities, tickets (Alexandersson, 3.11.04; Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04) and consultative activities to help companies to materialize

their investment (Catherwood and Van Kirk, 1992; Kunnas, 1.10.04; Larsson, 13.10.04). The purpose of packaging is to create more value for sponsors (Catherwood and Van Kirk, 1992) and therefore, make it easier for event organizations to attract sponsors (Alaja, 2001). Furthermore, an event can be packaged together with a destination as EC2006 (Larsson, 13.10.04) and thus, add the value of both (Getz, 2004). The authors imply that packaging should be organized to benefit both the event organization and sponsoring companies.

The content of the package forms the ***price*** (Getz, 1997; Watt, 1998; Allen et al., 2002) of sponsorship. Price varies based on what kind of package the event organizations are capable to offer for companies. Furthermore, the price of sponsorship is often framework for categorization of the event's sponsors. The money gained with sponsorship makes it possible for many events to be free-of-charge happening or to develop the event product such as having better performances. In the barter-deals, the event organizations have to consider the value of the good and/or services in order to provide appropriate amount of benefits for each collaboration partner. (cf. Hjertén, 8.10.04; Larsson, 13.10.04; Ukkonen, 27.9.04)

5.4.3.2 The Event Sponsorship Marketing Mix

The suggestion of the ***event sponsorship marketing mix*** derives from the authors own observations made with the interviews and strong recognition of the marketing mix. It is based on the different marketing mixes presented above. However, only the elements applicable to sponsorship are included. Instead, the authors have invented two additional Ps to complement the existing ones.

The first one is ***planning***. It includes everything from forming a business idea, and building up a strategy to considering how to approach potential sponsors, and what to sell to them. The authors believe that sponsorship relationships are complex in the nature and demands adequate planning and considerations in order to be successful. Kunnas (1.10.04) told that WC2005 started with comprehensive strategy building that was turned into plans. Furthermore, EC2006 organization's strategic planning process boiled down to master plan as recommended by Svendsen (2000), which includes all the operational plans

(Larsson, 13.10.04). The event sponsorship marketing mix can be used as a planning tool to help taking all the different elements into consideration.

Finally, the authors would like to add ***portfolio***. It refers to selection of sponsors an event has. In practice, the event organization often starts the sponsor acquisition process by assessing what kind of services and goods the event organization needs and wants. In many case, this leads to barter-deals and sponsors participating the event production process as suppliers. (Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Ukkonen, 27.9.04) By being culture related festivals, the film festivals do not have too much to offer for sponsors or they do not want be too commercialized (Hjertén, 8.10.04; Ukkonen, 27.9.04). Thus, the benefits they have to offer are adequate for the exchange, but not for huge sums of money. Based on these findings and statements of film festival interviewees (Ukkonen, 27.9.04; Hjertén, 8.10.04), the authors stress that the value of suitable barter-deals is higher than what could be received by pure financial support. Moreover, often the value is even more than what the event organization could afford to pay for the necessary services. As mentioned by Ukkonen (27.9.04), barter-deals are often based on natural connection to the event. When observed the objectives of portfolio management from the approach described above, it includes all the three elements discussed by Cooper et al. (2001). First of all, the maximization of the value of the sponsor deals is often considered to be important factor. Secondly, the event organization must have balance in number of partner to be able to offer all of them adequate benefits. Thirdly, natural fitted partners reflect the right image and the business strategy of the even organization. (cf. Gummesson, 1994)

Hence, the ***event sponsorship marketing mix*** is developed by the authors and includes the 10 following Ps: ***product, place, promotion, positioning, people, partnership, packaging, price, planning*** and ***portfolio***. The authors believe that the event sponsorship marketing mix can be applied to sponsoring within other context as well. In order to make it easier to compare different marketing mixes, all the discussed options are presented in the table below (Figure 6).

Borden (1962) and McCarthy (1964) The Concept of Marketing Mix	Booms and Bitner (1981) and Allen et al. (2002) The Service/Event Marketing Mix	Getz (1997) The Event Marketing Mix	Balmer (1998) The Corporate Marketing Mix	The authors (2004) The Event Sponsorship Marketing Mix
Price Product Place Promotion	Price Product Place Promotion People Physical Evidence Process	Price Product Place Promotion People Programming Partnership Packaging	Price Product Place Promotion People Philosophy Personality Performance Perception Positioning	Price Product Place Promotion Positioning People Partnership Packaging Planning Portfolio

Figure 6: Development from the Marketing Mix to the Event Sponsorship Mix

5.4.4 Managing Sponsor Portfolio

Portfolio approach helps the event organization to categorize its sponsors in order to avoid business area overlaps. The authors believe that it is quite important aspect when considering the selling of competitive sponsorship solutions for potential sponsoring companies. It could be argued that all the studied event organizations have some sort of underlying portfolio thinking; however, some organizations have not really given any thought to the approach. This can be seen in statements that the event organizations want to have partners, which suit the event's image. On the other hand, the portfolio is not always considered from the perspective of the sponsors because some of the events have several companies as sponsors within the same business field. When considering the business area categories, three event organizations (WC2005, EC2006 and Helsinki Festival) seem to be more cautious in having only one representative from specific business areas and do not put sponsors in competitive situation. The authors of the present study did not expect to find so many overlappings within sponsorship portfolios. Overlaps appear mainly with

the media companies for instance Ruisrock has three radio channels. The representatives of these event organizations are aware of the situation, but often they see these competing companies to be quite different from each other. The radio sponsors of Ruisrock include one non-commercial, one local and one national, commercialized station. (Salonen, 29.9.04) As Alaja (2001) suggested, the event organizations should find a role for each sponsor. It can be argued that supplier contract i.e. barter-deals are good and moderately easy way to do that. This is what Ukkonen (27.9.04) emphasizes by stating that a potential sponsor should have natural connection to the event organization. According to International Event Group (IEG) (2004) companies are frustrated in overlapping categories and therefore, the matter is worth considering (www.sponsorship.com).

Kunnas (1.10.04) praises the opportunities given by the WC2005, which is quite unique in scale. The event organization has succeeded to make supplier contracts with companies that also wanted to be sponsors by contributing money and fit the event's strategy. Additionally, in the case of sport mega-events, the event organizations needed to negotiate with the parent organizations about the sponsorship categories. This can also be seen as portfolio thinking because, for instance, WC2005 organization proposed categories that fit their strategy and Dentsu as a communication agency of IAAF, agreed on the categories that fit to sponsor selection of IAAF.

5.4.4.1 Categorizing Sponsors

With the discussion of sponsor portfolio, the authors also want to refer to categorization based on the investment such as main sponsors, partners and suppliers. The right selection of sponsors enables companies and the event organization to create synergy and hence, make sponsorship more beneficial for all parties. Furthermore, one respected sponsoring company helps the event organization to attract other companies to involve the event.

Hierarchical categories for sponsors can been seen in seven out of eight cases – the organization of Espoo Ciné has decided not to have hierarchical grouping. It seems that categorization based on investment and involvement of the sponsors is fairly common in practical event management; however, sometimes

the initiative can be taken by sponsoring company like in the case of Ruisrock. The two companies wanted to have more privileges within the event and were ready to pay more for that. This is how the main sponsor category was established in Ruisrock. Salonen (29.9.04) reveals that the value of the two main sponsor contracts is more than the investment of all the other companies. Even though authors like Alaja (2001) and Getz (1997) have suggested three and four level categorization, most common structure has been two level hierarchies: main sponsors/partners and sponsors/suppliers. Sport mega-events have two categories on national level, but additionally the parent organizations have their own sponsors for several years and events. Helsinki Festival has a third category called membership program that includes only hospitality services, not any visibility aspects. About half of the event organizations consider supplier-type of sponsors to be very important, especially culture-related film festivals as discussed above. On the other hand, Ruisrock has taken totally opposite standpoint by regarding money as most important contribution. However, Salonen (29.9.04) hopes sponsors to bring added value for the customers at the festival site in form of competitions or promotions and have co-marketing with them.

The number of sponsors in each category differs. Alexandersson (3.11.04) hopes to have only one main sponsor for Malmö Festival, but most common is to have two (EC2006, Ruisrock, Helsinki Festival, Göteborg Film Festival) even though Helsinki Festival could have two more main sponsors and Göteborg Film Festival has not succeeded to have another one. These are numbers that also Alaja (2001) presents in the theoretical framework. He argues that usually an event organization is capable to offer equivalent and visibility for one to four main sponsors. On the other hand, WC2005 organization has eight companies in both categories and couple new sponsors will be introduced later (Kunnas, 1.10.04). The authors feel that the scope and the scale of the event justifies having so many sponsors in each category. In other words, mega events have more to offer to sponsors.

Skinner and Rukavina (2003) list six different types of sponsors; one of them is "presenting sponsor", which one event could have several. Both Malmö Festival and Helsinki Festival have their own sponsorship project within the events. In Helsinki, both main sponsors have either their own festival venue or biggest single of the whole festival. Skinner and Rukavina (2003) and Watt

(1998) have brought up the importance of the media sponsors especially in attracting other sponsors. Within the selected cases, all the events except sport mega-events have at least one media sponsor. Therefore, Alexandersson (3.11.04) aims to include one TV-channel into Malmö Festival's sponsorship portfolio in the future. The parent organizations of WC2005 and EC2006 have sold the media rights to international companies; moreover national broadcasting companies are part of the local organizing committee.

On the contrary of what Getz (1997) proposed, none of the studied event organization has a title sponsor (Skinner and Rukavina, 2003). Instead, all the events have the name of the destination as a part of the event name. Ruisrock takes place outside city of Turku in place called Ruissalo and the name derives from that. All the other events have included the name of actual city. Furthermore, among chosen cases the youngest repetitive event (Espoo Ciné) is 15 years old and many of them can be considered to be hallmark events according to Getz's (1997) typology. Thus, it would be quite a menace to change the names of the events. Furthermore, Alexandersson (3.11.04) supports the idea by saying that as long as the city is the owner of the Malmö Festival, it will not have title sponsor.

5.4.5   Sponsor Relationships

Relationships between sponsors and event organization hold great meaning within how sponsorship is structured and carried out (cf. Larson and Wikström, 2001). Elofson (18.10.04) has strongly conveyed that Hultsfred Festival wants to work closely together with sponsors in order to get the most out of each other. For instance, Hultsfred Festival has had one of its sponsors (Åbro) for most of the years of the festivals existence. This may suggest that they have a committed relationship and agree on how to benefit from each other. It can be argued that some event organizations consider the relationship approach as a strategy in gaining sponsors. The EC2006 is a strong example of this because they have used existing networks to create sponsorship relationships. For instance, Larsson (13.10.04) mentioned that members of the committee have thought about past business interactions within Göteborg and within related businesses for the purpose of EC2006. In addition, Kunnas (1.10.04) admits that it is easier to trust the people who are familiar. This reasoning reflects that the memories from past experiences help to create new interactions within new

situations (cf. Ford et al., 1986). This also creates a basis for building commitment (Lundin and Söderholm, 1995) and trust (Ford et al., 1986). Thus, relationship marketing (Gummesson, 1994) is an important aspect when conducting business, which certainly exists between sponsor and event organization. Even though Larsson (13.10.04) believes that good personal relationships are good starting point for trust, he points out that trust should be built up around the whole project team (Lundin and Söderholm, 1995). Kunnas (1.10.04) emphasize the meaning of mutual trust and commitment. He considers sponsors to be strategic partners, which also have roles of distributors and producers in WC2005. Thus, sponsors of WC2005 have great influence on the success of the event (Miller and Lewis, 1991; Cleland and Ireland, 2002). In addition, Elofson (18.10.04) stated that it makes the work more complicated if the representatives of sponsors change often. Also, Alijoki (30.9.04) points out that long partnership (Getz, 1997; Watt, 1998) with many of the sponsors can help to create open communication and develop their relationships. It could be argued that time can create trust, which in return create commitment. Moreover, Enquist et al. (2002) points out that commitment is usually stronger among those who have participated in the development process. This means that long-term relationships are more beneficial for the sponsor and the event organization. It may make it harder for the event organization to build commitment and gain trust when sponsors are different at every festival.

The authors have detected that there are different ways creating relationships depending on if the event is repetitive or not. For instance, as seen with WC2005 and EC2006, networks are established with people that the event organizers have established in the past. Networks also exist within repetitive events, but it is more evident that repetitive events have long-term relationships with sponsors (cf. Alijoki, 30.9.04; Elofson, 18.10.04; Hjertén, 8.10.04; Kunnas, 1.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04). Thus, it is important for event organizations to understand their type of event to determine how to manage their relationships. The way they go about creating relationships with sponsors could be seen as a strategic tool in order to utilize each relationship. Event organization should set up an agenda to create new strategic sponsors or lengthen sponsor relationships that already exist (cf. Svendsen, 2000). By knowing which relationships to enforce (Gummesson, 1994) and which ones to not enforce, will allow event organizations develop the event by choosing sponsors that are essential for the event (cf. Gummesson, 1994; Cooper et al.,

2001). Therefore, the organization of Hultsfred Festival wants to make only one year contract with a new sponsor in order to test the relationship (Elofson, 18.10.04). In fact, most of the sponsor contracts are made one year at the time giving both parties change to evaluate the appropriateness of the relationship (Alexandersson, 3.11.04; Hjertén, 8.10.04; Salonen, 29.9.04; Ukkonen, 27.9.04). However, often both parties have discussions about longer arrangements. Furthermore, the contracts of the main sponsor are sealed for several years (Alexandersson, 3.11.04; Alijoki, 30.9.04; Hjertén, 8.10.04; Ukkonen, 27.9.04). Moreover, Alexandersson (3.11.04) believes that any event organization would give up a sponsor relationship if the company violated environment or something criminal happened within the organization. Additionally, based on the statement of Larsson (13.10.04), it could be argued that if the sponsoring company had really passive role, it would be useful to change to a sponsor, which wants to be more involved.

5.5. Definition of Event Sponsorship

In order to make definition, it is important to have a deep understanding about a phenomena at hand. The whole sponsorship study process has prepared the authors to discuss about the existing definitions. Furthermore, the definitions of sponsorship given by the interviewees have allowed the authors to understand the meaning and the role of sponsorship within each of the events. For instance, all of the definitions from the interviewees have included elements of mutual beneficial exchange (cf. Olkkonen, 2001) rather than receiving a gift or donation (cf. Waite, 1979 in Meenaghan, 1983; RPO, 1974). The definitions presented by practitioners are similar to the current definitions taken from literature such as Olkkonen (2001) and Allen (2001). However, the respondents have linked other elements to sponsorship. For instance, Kunnas (1.10.04), Alijoki (30.9.04) and Larsson (13.10.04) mentioned that sponsorship is a marketing tool. It has been mentioned by Dolphin (2003) that sponsorship is an element of the marketing mix. This is supported by Alaja (2001), but he relates it to the sport marketing mix. Additionally, Getz (1997) places importance on partnership and promotion, which represents the connection between sponsors and an event.

Furthermore, Larsson (13.10.04) mentions that sponsorship has a larger meaning than just marketing and branding and suggests that sponsorship is a tool in order to develop your own business. He continues to mention that with sponsorship rights one can reach specific target groups. Image has also been referred by Hjertén (8.10.04) and Kunnas (1.10.04) when defining sponsorship. Another aspect that was also mentioned within the definitions was cooperation and having relationships (Elofson, 18.10.04) between sponsors and event organizations. Helsinki Festival, Espoo Ciné and Hultsfred Festival suggest that relationships have meaning in the business of sponsorship.

Based on the definitions from the interviewees and with the understanding gained through the whole thesis process, a definition of event sponsorship has been determined. It has been created from the perspective of the event organization for the purpose of explaining the phenomena.

> *Event sponsorship is a mutually beneficial business relationship between an event organization and a company, which is based on an exchange of financial and/or material resources, services, knowledge and promotional opportunities to develop both the event and the business of the company.*

The authors agree with Olkkonen (2001) about the first part of the definition concerning relationship. Gaining financial support is the main theme within all the existing definitions. All the other elements of the definition derive from the findings of this study and are supported by the some of the existing definitions (e.g. Royal Philharmonic Orchestra, 1974). The concept of event sponsorship is very broad and therefore, it is almost impossible to include all the different aspects. Moreover, each sponsorship relationship is individual and constantly changing. Thus, since the ultimate goal for both parties is to be successful, the authors believe that perspective of development includes all the aspect that is needed to be successful. In this definition, the most important elements of the analysis are summarized. However, the crucial observations of this are presented more in detail in the following chapter.

6 CONCLUSIONS

In the final section of the study, the author discuss about the main findings observed throughout the research. The aim is to give answers for the research problems presented in the introduction. Finally, some future research topics are suggested.

6.1. Circumstances in Event Sponsorship

It can be seen that the definitions of sponsorship have changed with the development of use of sponsorship. Therefore, the elements brought up in the definition formulated by authors are reasonable in present time. At present day, traditional aspects of sponsorship, exchanging funds and visibility, are not enough to create the relationship between an event organization and sponsors. While event organizations are more dependent on the sponsorship support, at the same time sponsoring companies want to have more value for their investments. Hence, it seems that the trend is to build up partnership that is mutually beneficial and requires more comprehensive management.

It has been mentioned that sport events have a longer history with sponsorship and it leads to the idea that sport has a better understanding of how to work with sponsoring organizations. For instance, both the EC2006 and WC2005 have strong evidence of strategic planning when it comes to dealing with sponsors. In addition, the authors have recognized that sponsorship is also a major element within music, community and film festivals. In general, the festivals have implemented various concepts concerning sponsorship and the work is organized differently. Within a number of events, sponsorship arrangements are based on the practical idea to gain what is needed from sponsors to produce the event. However, all of the events within this research have some kind of objectives relating to sponsorship. It is understandable that event organizers spend much time and effort regarding sponsorship arrangements. This suggests that event organizations need to organize their time and set strategies toward sponsors to develop good relationships and gain maximal results for both parties.

6.2. How Events Work Strategically

As it has been observed, many events serve the purpose of marketing vehicle to reach some larger business or social goals. This is largely used within the destination marketing, but the authors have also seen evidences that some events promote the certain industries such as sport or film. This results that the event organizations must consider the overall strategy (i.e. corporate strategy) of the initiative organization. This may include the city or national association. However, this is not always the case because there are event organizations that are founded to actualize the ambitions of their owners. Therefore, the level of strategic management varies considerably. The authors have observed several variations from comprehensive strategic planning within sport mega-events to management by instinct within music festivals. However, since all the repetitive events have moderately long histories, it can not really be argued that the skillful strategic management is a guarantee for successful event. On the other hand, mega-events should definitely have good strategic management because they have a strong, wide impact on host area. Moreover, having an event that is one-time requires more intensive planning while a repetitive event should not get stuck into routines.

As it has been argued in literature, all the event organizations should be managed like any other business. This suggests that every event organization should contrive business strategy, no matter what the reason of the existence of the event is. Good business strategy is the base for functional strategies that are needed to conduct operational work. Marketing strategy is one of the important functional strategies for an organization. Any event organization has wide spectrum of stakeholders and they should be considered on each level of strategic management. Sponsors are said to be vital stakeholders of many event organizations. Moreover, sponsorship arrangements are closely related to marketing. It has been observed that sponsorship has been used more as a tool to actualize the strategies and to reach the goal of particular event organizations. Hence, the authors think that there is a need to establish sponsorship strategy.

6.2.1   Implications of the Sponsorship Strategies

There have been indications of elements that could be considered to be sponsorship strategies. The authors have come across five strong implications

that can be applied to attract sponsors and to assist the event. (1) Firstly, it could be said that gaining one respected main sponsor, will help an event organization to attract other potential sponsors because they consider the event to be beneficial. This is also a good way for a new event to earn legitimacy in its surroundings. (2) The next implication is that relationship marketing plays a role in attracting and maintaining sponsors along with developing the events. Good connections with people involved make the relationship more fruitful. This implies that having a long-term relationship allows better business interaction and creation of strategic partnership. Partnership can be formulated by having operational interactions. (3) Thirdly, an event organization can decide to employ sponsors to be suppliers and thus, producers of the event. This approach enables an event organization to gain resources that are worth more than they could get in pure financial support. This leads easily to portfolio approach by the event organization selecting sponsors based on their needs and wants. All the sponsors of one event should form good entity that creates synergy. By making careful selection of sponsors, an event organization can manage its sponsorship portfolio. (4) Additionally, sponsors can work as promoters of the event. By having sponsors that are focused on media or spread the word of the event, an event organization can extend its market reach. (5) Finally, an event organization can develop the image of the event with assistance of the sponsoring companies. It is argued that sponsor should have logical link to the event in order to build up event image. This supports the idea of having sponsors as suppliers. On the other hand, the natural connection can be having similar goals and visions, same target group and even related fields of business.

Sponsorship strategy should be execution of the event sponsorship marketing mix (10 Ps: ***product, place, promotion, positioning, people, partnership, packaging, price, planning*** *and* ***portfolio***) introduced by the authors in the analysis. The purpose of this framework is to be "operational checklist" and assist event organizations in their interactions with sponsors.

6.3. Managing Sponsors

Event organizations are packaging benefits to attract sponsors. Since sponsorship has become more common, sponsoring organizations have learned

to demand more value for their investment. In practice, it is not satisfactory to only offer visibility aspects and hospitality services. It seems that event organizations must be more innovative in their sponsorship arrangements and they have to be willing to work with their sponsors to improve the relationships. Furthermore, there are some event organizations that have taken a consulting role to help sponsors to utilize their investment and thus, sell sponsorship. In addition, the value of the package depends how well the sponsor utilizes the offered benefits. It is an advantage for an event organization to have active sponsor, which wants to be involved with the process. An active sponsor is an asset for the event organization because they help to promote and develop the event and can bring added value for the event customers. Hence, long-term relationships are desired, it may be appropriate to change the sponsorship portfolio and sponsorship arrangements.

Each sponsor has its own role within event's sponsorship portfolio and within the operations of the event. This leads to the importance of having management system. Managing sponsors can be done through managing interactions and understanding the expectations of each sponsoring company. This can be done by having open communications, which creates commitment and trust. Also, sponsors should understand their own role within the event. Roles can be easily internalized through the categories formulated by an event organization. If the sponsor has the role of producer, there is a significance of what an event organization expects from them is vital for the event and its execution. Based on the observations from the research, the authors trust the importance of the long-term relationships between sponsor and event organization. True partnership can develop the event, the event organization and the sponsoring company.

6.4.   Developing the Event with Sponsorship

Since events take place in the dynamic environments, the event organizations have to keep up the pace of changing world. Furthermore, events are involved in several relationships that hold different meanings and purposes influencing the outcome of the event. The main intension to have relationships with sponsors is to gain financial resources; however, by examining the reasoning more in depth, the relationship can offer more value for both parties. Since the

ultimate goal of the any organization is to sell its product or their idea, development is natural preference. In order to understand the true meaning of the connection between an event organization and a sponsor, the authors have visualized it in a model (Figure 7). All the elements of the model have been gathered through the process of this study. The graph displays the interpretations made on the perceptions of the representatives of the different event organizations. This model is not the only truth because it is generalization of the knowledge gathered from the study and holds only the perspective of the event organization. However, the authors believe that if the conditions are favorable, the development process can take the form shown in the model. A favorable starting point for a progressive relationship is to have logical link for interaction. Moreover, the both parties must be active and willing to put effort into the development of the partnership. Time is an important variable, but more crucial is the true involvement and motivation to reach the same goals.
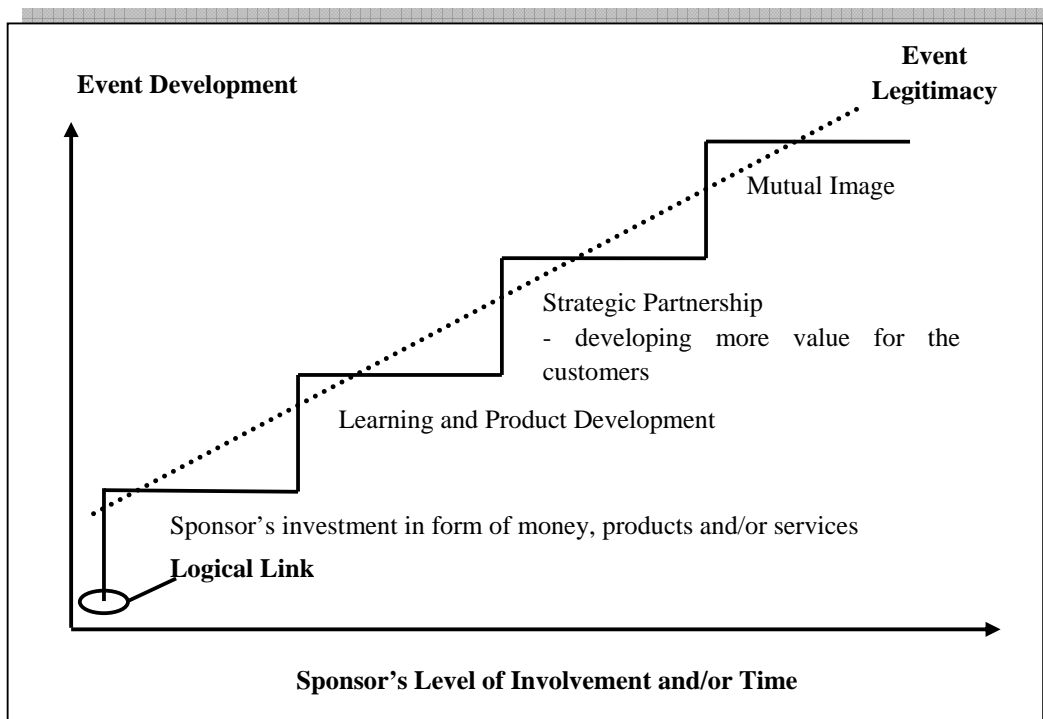

Figure 7: Effect of the Sponsor Involvement on Event Development

The starting point shows the initial beginning of interaction between the sponsor and event organization. The common initiative for the relationship is exchanging benefits. At this point, both parties are not necessarily familiar with

each other. After starting the collaboration and getting to know each other's way of operating as well as expectations for the future, the organizations start to learn from each other. It is proved in the empirical findings that interaction with sponsors can bring structure into event organization's work. Additionally, the event organization may learn for instance marketing strategies from the experienced corporations. Furthermore, the both parties can develop the event product together and thus, add value for the event customer. The sponsor can develop the event product on three different levels; by contributing resources, taking part in exchanging ideas and bringing in additional activities. This will turn the relationship into a strategic partnership. It means that the event organization has to include the sponsor into planning and developing brand image.

Eventually, the event will have stronger image supported by the sponsor's image. It was argued in the empirical data that corporations holding a strong brand will increase the value of the event in the eyes of the audience. The authors believe that sponsors have a large role in developing a legitimate event. It has been justified in the empirical data that sponsors bring credibility to the event organization. Hence, having strong, respected sponsors will increase the legitimization of any event. In addition, time help to turn the event to be legitimate. It could be argued that this model is one way of developing a repetitive event into a hallmark event.

As presented in the event sponsorship definition, the relationship is mutually beneficial. Therefore, when the image of the event improves and possibly the number of visitors increase along with additional publicity, the sponsor will reach additional benefits. However, it could be argued that events can exist without sponsor and still develop and have high-quality.

6.5. Future Research

The authors believe that there is the need for further research within event management and sponsorship. Throughout this research, the authors have come across information, which concerns sponsorship from the perspective of corporate organizations and sponsorship among sporting events. Therefore, the authors encourage future researchers to investigate sponsorship from the

perspective of the event organizations an in other types of events. By researching this topic, it will allow for future development and professionalism within different types of events.

Although the authors found some use of strategies and planning within the event organization, there can be further research within this area in order to implement and develop sponsorship strategies. For instance, different levels of strategy can be explored such as corporate, business or functional strategies. From this research the authors have identified that sport events have strong use of strategic thinking; however, the authors believe that by exploring sponsorship interactions along with what strategies are used can help other types of event organizations.

The event development model (Figure 6), introduced above, creates a challenging platform for future research. The authors suggest this because the validity of the model has not been proved to be true. In addition, the implementation of the event sponsorship marketing mix can be used for future research. As mentioned before, there are many aspects that should be accounted for when working with event sponsorship. Since sponsors have a large influence on an event organization, the authors believe that there is a need to use concept and for it to be applied within the field of event management.

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APPENDIX

Appendix 1: Interview Guideline

Background

1. What kind of organization does your event have? Who is making decisions and the actual work concerning sponsorship arrangements?
2. How old is the organization?
3. Who is the owner of the organization? Is it non-profit or for-profit organization?
4. How do you define "sponsorship"?
5. Are there any other reasons than funding to have sponsors?
6. How much in percentage do sponsors support the event?

Strategy Approach

7. What is the business idea of your event?
8. What are your goals with this event?
9. What is done to achieve these goals?
10. On what time scale is the planning done?
11. How are sponsorship arrangements included into the planning?
12. Do you have valid sponsorship contracts at the moment?

   If the answer is "yes", continue with following questions...

13. How would you describe the sponsoring companies that you have at the moment? How many are they?
14. Did you have an idea of what kind of sponsors you wanted when you started to look for them?
15. What criteria did you have when choosing these sponsors?
16. Did that plan changed on the way?
17. Did you manage to reach the set criteria?
18. Do you categorize your sponsors? Why? How do you define those categories?
19. Do you make individual deals with each company or do you have different groups? Are the responsibilities and benefits the same within groups?
20. What factors are considered in the contracts? For how long period of time contracts are made?

If the answer is "no", continue with following questions…

21. What kind of sponsors you would like to have and how many?
22. What criteria will you have when choosing sponsors?
23. How will you ensure that the set criteria will be reached?
24. What type of contracts do you want to have with your sponsors and for how long?
25. Will you categorize your sponsors? Why? How do you define those categories?
26. Will you make individual deals with each company or will you have different groups? Will the price and benefits be the same within the groups?

Continue…

27. What efforts are taken to get sponsors?
28. Does it happen that companies contact event organization to show willingness to be sponsor? Have you considered those companies to be suitable sponsors for your event?
29. What does your event offer to sponsors?
30. Do you consider other event organizations to be your competitors in attracting sponsors?
31. What do you think that are your competitive advantages in the context of sponsorship arrangements compared to other events?

Change

32. Has the sponsors changed over time?
33. Do you follow your sponsors' business activities while having contracts with them? Why?
34. Have you changed your sponsorship arrangements over time?

Image

35. Do you think that the sponsors have affected the event or its development?
36. Do the sponsors change the nature of the event in general?
37. Do certain sponsors increase the value of the event for other potential sponsors or customers?

Appendix 2: The Logos of the Events' Sponsors

SPORT MEGA-EVENTS

World Championships in Athletics 2005

Official IAAF Partners:

Official IAAF Supplier:

Public Institutions:

(www.helsinki2005.fi)

National Partners:

AMICA | FINNAIR

Fortum | Puustelli®

sonera® | VEIKKAUS

National Suppliers:

EDITA | ISS | Lainapeite

SILJA LINE | posti | TURO TAILOR

Scandic | NIEMI

(www.helsinki2005.fi)
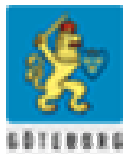
European Championship in Athletics 2006

International Partners:

National Partners:

Institutions:

(www.goteborg2006.se)

CITY CELEBRATIONS

Helsinki Festival

Partners:

Sponsors:

(www.helsinginjuhlaviikot.fi)

Malmö Festival

Main sponsor:

Other Sponsors:

(www.malmofestivalen.se)

ROCK FESTIVALS

Ruisrock Festival

Partners:

Sponsors:

(www.ruisrock.fi)

Hultsfred Festival

Main sponsors:

Other Sponsors:

(www.rockparty.se)

FILM FESTIVALS

Espoo Ciné

(www.espoocine.org)

Göteborg Film Festival

Main sponsor:

Other Sponsors:

Broströms resebyrå	Malmö Aviation
Forsman & Bodenfors	Metro
Teleca AU-System	Mässteknik
Elite Plaza	PIN Sweden AB
Filmteknik	Sandberg Trygg
Hotel Riverton	Sky Transport
Kodak	Sandrew Metrome Gtbg
Litegrip	Tele2
Trifol	

Official Co-operation Partners: *Internet Partners:*

Göteborg & Co	Posten Betalväxel
Kultur Göteborg	Microsoft
SIDA	Föreningssparbanken
Svenska Filminstitutet	Postgirot Bank
Västra Götalandsregionen	Handelsbanken
	SEB
	Nordea
	Skrivarteknik

(www.filmfestival.org)