



# Master's degree thesis

**IDR950 Sport Management**

**Local patriotism alone is not enough  
- A case study of Kristiansund Ballklubb**

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## **Preface**

This master's thesis is written as the final part of my two-year master's program in Sport Management at Molde University College.

The master thesis addresses a case study by Kristiansund Ballklubb (KBK) where I have investigated how close relationships with existing sponsors can affect the increasing value of KBK as a sponsorship object. The case was chosen based on the fact that I had a internship at KBK in 2017 in connection with the studies. This case has given me the opportunity to apply knowledge that I gained through my studies in Marketing Management and Sport Management. The work on this thesis has been challenging, but at the same time a educational process.

I would like to thank my supervisor Hallgeir Gammelsæter for help and guidance along the way. Huge thanks to the representatives of KBK, who have given time to share their knowledge, put me in contact with their sponsors, and who have always been clear that they are there if there is anything I need help with. Special thanks to the CEO and media manager who participated in interviews. I also wish to thank the other informants for the commitment they showed for my research project, and that they took the time to be interviewed and answer on the questionnaire survey.

Tonje Øverland Nordli

Molde, 2018

## Summary

In this study I aim to map out whether close relationships with existing sponsors can affect the increasing value of KBK as a sponsor object. It is assumed that KBK's brand has increased significantly in line with the sporting success that the club has experienced through 14 years, yet the sponsors have not seen the same increase in value. This thesis is to answer the following research question:

*“What is the pros and cons of having dedicated sponsors?”*

The thesis is based on a theoretical framework that includes theory of sponsorship, commitment and trust, networking and negotiations. The empirical data consists of interviews with representatives from KBK and some selected main sponsors, as well as a questionnaire survey of all sponsors. The data is based on six interviews and a questionnaire survey sent to 38 respondents.

The results of the interviews and questionnaire survey indicate that there is a high degree of commitment and trust in the relationships between KBK and the sponsors, which gives great relationship benefits for both parties. Nevertheless, it is possible to see that the balance of power in the relationship is uneven, which could indicate that KBK is more dependent of the sponsors than vice versa. Many of the precursors of commitment and trust appear to be key factors in the close relationship between the sponsors and KBK. The commitment and trust have been worked out over a long time and are very strong. It is also here one of the issues for KBK occurs when they are encouraged to sell sponsorship agreements to a higher price by Norsk Toppfotball. The reason why the close relationships with the existing sponsors can be a problem is because they have expressed that they do not want to pay more for the sponsorship agreements.

I conclude that the close relationships with existing sponsors can affect the increasing value of KBK as a sponsor object due to the uneven balance of power that makes it more difficult for the club to make their sponsors pay more for the sponsorship agreements.

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## 1.0 Introduction

The theme in this thesis will be the value of sponsorship agreements both for the club and for the sponsors. The purpose in this thesis is to provide a better understanding of how the different parts set the value of a football club as a product.

There is no doubt that football is by far the most popular sport in the world (Total Sportek, 2018). This also makes football a sport with a lot of money, and where it is possible to make some revenue, that might be the main reason why there is so many sponsors in football. Especially, after football started to be broadcasted, the interest has increased a lot both among fans and sponsors – these factors have helped the sport to become so huge.

The last two decades the Norwegian Premier League has evolved from amateur football and semi-professional football to a big money industry. This is not primarily due to an increase in fans and spectators at the stadiums, but mainly the entry of big money from TV rights and the sponsorship funds from the business community.

Already in the 1960's money started to show in Norwegian sport, but then it was still seen as amateur sport. Sports got commercialised when the business community started to give money to get something back, such as commercial and reputation. In football this first started in the early 1970, and in 1990 when professional sport was allowed, since then for example football clubs have sold themselves to the highest bidder on the market (Olstad, 2015).

While sponsorship is not an exclusively sporting phenomenon, over the last four decades' sponsorship has become synonymous with sport (Chanavat, Desbordes and Dickson, 2016). As shown in a report from Norsk Toppfotball (2017), Norwegian football clubs have become more and more dependent of sponsors, because today it is from these deals the clubs get almost 50% of their income. Therefore, it is important to get a deeper understanding of what both the sponsors and the club mean the value of such sponsorship agreements is.

## **1.1 Background**

The reason for why this is the theme for the thesis is because after my internship period in Kristiansund Ballklubb (KBK) we agreed on a cooperation. They had a case where wanted to find out more about the value of their sponsorship agreements – both for the club and for the sponsors.

In almost 100 years Kristiansund as a region and local community have had a lot of small football clubs that have created huge enthusiasm. But it took quite a while before they were able to found a club that reached the top division in Norway – until 2003. The process of a new football club started in 2002, then Sparebanken 1 Nordvest, who are KBK's general sponsor today, wanted to be part of something bigger. They offered over NOK 2.2 million to the two biggest clubs in Kristiansund, Clausengen Fotballklubb and Kristiansund Fotballklubb, to develop a new club. This is how KBK was founded in 2003 (Kristiansund Ballklubb, 2018).

Already in 2005 KBK reached the 2<sup>nd</sup> division, the club played in this division for seven years before they were promoted to the second highest division in Norway in 2012. KBK achieved better results every year, and it was possible for the club to see some progress nearly every day. After some years with a lot of effort to improve and hard work from the players, coaches and administration, etc., they reached their main goal in 2016 – to be promoted to the Norwegian Premier League. KBK ended up in 7<sup>th</sup> place after their first season at the highest level, this shows that it is possible for clubs with limited resources to assert oneself in the Norwegian Premier League.

It is no doubt that the interest for football and KBK is huge in the region of Kristiansund. In a report from Norsk Toppfotball (2017) where they present the average number of spectators during the season in each stadium - KBK had the highest percentage (92,69%) of spectators in the stadium in 2017. Nevertheless, it is important to take into account that they had the lowest capacity of the stadiums in the Norwegian Premier League in 2017.

## **1.2 Research question**

The purpose with this study is to try to uncover how the close relationships with existing sponsors could influence the value of KBK as a sponsor object, because there seems to be

some disagreements between the club and the sponsors. KBK have had sporting progress every year, and that has also increased the attention from media, etc. That also means that the club is promoting the sponsors to a much bigger audience than those coming to the matches.

KBK have achieved good results for being such a small club. The results have increased the interest for the club for new potential sponsors, first and foremost companies from the local community.

The club have had many of the same sponsors since they were founded in 2003. However, some of the sponsors have not increased their investments despite the achievements KBK have experienced on the pitch. This has prompted questions about existing sponsors, how they could potentially be a disadvantage for the club's valuation of the sponsorship since the market value has increased, but it does not seem like the sponsors have taken that into account. Therefore, the research question will be:

*What is the pros and cons of having dedicated sponsors?*

### **1.3 Research outline**

This thesis will be presented through six chapters. In the first chapter, the introduction, the thesis will be presented. Here the reader can find an introduction to the theme that this thesis will look deeper into. Also some history of the club that will give an overview of the case, and last the research question. In the second chapter I will go through the theory I will use as a base for this thesis and the theory is also going to be the base when I am going to discuss the results. The third chapter I will present the methodology I have used in this study to answer the research question and how I collected my data. In chapter four, the findings that were made, using interviews and a questionnaire survey, will be presented. These findings will be the basis together with the theory for the discussion that is being presented in chapter five. Chapter six will consist of a summary of the discussion where I highlight what I think is the main point for the situation to be the way it is today and this will eventually end with an answer to the research question.

## 2.0 Theory

Theory is important for the thesis to be able to understand the empirical evidence that appears in my research. The theory I will present in this chapter is sponsorship theory, commitment-trust theory, network theory and negotiation theory. This is theory that I believe can illuminate the research question; *What is the pros and cons of having dedicated sponsors?*

### 2.1 Sponsorship theory

Crimms and Horn (1996, p. 11) described the value of sponsorship as this: “a sponsorship is worth millions of dollars primarily because it can have an impact on millions of customers”. In some occasions this can be the case, but it is important to remember that even if you are a sponsor for an organisation or an event it does not mean that someone is going to buy your product. Sponsorship is an easy way to show people that the company want to support organisations or events that means something to the local population. This makes sponsorship to an effective and cheap communication medium to reach out to different segments (Thjømøe, 2010).

One factor that is important when it comes to sponsorships, both for the sponsor object and the firm that sponsors, is that their values and attitude fit each other, because the two parties will be associated with each other throughout different mediums (Thjømøe, 2010).

About 15 years ago sponsorship was mostly for social corporate responsibility (CSR), but today it seems like firms engage in sponsorships more strategically than in the past (Demir and Söderman, 2015). It is in the interest of the sponsors to integrate strategic thinking and planning into their sponsorship relationships, as well as obtaining financial benefits and brand associations (Morgan *et al.*, 2014). Sponsorship management no longer focuses exclusively on reaching consumers by promoting products in the mass media. More recently, varied studies have shown that sponsorships have been used as an arena of networking (Ryan and Fahy, 2012). Still the most typical and direct forms of sport sponsorship is to exchange money for logos on commodities and in-arena signage with stadium banners, aimed at increasing and boosting awareness of brand image and reputation (Amis, Slack and Berrett, 1999).

Though sport clubs have been warned against “over-selling” the positive arguments of the economic potentials for local communities in being the host of elite sport clubs (Storm, Thomasen and Jakobsen, 2017). Sponsorship have become more than just investing in an organisation. Now the focus is also on how to create a network consisting of other sponsors. A network can be defined as “a set of nodes and the best of ties representing some relationship, or lack of relationship, between the nodes” (Brass *et al.*, 2004, p. 795). Thus, nodes can be defined as individual actors or organisations (Wagner, Persson and Overbye, 2017). Consequently, network and networking are about building and maintaining relationships defined as: “collaborative arrangements established via the interactions between actors embedded in a social context” (Jørgensen and Ulhøi, 2010, p. 398). Such relationships are shaped by individuals but that, at the same time, these individuals are leading representatives of organisations involved in the sponsor and business networks (Wagner, Persson and Overbye, 2017).

Sponsorship networks happen when two or more organisations are related, either directly or indirectly, with the one sponsorship property (Chanavat, Desbordes and Dickson, 2016). Sponsors that fit well with their sponsorship object has always been regarded as a crucial factor in sponsorship creations. Involving sponsors, for instance in network activities, is a possible way of justifying the sponsorship economically (Wagner, Persson and Overbye, 2017).

### **2.1.1 Why do firms choose to have sponsorships?**

There are numerous reasons why firms choose to enter into sponsorship collaboration with different types of organisations. But in line with other communication measures, the main objective of sponsorship is; increased sales, yield and to consolidate market positions. Often does firms have more underlying purposes as well, which can indirectly lead to the firms’ main goal. The main goal can be increased brand exposure, increased brand awareness and creating internal motivation for the employees (Thjømøe, 2010).

There are of course other purposes that firms can have when it comes to sponsorship agreements, these can be increased attention, to strengthen the reputation of the company behind the brand. As well to influence people’s image of the business or to increase

customer loyalty. The sponsorship can make customers identify and associate the corporate brand with a special segment or lifestyle (Samuelsen, Peretz and Olsen, 2010).

Sponsorship relationships generally are entered into by sponsor seeking brand-related benefits through associations with a sport entity brand (Chanavat, Desbordes and Dickson, 2016). In any case, sponsorship can enhance the image of the sponsor's brand. This is a consequence of an image transfer from the sponsor object toward the sponsor (Gwinner and Eaton, 1999). The goals are a conceptual model which consider concurrently the interaction effects between organisations that are connected, either directly or indirectly, with the one sponsorship object, and the relationships between brand image, brand attachment and purchase intention (Chanavat, Desbordes and Dickson, 2016). But the sponsors usually point to measurement as being one of sponsorships biggest challenges (DeGaris, Dodds and Reese, 2016). Detailed market evaluation of a sponsorship and the effects on thereof sales is difficult to pinpoint with robust and cost-efficient statistical measurements. There are as well several potential intervening variables that can make an analysis complex and ambiguous. This makes it hard for the sponsors to set a precise label on how much the sponsor object is worth for them economically.

It can be difficult to make the income stable for sporting organisations, so for them it can be important to attract sponsors through business-to-business (B2B) networking, because that could potentially open a door to a new source of income. Clubs always face the threat of being relegated, that could often lead to situations of serious reduction in income due to decreased media exposure. Hence, focusing exclusively on good sporting results as a strategy for income generation is associated with uncertainty. Instead, from the perspective of a sport club – that may not always belong to the best league – establishing a B2B network arrangement with sponsors that goes beyond mass-media exposure can prove to be financially beneficial for clubs in periods of poorer sporting results (Wagner, Persson and Overbye, 2017).

This also means that the club management need to concentrate on more than the sporting achievements on the pitch, they also need to focus more about the network that is build around the sponsors, because the sponsors represent a generous financial foundation for the club (Wagner, Persson and Overbye, 2017).

Wagner, Persson and Overbye's (2017) study provide insight into corporate motives, the use of networks and potential outcomes for B2B relations in sport settings that are not connected with large-scale international sporting events but in setting that have a daily impact on the local and regional business landscape. Firms engage in sponsor networks primarily for business reasons. The study also show that team sport clubs may be able to fulfil an important role in local society beyond being just entertainment industries. Therefore, building business networks is meant to enhance their attractiveness for sponsors.

One of the reasons for a city to support a team or bid for a big event is the widespread free media-coverage, which brings visibility and emotional heat that is often seen as positive outcome (Rein and Shields, 2007). This is because sport can boost the name of a place, but it is important to remember that media exposure and the familiarity that comes with does not necessarily translate into place reputation and extend the business cultural life (Gammelsæter, 2017).

There is still a lot of potentials of sport club-related sponsors and business networks to create a social networking and B2B relations, this makes it possible to still contribute to the discussion of sport's role in facilitating and arranging business relations in local communities (Wagner, Persson and Overbye, 2017).

The fact that it is possible to use such networks to make business deals, and this is potentially a huge factor for many sponsors of why they want to sponsoring a sport club. Other factors are usually that then the sponsors have the chance to participate in network meetings were there is an opportunity to meet and interact with other businesses and to create occasions for new businesses. With these types of networks, it is possible for the sponsors to increase their business and specially to increase their business with other members of the sponsor network. Such sport sponsor networks are possibly far more inclusive as they recruit members outside retail and small production companies to include local service firms, educational organisations, master craftsmen and cultural industries (Wagner, Persson and Overbye, 2017).

Wagner, Persson and Overbye (2017) state that the local sport club – despite not belonging to the national elite – is able to create business alliances between small businesses. Hence,

a sport club becomes an essential topic for local enterprises and small-scale business interactions, and consequently, its role in the local community is extended far beyond being just a part of the entertainment industry on home-match days. This might clarify why sponsors seem less stimulated by social reasons or distinct sporting interest when asked to evaluate their reasons for participating in network arrangements.

### **2.1.2 The effect of sponsorships**

Value of a sponsorship can be difficult to assign to specific actions to the sponsorship, because it is often realised at different times and from different sources. Sport entities often receive income, such as right fees, at the start of the relationship. Sponsors, on the other hand, can not realise any return on investments until later. Often, they often can do so after investing significantly more funds in the form of activations. In fact, it may take years for sponsors to fully realise the value as a shift in consumer attitude. Such a change to the sponsor's brand may require a long-term connection between the two parties, as well as ongoing activation efforts (Farrelly, Quester and Burton, 2006).

By sponsoring, the company's desired effect is primarily to increase the awareness of the company or the brand that is being promoted, as well as of course achieving goodwill. It could be difficult for the firm to know exactly which effect the sponsorship have, and some companies does not bother to find out the effect because they see sponsorship as CSR. It can be really complicated to measure the effect of a sponsorship because there is a lot of different ways to do it, as well as it has not been developed a suitable method to measure the concrete effect of sponsorships – this is also the reason why firms do not measure sponsorship (Framnes, Pettersen and Thjømøe, 2011).

There is one potential way for the companies to be able to find the profitability from the sponsorships is to see how many times their logo appears up on the TV screen during for example a football match. These values could then be compared to what the company might have paid for similar TV exposure (Thjømøe, 2010). Since measuring the logo exposure is the easiest way to measure the effect from sponsorship, there is also some other options to do that. Firms can choose to collect data from surveys that focuses on

attitude towards the company or brand, evaluation of the image or measuring yield (Gran and Hofplass, 2007).

For the sponsors to get as much as possible out of their sponsorship agreements it is important that they activate their sponsorship. This means that the firms need to be active and tell the world about their sponsorships, and not just expect that everybody knows. A smart way to activate their sponsorships is to use the sponsor objects – for example athletes to their own events. This type of activation can also make it easier for the sponsors to measure the effect of the specific sponsorship (Crimmins and Horn, 1996).

## **2.2 Commitment-trust theory**

The commitment-trust theory is about creating, developing and maintaining good relationship transactions. It is mostly about psychological factors that are essential to create commitment and trust. This theory was first used in marketing articles to understand relations within marketing, especially the relations between customer and seller (Morgan and Hunt, 1994). Friman et al. (2002) argue that this is a theory that can be used in relations between enterprises because the same psychological factors apply in this type of relation as well. Commitment and trust are the key to distinguishing effective, rational exchanges from unproductive and ineffective, because they promote the preservation of relationship investments (Morgan and Hunt, 1994).

Morgan and Hunt (1994) uses the key mediating variable (KMV) model of relationship marketing, this model focuses on one party in relational exchange and that party's relationship commitment and trust. The KMV model is based on five important antecedents and outcomes between commitment and trust. The five precursors to commitment and trust are relationship termination cost, relationship benefits, shared values, communication and opportunistic behaviour. The five outcomes relationship commitment and trust lead to are acquiescence, propensity to leave, cooperation, functional conflict and uncertainty. The symbols in the model show whether the presence of a factor has a negative or positive impact on another. It is necessary to notice that commitment is positively affected of trust. On the next page I will illustrate the model and then briefly describe the various elements.

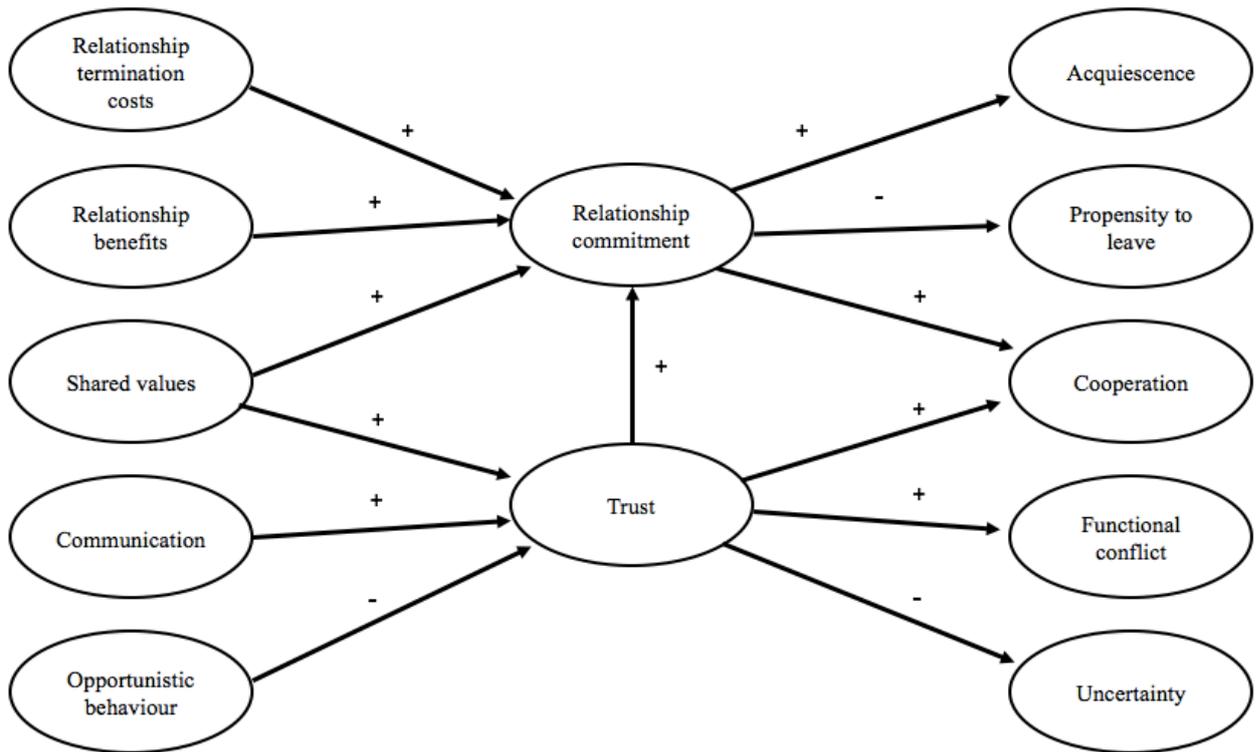


Figure 1: The KMV model of relationship marketing describing what outcomes the factors lead to (Morgan and Hunt, 1994, p. 22).

### 2.2.1 Precursors of relationship commitment and trust

**Relationship termination costs** theory is about the costs an actor encounters when they switch transaction partner. Dwyer, Schurr and Oh (1987) claims that high exchange costs increase the likelihood of trying to establish a quality relationship with the partner. The reason why relationship termination costs have a positive effect on relationship commitment is because the parties in the relationship see the potential for higher costs will arise by leaving the relationship in the pursuit of getting similar or a better relationship with other actors. These expected termination costs lead to an already existing relationship being considered as important, thus creating a commitment to the relationship (Morgan and Hunt, 1994).

**Relationship benefits** will lead to greater commitment and desire to maintain the relationship. Relationships are beneficial when companies achieve superior profit, customer satisfaction and product quality through their partnership, relative to other alternatives (Morgan and Hunt, 1994). Relationship benefits have a positive effect on

relationship commitment because the parties in the relationship benefit greatly from each other's services/products. When a firm experiences the other party's ability to satisfy its customers, it is highly appreciated because firms will commit to establishing, developing and maintaining relationships with such partners. Over time, there will also be a commitment to the relationship (Morgan and Hunt, 1994).

**Shared values** are about whether the partners have the same values related to what behaviour goals and policies that are important, unimportant, acceptable or unacceptable. According to the theory, shared values between transactional partners are a direct precursor to both commitment and trust. The reason for that is that shared values are a key for the parties to make the most of the relationship, because then both parties know that they have the same purpose with the relationship. As a result, the parties will feel committed to the relationship and trust will arise between the parties (Morgan and Hunt, 1994).

**Communication** can be defined as the formal as well as the informal sharing of meaningful and correct information between companies (Anderson and Narus, 1990). Communication brings forward confidence by helping to handle discussions, and comparing expectations and perception. These are also some of the reasons why communication affects trust in a positive sense, communication is one of the most important factors in a relationship because improved communication strengthened trust (Morgan and Hunt, 1994).

**Opportunistic behaviour** comes from the transaction cost theory and involves the search of self-interest, potentially at the expense of others. Opportunistic behaviour will, unlike the other precursors, have a negative effect on trust because the partner loses faith, making the partner less trust-worthy (Morgan and Hunt, 1994).

### **2.2.2 Outcomes of relationship commitment and trust**

**Acquiescence** focuses about whether a partner accepts or adheres to someone else's specific request or policy. This means that a partner adheres to the wishes of the other party. Relationship commitment will have a positive impact on acquiescence because when there is commitment in the relationship, it is easier for the parties to give

acquiescence because they want to do so and feel a reciprocity in the relationship (Morgan and Hunt, 1994).

**Propensity to leave** is the assumed likelihood that a partner will terminate the relationship in the near future. The KVM model assumes a negative relationship between commitment and propensity to leave. This means that if the obligation increases, then the likelihood of termination decreases as well (Morgan and Hunt, 1994).

**Cooperation** is about working together to reach a common goal. Cooperation is considered the only result that is directly affected positively by both commitment and trust. A partner who is committed and trustworthy to a relationship will cooperate with the other members because he has a desire to make the relationship work. Cooperation is dependent of both commitment and trust in a relationship, because it is then the firms will achieve the outcome they want (Morgan and Hunt, 1994).

**Functional conflict** can be seen as something positive because they prevent stagnation, as well as stimulating interest and curiosity. They also facilitate where problems can be vented which contribute to better solutions, this is also why functional conflicts are positively affected by trust in the relationship. The theory assumes that trust means that a partner believes that future conflicts will be functional (Morgan and Hunt, 1994).

**Uncertainty** implies whether a partner has sufficient information to take important decisions, and can anticipate the consequences of these decisions and have confidence in these decisions (Archol and Stern, 1988). According to the KVM model trust will reduce the degree of uncertainty regarding major decisions because the trusting partner has confidence that the trustworthy party can be relied upon (Morgan and Hunt, 1994).

### **2.2.3 Relationship commitment**

Morgan and Hunt (1994) defines relationship commitment as a transaction partner's belief that one ongoing relationship with another are so important that the organisation will make maximum efforts to preserve it. This likewise means a long-term desire to maintain a value based relationship. Commitment between transactional partners is considered as the key to be able to achieve valuable results and to get the parties to make an effort to maintain the

characteristics of the relationship. Therefore, this is central in all rational transactions between an organisation and their partners.

There are several examples of that commitment to specific relations is a potential solution to handle uncertainty. If one party show that it can be trusted, repetitive transactions will occur between these parties, because this will provide security from other potential opportunistic partners. However, such obligations have the disadvantage that huge losses can occur because firms can deselect potentially better alternatives in favour of a safe and familiar option (Yamagishi, Cook and Watabe, 1998).

#### **2.2.4 Trust**

Morgan and Hunt (1994) conceptualise trust as existing when one party has faith in a transactional partner's reliability and integrity. Trust is a result of an organisation's belief that the trustworthy party is consistently, honest, fair, competent and helpful. Tomkins (2001) state that every relation is affected by trust. He defines trust as the adoption of the belief of a party that other parties will not act against their interests in the relationship. Once the trust is won, continuous monitoring will lead to breach of trust.

To get a deeper understanding of trust it is possible to separate different types of trust. Baldvinsdottir (2013) separate between primary trust, knowledge-based trust and identity-based trust. Primary trust occurs when the cost related to breach of trust, is understood to be higher than the gain of opportunistic behaviour. Knowledge-based trust is based on experience of the other party's behaviour. Through regular communication the parties exchange information about their needs and preferences and hence reach an agreement on how issues should be addressed. Identity-based trust is about empathy for the wishes of others, and developed through a personal identification.

Trust influence relationship commitment because trust is the decisive factor for parties choosing to commit to relationships with other parties, thus it is often referred to as "the cornerstone of the strategic partnership" (Morgan and Hunt, 1994, p. 24).

## 2.2.5 Power

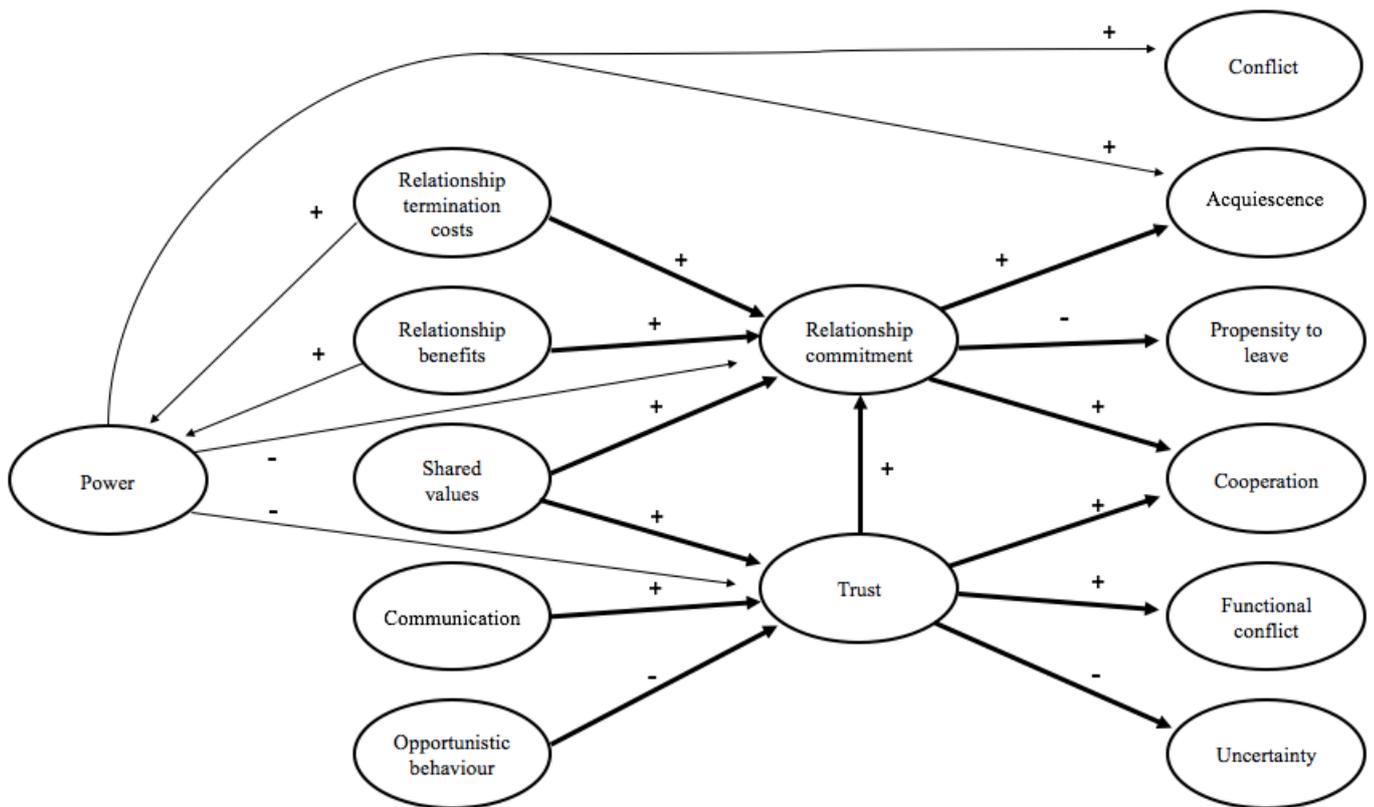


Figure 2: An extended KMV model of relationship marketing (Morgan and Hunt, 1994, p. 33).

Morgan and Hunt (1994) explain power as a social force where someone is actively involved in determining the outcome of a situation. The need to take advantage of power arises when the actors rely on each other, so the exercise of power can often be perceived in the sense that companies feel compelled to do something for each other. In healthy relationships acquired over time, parties who collaborate and firms committed to the relationship acquiesce because they want to do so. It is in such situations that it is possible to see how power can positively influence acquiescence in a committed relationship.

As it is possible to see in the extended KMV model, power results from relationship termination costs and relationship benefits, who positively affect both acquiescence and conflict. This can mean that if the relationship benefits and relationship termination costs are high for one party, this will give the other party greater power in the relationship. On the other hand, relationship commitment and trust are negatively affected by power. The

negative effect on relationship commitment and trust will in the long run reduce collaboration and reduce overall relationship success (Morgan and Hunt, 1994).

Jacobsen and Thorsvik (2013) distinguish between different forms of power, two of those are 'exchanging power' and 'meaning power'. Exchanging power means that one of the players control resources that the other wish it had. It can be described as the more player B wants the good player A has, the more power A gets over B, and the more difficult it is for player B to acquire the good player A is controlling from other sources, the more power A gets over B.

Power is considered to be most effective when it can shape other people's perceptions and preferences so that they accept their role in the organisation. This is either because they consider it impossible to change this or because they appreciate the organisation and the role they hold. Such a form of power is termed as meaning power, which creates common goals and interests (Jacobsen and Thorsvik, 2013).

### **2.3 Network theory**

Network theory is about finding a pattern in interactions to understand what relationships are emerging and what will be the consequences from them (Quatman and Chelladurai, 2008). According to Babiak (2007) it is important to see the relations in a network perspective because organisations often do not maintain their working relations in alliances and understands interpersonal links. Network theory can also be used to understand the relationship between sport and media, sport and sponsors and relations in the sporting network (Wolfe, Meenaghan and O'Sullivan, 2002).

A network is a method of collaboration that brings together all stakeholders to give a more holistic understanding. The network structure differs from traditional organizational structures because no one is in charge of management. On the other hand, there is a collaboration where someone can have more power than others out of what resources they bring into the collaboration (Keast *et al.*, 2004).

Wolfe, Meenaghan and O'Sullivan (2002, p. 611) state that "network theory has developed a framework of ideas that represents one of the major advances in

understanding of marketplace phenomena”. During the last couple of years the use of network theory has been extended with significant success to new domains beyond the original focus on B2B relationship. But in this study the focus will be on B2B relationship.

Tomkins (2001) state that it is important that the management assesses whether the information systems are good enough and whether the network relationships are appropriate for the goals they have set. The information system must capture both direct and indirect effects of the relationships. It is important to understand that negotiations with one party not only affects a singular party, but that the complexity of a network implies that a third and fourth party also indirectly may be affected. Some of the most important things to remember in network theory is to choose which relationships that is the most emphasised, as an actor can not have a close relationship with all. To be able to take these decisions, the management need to look at all the relationships and how the change in one of them can affect others through network effects. To be able to understand the context between these relationships is essential for this study because network theory has become more and more used when describing the relationship and expectations between sponsors and the sponsor object.

Network theory have made it clearer for sponsors that they want to achieve more than goodwill from a sponsorship. Previously, it was not uncommon for organisations to enter into sponsorship contracts because the CEO enjoyed the sport (Meenaghan, 1996). According to Farrelly, Quester and Burton (2006) today’s sponsors have more defined strategic goals and expectations for the sponsors object than before without giving more in return.

This theory can be used to do research on different types of relationships between parties and to look at the different attributes in relation bonds. To get as much out of the use of network theory it is important to go further than just describing the relationship between parties, but also explain how and why the observed relationships are as they are. In order to do that, one must understand the balance of power, the interaction and the proximity between them (Quatman and Chelladurai, 2008).

## 2.4 Negotiation theory

According to Østerud (2007), negotiations are a simple form of social interaction in both politics and society. Negotiations consist of two or more parties. Jacobsen and Thorsvik (2013) explain that for a negotiation to occur there are two parties with different interests that meet. At the same time, it is important that the interests they have do not deviate completely because the parties have a common goal of finding a solution they both can agree with. There are often disagreements during negotiations because of the different interests that are at play.

Jacobsen and Thorsvik (2013) distinguish between two types of negotiations, distributive and integrative. Distributive negotiations are about getting the most resources, it will be a win-lose situation where one party based on pure self-interest will have a narrow room for negotiation due to the interest of getting maximum gain of a deal, contra finding a common ground. An integrative negotiation is a situation where it is possible to achieve a win-win situation. This could be, for example, a situation where both parties got better out of a situation by thinking about what interests they have in common, rather than focusing only on their own interests.

According to Burns, Bradley and Weiner (2012), there are three common strategies when the goal of the negotiations is to find a solution: *compromising*, *competing* and *collaboration*. If the parties choose to make a compromise, then the solution is to share their values and find a solution that can satisfy both. However, if the parties choose a competing strategy, it is often because one party is worried that the other party will achieve the greatest possible benefits from the negotiation process. The third outcome may be that the parties choose to cooperate, as both parties are uncertain of each other and the potential outcome of the negotiations. This strategy has proven to be the most effective as this strategy calls for reciprocity between the parties.

There are also different tactics that the parties can use to influence the other party, they are to come with a *strong opening offer*, *forming coalitions* and using “*Best Alternative to a Negotiated Agreement*” or *the power of walking away* (Burns, Bradley and Weiner, 2012). Making a strong opening offer is potentially an advantage for the party who submits the offer. Here, it is often the information that accompanies the offer that may form the

negotiation process and the outcome. Forming coalitions are used to strengthen powers and then the own interest in the negotiation. Coalitions are formed when those parties that have a mutual interest are geared to negotiate with another party, thus increasing their power. “Best Alternative to a Negotiated Agreement” (BATNA) is a tactic that only becomes relevant if the negotiation process fails, and then the tactic represent the best solution when the parties fail to agree. This is often called “the power of walking away”. BATNA is often used when one party is highly dependent on the resources held by the other actor (Burns, Bradley and Weiner, 2012).

I have used these theories because I mean they highlight my research question.

Sponsorship theory helps to provide a basic understanding of what sponsorships are and why firms choose to have sponsorships. Such a theory is necessary because it is important for the base of this research since it deals with dedicated sponsors, so it essential to understand why sponsors become dedicated to their sponsorship objects. This leads to why I have chosen to make use of commitment-trust theory, this is to further investigate the sponsorship conditions and which factors that are important for the relationship to be perceived as beneficial to both parties. Something that further causes relationships based on commitment and trust. This theory is described because it is important to understand the importance of a well-committed relationship based on trust when it comes to sponsorship relationships. At the same time it is significant to understand of how power can affect relationships, especially in a sponsorship relationship, where it is normal to have a party that is more dependent on another. Network and negotiation theory has thus been used as a supplement because networking has become such an important part of the sponsorship business. In that sense making the reader aware on the importance on how the sponsorship deals are negotiated.

### **3.0 Methodology**

This chapter explains the methodological choices and limitations that have been made in this research. Furthermore, I will describe the design for the survey before explaining how I have collected my data. In the end of this chapter, the credibility of this research will be discussed, as well as ethical considerations and limitations of the thesis.

### **3.1 Choice of method**

When deciding for which type of method I should use, there are two types of method to choose between, these are qualitative and quantitative method. If the aim is to go deeper into a phenomenon and get to know a lot about few you have to choose a qualitative method, while if the aim is to go wide and know little about many you choose a quantitative method (Veal and Darcy, 2014).

In this study, the main focus will therefore be on a qualitative method, because a qualitative method often fits in to “clarifying an unclear topic and to get a more detailed description of the topic” (Jacobsen, 2013, p. 131). This will help me to develop a better understanding of my research question, because the informants will give me deeper information with a qualitative method, also because I have not found any previous studies on the same topic elsewhere.

The topic requires vast amounts of data from different sources to get a good understanding of the issue at hand. I have therefore chosen to supplement the study with a quantitative method as well. Providing a somewhat bird view on KBKs’ sponsors and partners view the sponsorship deals. In this regard giving better insight on the dynamic between the club and some of their biggest sponsors, as well as getting a wider understanding on the applicability of the theory (Jacobsen, 2013).

### **3.2 Research design**

A decent and transparent research design makes the researcher show how the data has been collected, and how it can impact the reliability and validity of the data collection (Jacobsen, 2013). The aim with research design is to assess in an early phase what and who are being examined, and how the survey is going to be accomplished (Johannessen, Tufte and Christoffersen, 2016).

The two most common approaches to data collection are inductive and deductive methods. An inductive approach implies that initial research is characterised by openness, due to the uncertainty about the type of empiric is generated and which theoretical foundations are relevant. Therefore, this approach goes from the empirical to theory. The contradictions are a deductive method, where the theory is being the basis of the empirical. This means

that the theory creates an expectation of how reality will look before it is tested to see whether the assumptions match the reality or not (Jacobsen, 2013).

I have chosen to use a combination of inductive and deductive approaches. It has been difficult to find previous research on this topic and to find relevant theoretical approaches, in addition to collect my own data in order to complete this type of study. Therefore, I have used previous studies on fairly similar topics and a theoretical approach as well as own interviews and a questionnaire survey. In order to implement the study in the best possible way, it has been important that the informants express how the relationship is between the club and the sponsors, what expectations they have and how they appreciate the sponsorship. Based on this, theory will be identified and analysed to explain which factors that is important for both the club and the sponsors when it comes to the value of the sponsorships. By using both an inductive and deductive approach, I want to find a connection between reality and theoretical constructions.

### **3.2.1 Case study**

The starting point of this thesis will be a case study on the football club KBK, where the purpose is to expose the value of the sponsorship both for the club and the sponsors. Jacobsen (2013) states that such case studies are suitable for describing what is specific to an organisation, and if you want insight into the context in which the survey is conducted. As I want to investigate an organisation in a distinctive context, will such a case study be relevant. A case study is an example of an intensive research design that goes into depth to get a comprehensive understanding of the relationship between the research unit and the context in which it is part (Jacobsen, 2013).

My research question will be a case of what Jacobsen (2013) refers to as a descriptive study, where the researcher has a desire to describe a situation. To be able to describe the situation the club is in I have to use an intensive study as well to understand the case from both the clubs' perspective and sponsors' perspective. The combination of an intensive and descriptive study emphasizes the relevance of conducting a case study (Jacobsen, 2013).

### **3.3 Data collection**

In the data collection I have focused on interviews and a survey, but also document analysis as the main sources to collect data for this thesis. First I will explain how I chose the informants, why I have used document analysis, then I am describing the interview process and how I collected data from a survey.

#### **3.3.1 Choice of informants**

The choice of informants is very important in this thesis because the selection has big influence on the analysis of the data. In qualitative studies there are strategic selection, this means that the researcher intentional chooses a target group (Johannessen, Tufte and Christoffersen, 2016). Choice of informants in this research is based on a mapping of stakeholders that I conducted before I had a meeting with one representative from KBK. During this meeting we agreed on which informants I should choose from the club and the sponsors. According to Jacobsen (2013) the main rule when choosing informants in qualitative studies is to choose informants that have a lot of knowledge about this theme.

Since I have chosen a case study in my research it is natural that the selection of informants was delimited, the selection was based on who that could generate relevant empirical evidence about KBK and the value of the sponsorship. This is also the reason for why I chose to start with a depth interview with KBK's CEO – who is also their Marketing director. In the end of this interview I also got contact information to the sponsors, in order to be able to conduct the interviews with the sponsors. This is a method that Jacobsen (2013) characterises as “the snowball method” where you start with an informant that knows a lot about the theme and that can give information about new informants to use.

Jacobsen (2013) says it is no fixed answer on how many informants that should be chosen, but it is important not to choose too many – an upper limit on 20 is often more than enough. I have decided to conduct six depth interviews, two with representatives from KBK and four from different sponsors. The fact that I only conducted six interviews could be a potential weakness in the study, but for me it was important to only choose informants that could help me and give me the information to answer the research question the best possible way. The effort to obtain informants resulted in empirical evidence from two

representatives from KBK, four representatives from various sponsors of KBK. Under you can see an overview of the informants used to collect the empirical evidence.

<b>Role</b>	<b>Date/place</b>	<b>Format</b>	<b>Duration</b>
CEO/Marketing director, KBK	01.02.18 / Kristiansund Stadium	Face to face	30 minutes
Media manager, KBK	07.02.18 / Kristiansund Stadium	Face to face	30 minutes
Bank	07.02.18 / Kristiansund	Face to face	30 minutes
Car dealership	07.02.18 / Kristiansund	Face to face	15 minutes
Real estate company	07.02.18 / Kristiansund	Face to face	30 minutes
Energy	08.02.18 / Kristiansund	Face to face	45 minutes

*Table 1: Overview over the informants used in this research*

The advantages of using these six informants is that they have a lot of knowledge and opinions about the club and what is happening around the club. Thus, they have a sense of how sponsorship relationships are going to be, which means that I will get a lot of information that is useful for my research. One disadvantage of choosing these informants is that they have a very similar view on how the relationships should be, and consequently I do not get the opportunity to see the relationships from a more critical perspective. Nevertheless, I mean that is more important for the thesis that the chosen informants could provide valuable information about the relationships because it is necessary for the research. I choose to interview the CEO and Marketing director of KBK because he is in charge of the marketing agreements and are the one that negotiate the deals. To see if KBKs' marketing department share the same thoughts about the value of the club as a sponsorship object, I also interviewed the Media manager. For me it was important to get in touch with the general sponsor since they had a major role in the founding of the club. The three other main sponsors were proposed by the club because they are all sponsors that are active and want to be a part of everything the club organises in the region. This can be

a potential limitation with my study, given that most of the interview objects were suggested by KBK. Then there will be a possibility that I may have avoided interviewing sponsors who may be more critical. Thus I will use the questionnaire survey that all sponsors will answer to correct a possible bias that may occur from these four interviews.

### **3.3.2 The interview process**

Within this part of the chapter I will present the process of developing the interview guides as well as how the interviews were conducted.

#### **3.3.2.1 Interview guideline**

An interview should not be completely open, that means that the researcher has no plan for what the conversation should contain. Therefore, it is often made an interview guideline, i.e. an overview of the topics and questions that the researcher will review during the interview. This is done to ensure that the researcher catches the most important topics for the study (Jacobsen, 2013).

Jacobsen (2013) distinguishes between three different levels of structuring interviews. These are *very low degree of structuring*, where the interview guideline consists of one main question, as well as some follow-up questions to help the informant to initiate the thought process. The other is a *medium degree of structuring*, an open interview guideline is still used, so that the informants can raise topics, but the researcher must make sure that all topics are addressed. Finally, there is a *strong degree of structuring*, the researcher has formulated complete questions that are set up in a fixed order.

I chose to use a structure that resembles most of a strong degree of structuring, but the questions were very open at the same time, thus reminiscent of a medium degree of structuring. The reason I chose this structuring of the interviews and not a very low degree of structuring was because the purpose of the study is to go into the depth and find out what the different informants means about the topic. Even though I used two different interview guidelines, for the representatives from the club and the sponsors, I used the same structure and started with some basic questions before I started on the questions that went further in depth. Both the interview guidelines ended with an entirely open question where the informants could tell what they could like about the subject if they felt that there

was more I should know than what I had received from the questions I had asked. By making use of the open question in the end, I was sure that the informants did not return with the feeling that they did not tell everything they wanted.

### **3.3.2.2 The completion of the interviews**

The six interviews were conducted over three days within two weeks. This was not the first time I had such interviews, I used similar interviews in my bachelor thesis. However, there were several interviews to be conducted this time in a more specific and exciting case. This made me find the process both more challenging and educational.

My initial plan was to conduct the interviews with the two representatives from KBK, the CEO/Marketing director and Media manager, before interviewing the sponsors to get an overview of the club's point of view in this case. However, due to unforeseen happenings the day of the interviews were to be conducted, I only completed the interview with the CEO/Marketing director (further in the thesis I will refer to him as the CEO of KBK) the first day of the interview process. The interview with the Media manager was completed one week later. Both of these interviews were conducted at Kristiansund Stadium, at their respective offices. While conducting the interviews I wrote down what they said, as well as recording the interview in case I did not have the time to write down every thing they said on my computer. I had brought the interview guideline in case to remember all of the questions, but I tried to have as much eye contact as possible while they were answering. Both the representatives from the club had very complementary answers to the questions.

The interviews with the four chosen sponsors were made over two days, three interviews the first day and one interview the second day. The informants had the opportunity to choose the day and time that best suited them, all the interviews were carried out at the sponsors' premises in a meeting room/office. They all welcomed me with great hospitality, and I felt that they were all very interested in this study and wanted to help as well as they could. Here the interview guideline was different from the one used during the interviews with the representatives from KBK, but the interviews were conducted the similar way. I used both a recorder and wrote down what they said on my computer, and I used the interview guideline to be sure that I asked all the questioned I had prepared.

All interviews were conducted in Norwegian, because this was the easiest both for me and for the informants. This way it was better for them and me to express ourselves in the way we wanted, and the conversation were more fluent than if it had been conducted in English. This was a choice I made before talking to the informants, so they did not have the opportunity to choose language.

When it comes to the ethical aspect of the interview process, I explain this more detailed later in the section of ethical aspects in this chapter.

### **3.3.3 Questionnaire survey**

Questionnaire surveys are among the most common ways to collect data. These are used to collect information that makes the communication between the researcher and respondents standardised. All respondents are asked the same questions in the same order, and they get the same answering options. An exception to this rule is when the respondents get the opportunity to respond openly in a box, then there will be different answers (Gripsrud, Olsson and Silkoset, 2010). In order to achieve the highest possible response rate, it is advisable to choose a short questionnaire (Jacobsen, 2013).

In this study I chose to use the survey as a supplement to the depth interviews. The questions posed in the survey are based on what the informants answered in the interviews to find out if the remaining sponsors have the same opinion as those interviewed, as well as find out if there are differences from what the club believes and the sponsors. In the survey, all respondents received the same response options, but they also had the opportunity to elaborate each answer if they wanted to.

The questionnaire survey was sent to 38 sponsors and partners by email, explaining the purpose of the survey, and that it was a short survey of 16 questions that should be answered. The respondents also received a one-week deadline to conduct the survey. The questionnaire survey was also made in Norwegian, because then it would be less confusion about the language and easier for the sponsors to understand the questions.

### **3.4 Analysis of data**

In this part of the chapter I am going to describe how I analyse the data that has been collected.

#### **3.4.1 Transcription of interviews**

Although I chose to write down what the informants said during the interviews I did not have the opportunity to write down everything at the same time as to maintain eye contact and interest in the informant. Thus I had to sit down to transcribe the interviews later, then the interviews were transcribed from the sound recordings I took while interviewing. Kvale and Brinkmann (2015) indicates that the transcription must be written precisely and include all breaks and expressions or convert the interview into a more written style. I chose to transform the interview into a more written style, and thus chose not to transcribe the breaks and other words used to think. By using this technique, I realise that some shades may be lost, but I consider these insignificant for the information I wanted to get out the informants during the interviews.

As a part of transcription of the interviews into a written form was to translate the interviews into English since they were conducted in Norwegian. I did this because then it was easier for me to get a comprehensive understanding of the findings and the theory, thus it became easier for me to pick out the most important findings from the interviews into the thesis.

According to Kvale and Brinkmann (2015) there is no correct form of transcription or a concrete objective way of doing it for student assignments. The most important is that the form of transcription that is most useful for one's own research is used. Given that I have two different interview guidelines; I chose to transcribe the interviews that were made with the representatives from KBK first. I wrote down each question and then divided it into what the two different representatives answered, by using this method, I easily got an overview of what they had said, both on the questions they agreed and the questions where they had different views. I used the same method while transcribing the interviews I have conducted with the sponsors. It was especially important to do it this way with the sponsors because there were even bigger contrasts when it came to their point of view on various questions. By transcribing the interview in this way, I made it easier to get an

overview of the differences and similarities between the club and the sponsors, as well as sponsors and sponsors.

### **3.4.2 Questionnaire survey**

The first thing I noticed when I was starting to analyse the questionnaire survey was that only 19 out of 38 sponsors and partners had answered in time, this amount to only 50%. This is referred to as the drop-out of respondents, that is, a person who is being sought can not or will not respond to the survey. Another reason may be that since my questionnaire survey was sent by email, there is a possibility that it has been registered as “spam” and thus has not arrived at the respondent (Jacobsen, 2013). I chose not to send extra mails to remind everybody who had not responded because I did not have the opportunity to see who had answered and not since the survey was anonymous.

A low response rate is a problem that often applies when using questionnaire surveys, and the researcher can not expect a higher response rate than max 60-70%, often is this response rate significantly worse (Jacobsen, 2013). Although I achieved a 50% response rate, which is not so much lower than what I could expect from the respondents, I mean this is good enough especially considering that I chose not to send extra mails to remind them to answer. The reason for why I mean a 50% response rate is good enough is because the results will be relatively representative for the sponsors, given that the respondents who responded have responded relatively equally to most of the questions.

When analysing the questionnaire survey I had to start by converting answers to the questions to numbers that can be understood by a computer, this process is called coding. Coding means that I give each answer an option numeric value. The most natural one would be to give a high numerical value to the highest response option. In this way, I get numbers that respond quite naturally to the rising or descending order of the response options. This will make the numbers easier to interpret in the analysis (Jacobsen, 2013).

The respondents also had the opportunity to write comments under the questions, if they would like to elaborate their answers. As well as, that I had one question where the respondents had to write some about how much value they see in the cooperation with KBK. These comments I had to translate from Norwegian to English to make it easier to

compare the answers to the other findings I already have done and to see the connection to the theory.

### **3.5 Credibility**

Gripsrud, Olsson and Silkoset (2010) indicates that when conducting new analyses, it is important to assess how good a survey is. In this regard, the question of the survey's reliability and validity appears, this helps to describe the study's credibility.

#### **3.5.1 Reliability**

Reliability is about the extent to which you can trust that the results are reliable. This means that the random errors that always occur must be at least possible for the survey to be reliable (Gripsrud, Olsson and Silkoset, 2010). In order to achieve high reliability for the research, it is important to find out how our position as researchers has influenced the research work, in addition to describing the choices that were made along the way (Tjora, 2017). Earlier in this methodology chapter, I have described how I have gone through the interviews. In addition, the questions that were asked in all interviews are highlighted in the attached interview guides (see appendix 9.1 and 9.2).

According to Jacobsen (2013), the survey approach itself can influence those who are tested, and this can weaken the reliability of the survey. This is referred to as the interview effect, this means that those who are being interviewed can be influenced by the interviewer and then the informants' answers can be shaped by this effect. During the interviews I conducted, I tried my best to be aware of my own possibility to influence the informants. This meant asking open questions so that the informants did not feel the pressure to answer one of the other. As well as, act professionally and avoid major reactions. Even though I tried to stick to the precautions, I may have led the informants on to topics related to the theoretical approach I had worked with prior to the interviews.

When conducting individual interviews when the informant can both see and hear the interviewer, the possibility of creating an interview effect is huge (Jacobsen, 2013). Therefore, I had to try to create more of open conversation during the interviews. That way there was a good flow in the interviews, and the informants were not noticeably affected by the situation. While doing a survey, there is no interview effect because then the

informants can not see the interviewer and therefore behave and answer more anonymously (Jacobsen, 2013). Another thing that is important to remember while using a survey is that the questions are as simple as possible, so there is less chance of misinterpret the questions. So I decided to use simple questions with some different response options and a field for the opportunity to elaborate the answer if the informants wanted to do that. By making a survey with simple questions I made it easier for myself as the researcher because I would not have any chance to describe any possible misunderstandings, and such misunderstandings could possibly affect the reliability of the results.

### **3.5.2 Validity**

Validity is about how well you measure what you intend to measure. It is quite possible that we measure with a high degree of accuracy and reliability and get very consistent results from time to time, but that we measure something different from what was intended. Then we have what is called a systemic error (Gripsrud, Olsson and Silkoset, 2010). The most important source of high validity is that research is ongoing within the framework of professionalism, rooted in other relevant research (Tjora, 2017). Especially in advance, but also a lot during this study, I have read other studies that deal with sponsorship agreements and a few that deal with the value of sponsorships. After completing my interviews and the survey, I could see the connection with my results and previous research considering what sponsors would like to achieve with the sponsorship.

It is important to keep in mind that if there are words and phrases that may be strange for the interviewees, there is a possibility that questions or statements may be misunderstood and thus the validity of the study will be weakened (Gripsrud, Olsson and Silkoset, 2010). I tried to use the least of difficult expressions in my interviews so that it was possible for the interviewees to understand what was asked for. If there were any expressions or questions they did not understand, I explained the terms so that it became understandable and possible for the interviewees to answer the questions. When it comes to the survey I did not have the same opportunity to explain terms that could be difficult to understand. Then I chose to exclude terms that could be misunderstood, and used a simpler language to make sure that the questions were perceived correctly.

In my study, as mentioned earlier, I chose informants in cooperation with KBK. Then we chose informants, for the interviews, who have been supporting and invested in the club for a long time and who had good prerequisites to highlight the value of the sponsorship. When it comes to the survey, all the sponsors got the opportunity to respond on some general questions based on the answers from the interviews (see appendix 9.3). The proximity of the informants to the case I studied may have helped to strengthen the validity of the study. At the same time, it is important that I am aware that the informants had a subjective view of the subject and that their statements were not necessarily correct. There may also have been cases where the informants did not tell everything they knew about the subject and chose to keep back information because they did not want to help to increase the cost of the sponsorship.

### **3.6 Ethical aspects**

In every study that contains interviews and surveys the researcher must take into account ethical dilemmas that can arise (Jacobsen, 2013). In my study it has been important for me to inform the informants about the purpose of the assignment. I have started all of my interviews with describing why I am writing this thesis and the goal with this assignment, then I have asked if the informants have some questions before I started the interviews.

Another ethical evaluation is associated with making the informants anonymous (Jacobsen, 2013). Since the research have been a case study, it has been challenging to make the informants complete anonymous. To be able to answer the research question it have been necessary to look at the informants' roles when it comes to empirical evidence. It would be difficult to make the informants anonymous when their working title will reveal their identity. This is why I asked all the informants if they have something against it if the thesis potentially could be published public – all the informants said that they were fine with that. None of them wanted to appear as anonymous, because they only gave information that they could represent and none that was supposed to be kept as a secret.

This leads to that the right of privacy, meaning that the informants have the possibility to not being recognised based on the information they bring (Jacobsen, 2013). In this study, the informants did not have the need to become anonymous, and they did not have any requirements for privacy. Therefore, the right of privacy has not been something that I

have focused on during the presentation of the data. When that is said, it has been important for me to present the information I have got from the informants as correct as possible.

As a part of an ethical project, I have submitted the project to NSD (Norsk samfunnsvitenskapelig datatjeneste), and later received a clear signal to retrieve data.

### **3.7 Limitations**

As mentioned earlier, there are some limitations in this study. The biggest limitation is that only half of the respondents took time to answer the questionnaire survey. I had hoped that everybody would take five minutes to respond to the survey, but it did not happen of different reasons. This is something that I should have taken into consideration in order to have some extra time for the collection of data so that I could send an additional email to make sure that more respondents chose to respond to the survey, as well as I could have given them more time. I chose to only give them a week to answer on the questionnaire survey, because I felt I did not have good enough time. This a limitation to the study, that I sent out the questionnaire survey so late that did not have the time to give the respondents a longer time period to answer. When this ended up being the case, the fact that I only conducted four interviews with the sponsors is a potential limitation. Nevertheless, in this case I do not think that this is a significant limitation because I mean that the sponsors who have answered the questionnaire survey provides responses that are representative of the entire selection.

Given that I have no assurance that the interviewees told the whole truth during the interviews because they could be afraid that if they had done that, it would increase the prize on the sponsorship, this is also a limitation to my study. This may cause the answers to not exactly match what they really mean about the theme, and thus the results will not be quite correct. Another reason for the sponsors to not be telling the whole truth can be that the informants need to defend their actions and investments, that sponsorship is good and they are therefore trying to rationalise their choices around sponsorship. On the other hand, I do not think this is a fact in this task as it is very important and a strong desire from the local that KBK will succeed because this favours the local companies that support the club that has become something that engages the entire region.

## 4.0 Findings

In this chapter, the findings are presented based on the six interviews and questionnaire survey. I have chosen to divide the findings into five parts; sponsorship, value of the sponsorship, building a network, negotiations of sponsorship agreements and lastly what all the sponsors have answered on the questions in the questionnaire survey. By doing this I will easily get an overview of what the various parties think about the different topics, as well as comparing what the various representatives think and see if they have different views on how things are today and how they exploit the sponsorships.

Based on the interviews and questionnaire survey that I have completed, I have gained insight into the fact that the club and the sponsors agree on many areas and have an equal understanding of individual situations, but they also have different perceptions on some themes. There are also different opinions among the sponsors, while the four I interviewed did agree on what they wanted KBK should do more of, and get better on, I got different answers when all of the sponsors answered the questionnaire survey. This is what I shall go into the depths of in this chapter, so the findings can help me to answer the research question; *What is the pros and cons of having dedicated sponsors?*

### 4.1 Sponsorship agreements

In last year's Eliteserien KBK had the lowest budget (Folvik, 2017). Thus, it has not been surprising that KBK has been dependent on the income they can receive from all their sponsorships. The CEO in KBK says that the most important thing about having loyal sponsors is predictability. They are pointers on the club over time, so sponsorship continuity is important. The four sponsors interviewed told everyone that they had more or less been involved right from the start, and Sparebanken 1 Nordvest was the ones that took the initiative to establish the club. Loyal sponsors are drawn as invaluable:

*“Loyal sponsors build the foundation so we can run the club, they are invaluable.”*

The media manager at KBK says that the club does not struggle to put in place sponsorship agreements with local actors, but they have a big challenge when it comes to getting national sponsors, this is something they will work with to get more of:

*“We see that the market value of that we sell could have been sold at a much higher price nationally than locally, but then we rely on having national actors who have a completely different budget on sponsorship. This is something we will be working on this year and maybe get a redemption there in 2019 – we hope.”*

The CEO shows that the club is raising revenues each year because of increased contributions from existing sponsors, and that they always get some new ones. Nevertheless, he constantly feels at a pressure from the environment that they have a brand that should be on the national sponsor market:

*“Now it is a clear expectation among partners and internally in the club that we need to get out on a national arena, and then it is important to get one or two national sponsors to make it easier to others to come along.”*

Asking how KBK sells the club as a product outward, both the CEO and media manager respond to the success that the club has had:

*“With the development that the club has had, something has come to be called a very unique story, a success story out of another world – 14 years of performance improvements.” ... “Going out to tell about the club’s values along with this story has become a great brand. So when we first get in with a sponsor, it is not often we go out empty-handed.”*

Both the CEO and media manager have a strong focus on the belief that local actors choose to sponsor KBK because they see the value of the club in Eliteserien, which also means that the club becomes more commercialised thus the sponsors see a useful value in being profiled through KBK. Nevertheless, there is no doubt about what they believe the sponsors emphasize the most, and that is the importance the club has received for the local community. This also reflects on what the sponsors say, they all focus on the desire to be a contributor to the local community and support something that is important for people in Kristiansund and surrounding areas. In addition, it is emphasized by all sponsors that they now sponsor the club for more than just corporate social responsibility (CSR):

*“Being a sponsor is our way of distinguishing ourselves in a homogeneous market ... We are committed to associating KBK’s brand with our own brand because the club stands for many values that are important to us, and hopefully important for our customers.” ... “In recent years, we have actually begun to be paid for all the years we have sponsored KBK, we have started making money on the sponsorship.” ... “When it is going well for the local community, it is good for us”*

When the media manager and the CEO are going to put forward what they mean the sponsors get to sponsor KBK, visibility and good marketing are evident. KBK has become a very exposed product, so sponsors get the opportunity to link their own brand to KBK, which has become a national brand, as well as show that they are seen in the context of some amazing values. The CEO says they would like to share what the sponsors get in three parts:

*“We use to divide it into three; One is experiences – in terms of season cards and these kind of things. The other is networking – there are usually collections for sponsors, breakfasts and the VIP department on match days, networks are for the sponsors to create business with each other. The third is profiling – where they are marketed through KBK.”*

This fits well with what the sponsors believe they are getting to sponsor KBK. The sponsors say that they mainly achieve “word of mouth” among the local community, which leads to more customers and good publicity, but that does not go much further than Kristiansund and its surroundings. Thus, most of them do not experience so much that they are now linked to KBK as a national brand, they find the attention quite similar as it was in the past. Yet everyone is very clear about what they get from the sponsorship:

*“Firstly, we get visibility, our logo is in the newspaper every day. It is important to build “top of mind”, in addition, we get a lot of goodwill and that we have managed to get new customers based on the sponsorship.” ... “The most important thing we get is that we get professional activities for many in the district. As well as we get back for KBK to become a strong brand that we can stand up against. The two brands together give us good attention in the market, a good “liking” in the market, we are particularly looking at social media – it is very much interest in what we do with KBK. It is also difficult for other companies to copy what we have with KBK, which gives us an advantage, they can compete on price, but*

*we have a unique advantage that we cooperate with KBK. We also use the cooperation when we sell our product.” ... “It is difficult to consider what we get from the sponsorship, but mostly we get brand awareness.” ... “As the success has increased, we have also gained more visibility in the form of television, but at least we get a lot here locally in terms of goodwill and visibility. Nationally, it is more about visibility, that the brand becomes more visible.”*

The four sponsors are very clear that the club does a very good job when it comes to organising the sponsorship, and it is most apparent that they can use KBK more to get more out of the sponsorship for their own part. Everyone mentions that they could be better off using e.g. players in their marketing to get more value from what they pay for, as well as to arrange activities with the club. This is also something that everyone plans to improve in the future. One thing that is drawn from some sponsors is that the club must be able to maintain the good relationship they have with the sponsors today. By that they mean that they believe the club may be in a difficult position in the long run to manage the good relationship with so few employees and so many sponsors:

*“The club must continue to build an organisation; thus they will not be so dependent on one person so that they can always manage to maintain the contact they have with the sponsors.”*

On the question of what KBK can do more to satisfy the sponsors, someone answers that they want the club to arrange more B2B-meetings so that the sponsors can build a more professional network with each other, and others want the club to become more proactive to create more activity with the sponsors, and some of them have some concrete examples of what they want from KBK:

*“The bank is organising a football school because we want KBK to be better at going out in the region and motivating and inspire children to play football. This is often perceived as an initiative from KBK and we therefore want the club to be better at promoting that this is a cooperation between KBK and the bank.” ... “We have a concept that encourages our customers to pay 10 NOK extra on the current invoice each month, which is paid to KBK. As of today there are about 1000 members, but we wish that KBK took more initiative to contribute to more members.”*

The sponsors also get the question of what they think KBK expects from them, then everyone answers that they think KBK expects that they are a conversation partner, set up when they have the opportunity and that they should talk positively about the sponsorship. In addition, there are two who add (with a cheeky smile) that they think the club expects money.

All four sponsors feel that they have an opportunity to influence the club, not necessarily at the sporting level, but off the pitch. Both in terms of the economic and events that takes place on match day and otherwise during the year:

*“We have the ability to influence to some extent based on the economic situation because the club operates as a consequence of the economic framework conditions.” ... “When arranging FanZone or any other event, the club is very open for us to contribute.” ... “We want to be involved in creating things together with KBK, so we are often asked to join if there are events to be arranged, as well as having our own initiative.” ... “This is also a strength for KBK that everyone feels as a part of the club and not just financially, so that the will is more present to contribute in other ways.”*

The sponsors also emphasize that it is very important for them to have an open good dialogue with the club throughout the season and that they then feel less reluctant to influence so much along the way in the season expect from when they wish to contribute with different activities.

Neither the CEO or media manager have the feeling that the sponsors try to influence KBK, but they understand that there are expectations made for them and that the sponsors would like to mean something about the product they choose to put money into – but it is not certain they are heard at all points.

## **4.2 Value of the sponsorship**

The CEO describes the value of KBK as invaluable, it is about KBK being a meeting place when we now are participating in Eliteserien and that we are a representative of Nordmøre. The club can also see that they create positivity and enthusiasm, the whole city

and the region talk about KBK and use the club's support equipment daily. KBK's values are well represented both on and off the pitch, which is something that the local community can identify with and be proud of it.

The media manager describes the value of KBK as something very unique given that there are 15 games a year with TV coverage:

*“It is something unique because it is 15 games a year with TV coverage where you get the chance to show you ahead of 100 000 and overall over a season over one million people – so it is something very unique we are offering.”*

In addition to the fact that KBK has become a very strong brand, both the media manager and CEO believe that the value has increased significantly after the promotion to Eliteserien. This is something the club gets to notice from Norsk Toppfotball given that they are continually informed that they sell themselves cheap to the sponsors. However, KBK is aware that it is important to look at the big picture and take care of those who have been in for 14 years. Thus it is about stepping up in a sensible way and not tripling the prices simply because they have been promoted to Eliteserien. We at KBK are indeed a realistic gang and know that we may have to divide a division, and then it is stupid to burn bridges with those who are faithful and squeeze them out when we are promoted. Nevertheless, the club is very aware of its own value, they went from 200 000 TV viewers in 2016 to about 1.4 million in 2017, this is an enormous increase in per cent, then there is no doubt that the market value has increased.

The CEO points out that only the media coverage in itself helps strengthen and increase the value of the KBK brand:

*“There is a huge doubling of media coverage, when it is only a neutral or positive review and very little negative reviews, it helps to build the brand and further increases the value of the product we sell.”*

Most sponsors say they believe the value of KBK has increased after the promotion to Eliteserien, and that the brand of KBK is more attractive when playing at the highest level.

Not all of the sponsors does agree that KBK has increased so much in value by playing in Eliteserien:

*“I believe that the club has both increased and not increased in value ... To us it is not so important that KBK achieves increased national coverage, it is the increased local commitment that gives us increased value.”*

All sponsors are unanimous that KBK is a sponsorship they value very highly because for all it is one of the biggest sponsorships they have and the sponsorship they use the most, and they are proud sponsors of KBK. The sponsorship is particularly appreciated in view of the commitment they create and the sponsors appreciate the optimism and positivity that KBK stands for – KBK becomes a bright spot in Kristiansund and their surroundings.

Even though the sponsors believe that the club has increased in value and that they value the sponsorship very highly, not all of them actually measures the economical impact of the sponsorship. The sponsors say they have the ability to measure support in social media, as this is measurable in terms of attention and reach. Apart from that, there are feedback from the local community that gives sponsors a certain intuition about how they draw attention in cooperation with KBK for potential customers. The sponsors tell that the reason they do not measure the effect is because it is difficult to measure the economical impact:

*“It is this (measuring the effect) which is the biggest challenge, we are unable to put two lines under what we have earned economically.” ... “We use our intuition, but we would like to have measured the effect even better, but we have no tools for that.”*

The general sponsor, says that they receive information from a company called Sponsor Insight:

*“We have a national company called Sponsor Insight that measures the effect of our sponsorship. They have good numbers of visibility related to the national market, except for this, we look around in form of the local newspapers and the internet. We can see that exposure has increased significantly from what it was before.”*

It is very important for the sponsors that representatives from KBK show up on their events. This is something the club is aware of and therefore focuses heavily on it. They say that it is important for the sponsors, and then it is prioritised by the club, so an important part of the sponsorship is that KBK gets out of the stadium and actually out to the companies at their events and show that they are there. The CEO points out that the sponsors at a certain level have written into their sponsor agreements that we should meet up at their events:

*“For sponsors at a certain level, in addition to getting season cards, B2B gatherings and profiling, they have in the sponsorship agreement that they have the opportunity to have lectures where either the CEO or coach can contribute to the company’s event and give lectures to employees and customers – this is something we do a lot ... In addition, sponsors have the opportunity to use players and coaches in marketing context, this is done to make it clear that they are sponsors of KBK.”*

As has been said, the media exposure has increased significantly during the previous season, which has led to increased media exposure for the sponsors. Exposure helps affect the brand awareness, and as it has increased, it has become more important for the sponsors how the players and coaches appear in media and that they are properly dressed as they represent the sponsors. All four sponsors agree that they expect the players and coaches to be good ambassadors for the region:

*“Of the players and coaches we expect them to be good ambassadors for Kristiansund and Nordmøre.” ... “It is important that they put the team first and not themselves ... We are very glad that KBK have a focus that suits us very well, throughout the team is very popular, this is something we want to be associated with.” ... “We expect players and coaches to represent the sponsors in a good way and talk us up and not down.”*

The media manager tells that KBK is about the only club in Eliteserien that does not have led board advertising, but this is a chapter they look forward to in the future, and that this is something that will help increase the value of the brand even more. The club has just got a big screen and looks at it as a positive growth for the sponsors. Nevertheless, the led board advertising is in focus, and it may be possible to develop the club’s sponsorship strategy considerably. The club also means that this is necessary to make a solid feature at

the highest level in Norwegian football. The media manager believes that this is probably something the sponsors will notice over time, that the club has to change its marketing strategy, and that this will be both challenging for the club, but also fun to take the club a step further:

*“I think that KBK must undergo a radical change in sponsorship strategy if we become a regular feature in Eliteserien. In the long run, it is crucial to develop on the football field and outside in the sponsor market and everywhere else. Perhaps this is what some sponsors are going to notice later and something we as a club must take in partnership with the sponsors. Here the dialogue is incredibly important, if we had just tripled the prices when we were promoted, it had certainly disappeared a lot of sponsors, there had been sponsors who had been disappointed. We must gather all the sponsors and tell how things are and that within a certain time we will consider to increase the prices. If we explain the situation and that the club must do that, I think we get accepted. It will be very challenging, but also very fun and it will take the KBK one step further.”*

### **4.3 Building a network**

There is no doubt that it has become more common for football clubs to give more back to their sponsors, and be more aware of it. This also applies to KBK, both the CEO and media manager tells that the club organises breakfast meetings before and after the season, and that they have VIP events 15 times a year (before home matches) where 300 people from different companies eat dinner together. For KBK it is important to be able to tell good stories. This is also one of the reasons why they chose a mountain trip in cooperation with the business community in Surnadal last year. Here there were representatives from KBK and various sponsors who participated, and the trip ended with a pleasant evening of food and drinks. The CEO of KBK says that during the evening there were several sponsors who entered into agreements to trade with each other. There are such stories KBK wants to show to the sponsors:

*“The sponsors do something with an intention to get something for it. Then it is important for us to be able to show good stories where sponsors trade with each other through our events. Then it will be easier for both parties to present that they get something left of sponsoring KBK and the sponsors recoup the money they choose to place in the*

*sponsorship ... We (KBK) are also very aware that the sponsors would like to have more back and that we need to be better off arranging meeting places for the sponsors, this is something we will be promoting in the future.”*

For the sponsors, these B2B meetings have become very important, they want to get more out of the sponsorship. They all mean that they are making some use of the network that are there today, but that they could be even better at it. It appears that they want to work out a network and want there to be more meeting points during the season and that the contact will be better. Then the question arises as to whether the sponsors are going to settle down to evaluate how things can get better and how they can meet more often, or whether they should expect that KBK to do this job. Whatever the outcome of it, there is no doubt among the sponsors that they want KBK to be better at creating networking meetings, and this is also what some sponsors expect to get back from the sponsorship. The reason for this is that they want to make use of other local actors when it comes to purchasing and cooperation:

*“We have a policy that we will use local actors to purchase products.” ... “The network has made the sponsorship more professional, we sell products to others, and buy equipment from other suppliers that are sponsors of KBK.” ... “We associate contacts within the KBK’s network, and there may be exchanges of services and products or working together on a project.”*

The sponsors say they have a good dialogue with the other sponsors and that in order to utilise the network you must be an active part. Even though they mean they have a good dialogue, it appears that they do not have much contact with the other sponsors expect for the events organised by KBK. The sponsors say that this is the main reason for why they want more B2B gatherings:

*“This (that they only meet under the direction of KBK) is the reason why we should meet more often so that we can get more out of the sponsorship.”*

When it comes to the dialogue between KBK and the sponsors, the CEO says that the communication between the club and the sponsors is very good, but there is still something that the club can get better on. He also believes that the sponsors agree, he think that they

will always want a little more than the club is able to deliver. In addition, it is difference between which sponsors the club is in contact with, the bigger the sponsor are, the more contact they have – which is quite natural. This corresponds with what the media manager is saying, he emphasizes that the communication with the sponsors is something the club want to be even better at:

*“We can not claim that we have daily communication, this is something we want to get better at, especially with regard to follow-up meetings with the sponsors to hears what they get from the sponsorship in relation to what they agreed upon when signing the contract. This has a lot to do with the resources in the club, there have been very few employees and a lot of sponsors, so this can be seen as an impossible task too, but I hope we will be better at this in the future.”*

Today, the sponsors are quite pleased with the dialogue with KBK. All sponsors highlight the CEO, Kjetil Thorsen, when they talk about the good communication, that he does an invaluable job in order to make the sponsors feel like an important part of the club. Nevertheless, the sponsors believe that in the long term it can lead to problems:

*“We notice that Kjetil is pressed on time, nevertheless, he always takes the phone when we call or call us right back, but we mean that KBK is about to become so big that we think he needs even more help to maintain the good contact with the sponsors.”*

#### **4.4 Negotiations of sponsorship agreements**

Both the CEO and media manager say it is a bit difficult to say how negotiations of sponsorship agreements are taking place, given that there is quite a big difference whether it is a new sponsor or if they negotiate to extend the agreement with an existing sponsor. The media manager describes KBK’s situation as a rather unique situation where they have sold most of their sponsorship packages, but that they adjust packages of what they have left to get as many sponsors as possible. The CEO also says that if there is a new sponsor they are going to negotiate with, the most important thing is to think about how to get into a meeting – this is where everything starts:

*“When we have a new sponsor, we first try to get into a meeting because this is a sponsor you have not been to before. If we come to a meeting, we want to tell about our success story and explain what we want to sell. Then we go back to our office to see what we can offer them.”*

The duration of such negotiations varies a lot, but the first meeting usually takes one hour. It also happens that someone chooses to sign the sponsorship agreement after this meeting tells the media manager. The CEO explains the same and elaborates:

*“Some have a very short decision-making time; some decide immediately without the need for us to do anything special without presenting our brochure with the different sponsorships, and then they choose to be the main sponsor of 200 000 NOK. On the other hand, others think that the cheapest package of 30 000 NOK is still too expensive and need to think about it. Some may we keep on for months because they simply do not prioritise this as important and who might really want to say no, but do not quite know how to do it.”*

When it comes to how much KBK gets paid for the different sponsorships and how they agree on the price, then both the CEO and media manager say that this varies a lot according to the amount of money that is appropriate for the different companies to invest. Both point out that the parties quickly understand where the limit is, then it is only for KBK to find out how far the sponsors want to stretch, because of course they want to make the most of each sponsor. The CEO explains that they use to be creative and explain how the company can distribute the sponsorship over different budget items to make them invest the most in the club:

*“If companies say they have only 100 000 NOK budgeted for sponsorship, and thus can not sponsor 200 000 NOK. Then we say they can do it because 100 000 NOK can be sponsorship, we can also make a lecture, activity day and other things for them. Lectures and activity days are not sponsorship; it is something the companies have a completely different budget on. So it is about being creative and getting money out of all the budget posts of the companies.”*

On the question of whether KBK end up on a price that is higher or lower than the expectations in the negotiations of the sponsorship agreements, the media manager says that they can notice how much the sponsors want to invest before they are entering the first meeting. This means that they rarely get a lower price than they expected before they go in to sell the product. On the other hand, the expectations they had before they created contact could be higher than the sum they get in the end. The CEO emphasizes that the club is dependent on both big and small sponsors to run the club with healthy economy:

*“Once we have spoken with a sponsor and made an agreement of what we will meet, they have sent out a signal about what they have the opportunity to contribute. If they do not have the opportunity to contribute so much, then we do not present the main sponsor, we have to adjust to the different companies and work out the signals we receive. KBK can not only have one sponsor, we must have sponsors at all possible levels, and it is the sum of all the big and small that makes it possible to run the club.”*

The media manager explains that KBK does not have room for negotiation or impact power when it comes to sponsorship agreements given that saying to a sponsor that if they do not pay more they will not be sponsoring the club. The reason for this is that KBK is in a position where all contributions are needed and that they never push someone who wants to contribute away. The CEO agrees that KBK needs all the contributions they can get, but he also believes that the club can now, to a certain extent, influence more than they did before:

*“To some extent, we have the opportunity, as our brand has grown and our product is worth more, we have structured this in a slightly different way than before. If someone gets the term as a sponsor of KBK, they need to pay a certain amount. Also, we must be loyal to the structure we have, because it is wrong that two persons are sitting next to each other at the stadium and having the same reward also know that the other has paid 50 000 NOK less.”*

In addition, the CEO adds that in some cases the sponsors have not had the opportunity to contribute as much as they wanted due to economic challenges. Then KBK has been generous and said to the sponsor that they can get the same sponsorship agreement this year for a lower price, but then they have a common understanding that the sponsor must

be downgraded if they fail to pay the expected amount of money in the following year. This is something KBK does because they know that this is something the sponsors appreciate, and thus will help the club if they need to be prepaid another time.

#### **4.5 Questionnaire survey**

As mentioned earlier in the methodology chapter, I have used this questionnaire survey to supplement and possibly correct the bias that may occur when only conducting interviews from informants chosen by KBK.

58% of the respondents say that KBK has had a significant impact on their branding, while 38% believe that the club has not had a major impact on their branding, but only 5% believe that KBK has not had any significance for their branding. Although the sponsors believe that KBK has affected the branding process for the company, it is 79% that claims that the attention around the company has not increased significantly since they entered into a sponsorship agreement with KBK. Nevertheless, it is 21% which indicates that the attention has increased significantly.

When the sponsors get the question if they use KBK in the promotion of its own products, there is actually 68% that rarely use this opportunity, while 32% respond that they make use of this opportunity very often. Some sponsors commented that they would like them to be better at this and that is something they will focus more on in the future. Due to the fact that there are many sponsors who do not promote their own product in cooperation with KBK, this can also contribute to the fact that there are not many who experience increased value of their products and services in line with KBK's achievements. Only 5% respond that they have experienced that the value of their own product has increased to a large extent. However, it is 95% who experience increased value in some, small or very small extent.

Both for the sponsors and the club it is important they share the same values, this is something that is the case here, the entire 95% of the sponsors respond that they share the same values as KBK to a very large or large extent. It is 5% who believe that their company only has some of the same values as the club. When it comes to having the same goals as KBK, it is possible to see that the sponsors not equally agree, but it is still 58%

who respond that they have the same goals as the club. On the other hand, 37% say that their company has the same goals as the club to some extent, and 5% who believe that their company and KBK do not have the same goals.

Based on the interviews made with the four sponsors, it was clear that more meetings with other sponsors were sought after. Thus I wanted to hear what the remaining sponsors thought about the subject. 26% answers that they use the network of other sponsors to a very large or large extent. Most, 58% says that they only use this network to some extent, while it is 16% that nearly never uses this network. When the sponsors are asked about how such a network increase their sales, 84% say that their sales increase only to some extent by using other sponsors. 11% believe it does not affect their sales at all. Nevertheless, 5% say that this type of network increases their sales to a large extent. However, most of the companies are positive that there should be arranged more meetings than to it is today – 53% wanted KBK to arrange more meetings with the other sponsors. While 32% did not need it to be more than it is today, and that 16% did not have an opinion regarding this theme. Some support their answers with an explanation:

*“I think KBK has a good dialogue with the sponsors and that the activity is OK.” ...  
“Balanced the way it is today.” ... “I think KBK is good at this today, so that is enough.” ... “We believe that there are too few networking meetings for the sponsoring companies.”*

Given that there has been an impression that there has been a desire for more sponsor meetings, the sponsors were asked if they could be interested in operating such a network. 37% could think to be a part of that, while 47% do not have an interest in it, at the same time it is 16% that did not have an opinion. Although some might be interested in joining, it becomes clear that few companies have the resources or capacity to be operating such a network. Only 16% see that they the opportunity, while all 68% do not have it. Here it is also 16% that did not have an opinion. One of those who have answered that they have the opportunity to contribute adds an additional comment that this is something that would be highly prioritised in their company, because it is an important arena to get more business and interaction for a stronger region.

There is little doubt that most sponsors are very pleased with what KBK are giving back to them, 74% respond that they are either very satisfied or largely satisfied. On the other hand, it is also 26% who are only slightly or just in some degree satisfied with what they get back to be sponsors of KBK. It is one that point out that their company is not completely satisfied because they have advertising at the stadium, but it is not visible during TV sent matches.

A total of 74% respond that they conduct annual assessments of the sponsorship, while 26% do not. On the other hand, there are not many sponsors who give feedback to the club at the perceived value of the sponsorship throughout the year. It is 21% of the sponsors who give annual feedback to the club, while 79% provide some or not much feedback. It is justified by a sponsor that they give feedback when renewing the sponsorship agreement:

*“Feedback on the perceived value of the sponsorship is something that is being discussed by renewing the sponsorship agreement in order to improve the new agreement.”*

When the sponsors are asked about the amount of value they see in the sponsorship with KBK, there was only one who meant that the club should improve the work with sponsors and did not see any potential value in the sponsorship at this time:

*“KBK is struggling to professionalise their work with sponsors. Therefore, we have chosen to put our sponsorship on hold this year.”*

Apart from that, the majority are very positive and see great value in the sponsorship, whether it is in terms of CSR or that it benefits the company in terms of sales and creating a network. Many describes the value of the sponsorship with only a few words – that it has great value or that it is their main sponsorship, while others explain why the sponsorship is of great value to them:

*“The most important thing for us is that we have a football team claiming in the Eliteserien. This puts Kristiansund on the map.” ... “We have been a significant KBK sponsor since the club was established and has experienced a good journey with KBK, and we feel that this collaboration has given the company’s employees a good and strong connection with KBK. The value for us is highest on the corporate level.” ... “KBK is an*

*important community project for Nordmøre, it creates identity and unity.” ... “KBK in Eliteserien is a good thing for the whole of Nordmøre and it is therefore interesting for us to contribute.” ... “The sponsorship has a great value, but it does not just apply to the company. We are also in because it gives a lot back to the city.” ... “We see a huge value at being a sponsor of KBK. KBK is synonymous with positivity and we have a fantastic network of sponsors, with the VIP collections and last year’s trip as a highlight. Kjetil is experienced as unifying in the region, which we also benefit from.” ... “The biggest value is that KBK helps to connect Nordmøre and show us in a positive way.” ... “It makes great value to stand together with other sponsors about a joint project that is exclusively positive for the region.” ... “Valuable arena to be present through networks with other companies, attention about our company and our product in an environment that is perceived as positive and engaging.”*

Although the majority of sponsors are very positive to the sponsorship and see that it is of great value for them, they do not feel that there is any need to increase the contribution to KBK if the club manages to establish themselves in Eliteserien. 68% might consider increasing the contribution, as well as 32% is seeing it unlikely that they will increase their contribution. This is the answer even though the bulk of the sponsors earlier in the survey have stated that KBK has had a significant impact on their branding, and that the value is huge and has increased in recent years.

## **5.0 Discussion and analysis**

In this thesis I set out to study the pros and cons of establishing close relationships between a local football club and its sponsors. To study this relationship, I have applied the commitment-trust theory to map the precursors for the existing relationship between KBK and the sponsors, to see how strong the commitment and trust are between partners and what possible outcomes can occur. As well as I will look into how negotiation of sponsorship agreements and networking affects the relationship. To be able to answer the research question it is crucial to find out how sponsors deem the value of the sponsorship agreements they have with KBK and what externalities they want to achieve with the agreements. As well as analysing how a unified network and negotiations of sponsorship agreements can affect the relationship between sponsors and KBK. The analysis and discussion will be linked to the fact that the close relationships with existing sponsors

paradoxically could be a problem for a club with increased market value as a sponsor object.

## **5.1 Sponsorship agreements**

In the regards of the sponsorship agreements I will go deeper into the relationship between KBK and the sponsors. Morgan and Hunt's (1994) model will be used as guidance in identifying factors that can lead to commitment and trust that affect the sponsorship agreements. Good and open communication is a crucial factor in explaining why the relationship between KBK and the sponsors has been so good as it is today. As mentioned by the four sponsors, there are limits for what they openly want to contribute financially with. Though, they perceive that there is a good dialogue between them and the club. According to Morgan and Hunt (1994), communication is the key in dealing with discussions that can arise and match expectations. How communication can solve discussions and create an understanding that the expectations match is some of the reasons why communication has been central for KBK for a long time. As the CEO of KBK said: the club is dependent on loyal sponsors, because they provide the foundation so it is possible for them to run the club. The expressed good relationship that the parties have gained and worked on through reliable communication over many years is probably one of the reasons why many of the sponsors since the very beginning have kept on cooperating with KBK.

Another precursor to commitment and trust is the relationship benefits, which is probably the most prominent in the relationship between the sponsors and KBK. The reason for this is that the general sponsor of KBK took the initiative of founding the club, as well as the fact that many of the main sponsors of the club have also been involved since the beginning. According to Morgan and Hunt (1994), relationship benefits will lead to greater commitment and a desire to maintain the relationship. Thus, it is possible to see some relationship benefits for KBK in view of the regular income from the sponsors.

Relation termination costs are also considered to be present as it will take a long time for KBK to find as loyal sponsors as they currently have, which could potentially be an expense for the club. On the other hand, it seems that this is something the club will consider in the near future, as they believe they need more national sponsors who have a

higher budget on sponsorship than the local sponsors can be able to afford. KBK believes that they can sell the different sponsorship packages more expensive to national sponsors. The challenge is that this will require more planning and meetings if KBK find new national sponsors instead of continuing to make use of the local loyal sponsors that they have today. If KBK chooses, for example, signing one or more sponsorship agreements with national companies, then they will have to fight for the same advertising possibilities on commodities and other lucrative promotional places just as their competitors.

According to Morgan and Hunt (1994), power is directly influenced by relationship benefits. In the interviews I conducted with the sponsors, I could sense that they thought they had some great benefits because they have been a part of the club since the start, and the facts that KBK is a club that especially relies on all of their sponsors. Thus, the sponsors may feel certain that they know that KBK is aware that they are loyal to the club and then it may be more difficult for the club to avoid extending the contracts. KBK has also elaborated that they depend on the sponsors, but the sponsors will to a certain extent depend on the club as well. Because it is only by sponsoring KBK that they get the opportunity to show themselves along with what perhaps is the city's best brand. Thus it is possible to see a mutual marketing dependence between the sponsors and KBK, where both parties achieve relationship benefits in different ways.

A decisive factor is whether it is KBK or the sponsors that are in power in the relationship, as power has a negative effect on commitment and trust. In this relationship, it will deal with what Jacobsen and Thorsvik (2013) designate as exchange power, where the power balance depends on who needs the most of the resources of the other. In most cases, KBK will be the most dependent on the sponsors resources, and in most cases it will be the sponsors who have the power. Nevertheless, it is possible to understand this, based on several statements by both parties, that the commitment and trust are strongly present in the relationship. The reason for it is that they are useful for each other, because in many ways it may seem like the club have some sort of power over the sponsors. This is because KBK provides the region with something it would not have otherwise, the club adds something that means so much to the local community and which creates commitment and connect the local business community with the population.

As mentioned by Morgan and Hunt (1994), communication can create bonds of confidence by being able to discuss and match each others expectations. In addition, the relationship benefits appear to be high for both the sponsors and KBK, which will help to increase the commitment further. The sponsors specifically explain what they mean they receive to be a sponsor of KBK, this corresponds to what the club mean they offer the sponsors. Thus, it is clear that the two parties communicate very well, in addition to trusting each other, given that they meet each other's expectations, to some extent. This contributes to providing mutual security in the relationship. Baldvinsdottir (2013) mentions knowledge-based trust which is based on experience of the other party's behaviour. Based on empirical opinion, the knowledge-based trust is high, where both parties have an understanding of the knowledge the other holds, and then through regular communication can the sponsors and KBK exchange information about their needs and preferences and reach an agreement on how issues should be addressed. Nevertheless, there is some uncertainty about the sponsors' dependence to KBK because of the potential balance of power, where the club may be the party who are most dependent on the cooperation.

With high relationship benefits and consistent communication between the sponsors and KBK, this helps to form the basis for commitment and trust in the relationship. By looking at the model of Morgan and Hunt (1994), this could give more potential outcomes for the relationship. It is pointed out that there will be a barrier for KBK and the sponsors to break the cooperation, but it is not natural that the relationship persists. One of the reasons may be that KBK is now looking for more national sponsors. Then there is a possibility that the club may cut into other sponsors or downgrade them or that the sponsors themselves choose to leave the relationship as they may potentially feel overlooked. As of today, the cooperation KBK has with the sponsors is solid, where there is ceiling to discuss and solve needs through communication that further creates trust. Thus, it is possible to describe the conflict in the relationship as functional. At the same time, I would say that there is little uncertainty in the relationship due to the transparency of the parties and thus a high level of trust. However, this may change if KBK chooses to withdraw several national sponsors, as it may potentially create uncertainty among other sponsors. It is nevertheless important to keep in mind that even if the club chooses to cooperate with several national sponsors, this does not negatively affect the local sponsors because it will also mean that KBK gets more money into the region, which means that the club can compete with the other clubs in the league at an even higher level.

To sum up, the relationship between the sponsors and KBK today will help to reduce the risk of the collaboration being terminated, as they have a mutual dependence on each other. Nevertheless, the balance of power, as mentioned earlier, will be a challenge – especially for the club.

## **5.2 Value of the sponsorships**

Thjømøe (2010) describes sponsorship activities as an easy way to show people that the company wishes to support organisations or events that matter for the local community. This makes sponsorship to an effective and cheap communication medium to reach different segments. KBK's sponsors do not hide the fact that they choose to sponsor KBK mainly to achieve publicity, visibility, goodwill among the local community and brand awareness, the main focus is not to make money on the sponsorship. However, it is important to take into account that if the sponsors had not thought that such a sponsorship was good for the region and local business community, they would not have entered into it. No matter how much sponsors invest in such a sponsorship it is important to keep in mind that even though they are sponsors of KBK, it is not given that anyone chooses to buy their product.

KBK is very clear that the club has increased in value as a sponsorship object after being promoted to Eliteserien, and describes the product they sell as unique especially due to the media coverage that the club receives, and it is mostly positive. Most of the sponsors agree that the club has increased in value after the promotion to Eliteserien, but no one clearly say that they want to increase the contribution, and some of them are nearly afraid to say that the brand of KBK has increased in value because they do not want to pay more for the sponsorship agreements.

According to Framnes, Pettersen and Thjømøe (2011), there are some companies that do not want to measure the impact of the sponsorship because they regard it as CSR. In addition to the fact that it is difficult to measure the impact of a sponsorship because no suitable method has been developed to measure the concrete impact of the sponsorship. This is probably one of the reasons why the sponsors do not want to express that KBK as a brand has increased in value, because they do not measure the impact of the sponsorship,

and thus have no idea of what they earn on the sponsorship. The sponsors say they measure the effect based on their own intuition because they mean that it is close to impossible to measure the effect. Thjømøe (2010) point out that there is an easy way to measure the value of the sponsorship, which is to determine how many times the company's logo appears on the TV screen during a football match. Then it is possible to compare these values with what the company might have paid for similar TV exposure.

The media manager in KBK says that the club has already heard from NTF that they sell themselves to cheap to the sponsors, but that this is something the club has chosen to ignore the first years because they do not want to scare away the sponsors by raising the prices of the sponsorship agreements. Lately, this is something that KBK has begun to consider to do something about and they see that they can get paid even more by national sponsors. The club points out that communication becomes very important in this phase when they may take this on with the sponsors. Communication is also pointed out by Morgan and Hunt (1994) as one of the most important factors to commitment and trust. Thus it is very important for KBK what they manage to have a good dialogue with the sponsors so that they do not undermine the commitment and trust that the parties have accumulated over many years. Through such a process, it is possible that relationship benefits are weakened if some sponsors choose not to extend their sponsorship agreements due to higher prices. Then there will also be relationship termination costs for KBK in the sense that they have to invest a lot of time in order to cope with a relationship where commitment and trust is a matter of course, as is the case with many of today's sponsors.

The potential power imbalance between KBK and some sponsors makes it difficult for KBK to manage the sponsorship relationships. Jacobsen and Thorsvik (2013) denote this as exchange power, where the sponsors are paid by being able to profile themselves with KBK, goodwill and other attention from the local community and in return the sponsors have to pay KBK the expected amount. This type of power comes from what Morgan and Hunt (1994) calls relationship benefits, where sponsors get the benefits of sponsoring KBK and the club gets enough money to run the club. The power imbalance between KBK and the sponsors is varied because the sponsors can not be considered as a homogeneous group. Many of the sponsors aim to sponsor the club as much as possible and feel that they get what they expect from the relationship, while other sponsors will require persuasion and good terms to become a sponsor of KBK. This is also something that KBK must take

into account when explaining to the sponsors that they will have to increase the prices of the sponsorship agreements due to the situation which the club is in.

### **5.3 Building a network**

In this part of the discussion and analysis, I will investigate the network that occurs by sponsoring KBK. As Quatman and Chelladurai (2008) point out, networks are about finding patterns in the interactions to understand the relationship that appear and what the consequences of them will be. It is important to see the relationship in a network perspective because companies, according to Babiak (2007), often do not maintain their working relationships in alliances and understand the interpersonal links. The reason why it is important to see the relationship in this perspective is because networking has become a huge part of sponsorship agreements and something all sponsors expect, but many do not want to contribute so much to manage it.

Although goodwill among locals is the most important for the local sponsors, all of them hopes that the club will arrange more B2B-meetings with other sponsors, because they want to use other actors that are involved with KBK in their business. As Wolfe, Meenaghan and O'Sullivan (2002) point out are networks often used to gain major advances in understanding of marketplace phenomena. This is one of the benefits that the sponsors get by having a successful network among the sponsors.

The sponsors say they have a good dialogue with the other sponsors, but they do not have contact with each other expect from the events that are organised by KBK or other actors in the business community. The reason why they want KBK to arrange these networking meetings and not taking an initiative themselves, is because sponsors want to achieve more than just goodwill from the sponsorship, which the theory of Farrelly, Quester and Burton (2006) support. They explain that the sponsors have more defined strategic goals and expectations for the sponsorship object than before. Thus, the sponsors wish that this is something KBK will arrange more of for them so they get more out the sponsorship agreements. It is not surprising that the sponsors want to get more out of the sponsorship, which can also be seen as one of the reasons that the sponsors do not want to invest more in the sponsorship before they see what they can get in return. All the more important is

that KBK takes into account what the sponsors want to get more of, the club must meet the sponsors requirements before they may require them to invest more in the club.

KBK also says that they know that the sponsors want more B2B-meetings throughout the year, and that this is something they want to become better at. This may benefit KBK in the long run as well, because the sponsors may achieve better communication with each other, which potentially could create relationship that Morgan and Hunt (1994) believe can lead to commitment and trust. On the other hand, it is relevant to look at how communication can potentially create conflict, in the case of disagreements, in this context of investments, etc. When it comes to investments of money, conflicts can arise, this makes it even more important for KBK and the sponsors that they have an open and good dialogue with each other to avoid major disagreements that can create distrust in the relationship. Such a dialogue enables the sponsors to achieve trust and feel a commitment to trade services and products with each other, it could potentially help to make them get even stronger ties with KBK and experience even higher relationship termination costs for the club. This may be an advantage for the club if they are to provide the information that they may increase the prices of the sponsorship agreements over time.

#### **5.4 Netgotiation of sponsorship agreements**

Negotiation of sponsorship agreements is an important part of running the club, this is where KBK can try to get the most money for the various deals they have to offer, and then get a bigger budget. Still, it is clear that KBK does not go for the negotiation form where they try to get the most resources, as Jacobsen and Thorsvik (2013) refer to as distributive negotiations, where one party wins. KBK describes its negotiations that it is important to pay attention to the counterparty and see how much money they want to spend on the sponsorship agreement. The club adapts to the other actor because it is more important to get some money rather than nothing. This is the other type of negotiation that Jacobsen and Thorsvik (2013) describes as integrative negotiations, where they focus on common interests and that both parties will benefit from the negotiation.

KBK uses different strategies while negotiating sponsorship agreements, usually they choose to use one that Burns, Bradley and Weiner (2012) calls for a compromising strategy. Here they find a solution together that both parties are pleased with. As the CEO

of KBK explains, in many negotiations, they choose to be creative to make the most of the sponsors and tells the companies how they can take from different budget posts as they will get different activities and lectures back from the club. This tactic can compare to a tactic like Burns, Burnley and Weiner (2012) calling for a strong opening offer. In such cases, the club uses the information they have about budget posts and what they can give back to the sponsors to form the negotiations and the outcome in their favour. Being creative in this way can be perceived as opportunistic behaviour because it can be perceived that KBK does it this because they want to make the most of the resources from the sponsors without the sponsor actually have the opportunity to pay as much as the club is suggesting. According to Morgan and Hunt (1994), this may potentially adversely affect the trust between the parties.

KBK says that they have rarely or never experienced that the tactic that Burns, Burnley and Weiner (2012) name the power of walking away have been used in their negotiations of sponsorship agreements. Nevertheless, this is something that could potentially happen that day when the club will raise their prices on sponsorship packages. Because then there is a possibility that the sponsors do not want to extend the agreement unless they get the opportunity to pay the same as they do today. This type of tactic is also called “best alternative to a negotiated agreement”, it is often used when one party relies on the other party’s resources (Burns, Burnley and Weiner, 2012), as KBK is. The club’s CEO explain that KBK can not only have one sponsor, they need to have as many sponsors as possible at different levels, thus is depending on the sponsors resources.

It is possible to include Morgan and Hunt’s (1994) model here as well, because in some cases the sponsors may have the opportunity to pursue a sponsorship agreement that they can not afford to pay what it costs for one year. This will be seen as a big relationship benefit for the sponsors, in addition to this, KBK may see some benefits as well by helping the sponsors, but it can also cause relationship termination costs. Then it can be harder for the club to bring in national sponsors who will pay more than those who already are sponsors today. The reason for that is that KBK can see that the loyalty of today’s sponsors and their close relationship may not be able to build in the same way with national sponsors as they do not have the affiliation to the city and the region as the local actors have.

## 5.5 Questionnaire survey

In the last part of the analysis and discussion, I will use the information that I have collected from all the sponsors to see if what has been discussed earlier in the analysis is representative for the sample. According to Thjømmøe (2010), it is especially important for sponsorships, both for the sponsorship object and the sponsoring company, that their values and attitudes fit each other because there are two parties that will be associated with each other through different mediums. Close to every sponsor mean that they share the same values as KBK, there are not many who think they share the same goals, but as the club has stated, it is most important that the values match each other. This is important for the parties to manage to create a good relationship, in addition to maintaining a good communication, which Morgan and Hunt (1994) believe is one of the most important factors for achieving commitment and trust in the relation.

More than half of the sponsors say they are conducting annual assessments of the sponsorship, yet there are not many who say they give annual feedback to KBK on their assessment of the sponsorship. Even though everyone, expect from one sponsors, says they see great value in the sponsorship and are really satisfied with the job KBK does for the sponsors, but nobody says that they are interest to increase their annual investment right away. Just over half say they might consider increasing the contribution, despite the fact that the sponsors previously said that the cooperation with KBK has a significant impact on their branding. According to Thjømmøe (2010), this is because sponsors choose to enter into sponsorship agreements because they want to increase sales, dividends and consolidate the market position. In addition, they may choose to be a sponsor because it can indirectly affect the company's main goals, such as increasing brand exposure, increasing brand awareness and creating internal motivation for the employees. Thjømmøe (2010) also emphasizes that it is rare for companies to sponsor organisations and events to achieve financial profit. This is something that applies to KBK's sponsors, they are satisfied as long as they achieve publicity, goodwill and a good reputation among the local community.

The fact that most of the sponsors are most concerned about publicity and reputation is getting even stronger when only half of the sponsors want more networking meetings with other sponsors. Nevertheless, it is well below half that is interested in operating such a

network, they want more B2B-meetings to be a part of the sponsorship agreements. This underlines the theory of Farrelly, Quester and Burton (2006), which explains that sponsors expect more from the sponsorship object now than they did before, without this increasing the investment. They expect the sponsor object to provide more so that the sponsors get more because they invest in the organisation.

To summarise, it is possible to see that the relationship between KBK and the sponsors is certainly based on trust between close relations and high commitment from both parties. This is because the power relationship is relatively balanced, yet there is some evidence that the sponsors may have a little more power than KBK in the negotiations of sponsorship agreements. However, both parties experience huge relationship benefits. Though, if KBK chooses to gather all the sponsors to inform them that the prices of the sponsorship agreements will be higher over time, there is a possibility that this is perceived as opportunistic behaviour by the club. According to Morgan and Hunt (1994), it is thus possible to see that there is a risk that the sponsors' inclination to leave the relationship is present. This may be a reason why the sponsors not will be manageable and that the cooperation may endanger.

## **6.0 Conclusion**

In this final section of the thesis, I will conclude with the most important findings from the analysis and discussion, and with that answer the research question. In the discussion and analysis, I have investigated the relationship between the sponsors and KBK in order to gain an understanding of how they affect the value of KBK as a sponsorship object. Now I will present the most important findings from the discussion and analysis to answer the research question:

*What is the pros and cons of having dedicated sponsors?*

Initially, it is possible to see that most of the perpetrators of commitment and trust in the model of Morgan and Hunt (1994) have helped to create close relationships between the sponsors and KBK for a long time. Furthermore, it is possible to see that these close relationships based on commitment and trust, where the power is mostly in the sponsors' hands, because in many ways it is the general sponsor in addition to the main sponsors

who have built KBK, which has led to the fact that they have developed a relationship that is very difficult to break down. This can challenge the increasing value that the club has experienced in the recent years, because even though the club has increased in value as a sponsorship object, the sponsorship may not have increased in value for the sponsors.

Both the club and the sponsors are very aware that the value of KBK as a sponsor object has increased significantly since the promotion to Eliteserien. KBK clarifies that the increase in media coverage has been one of the factors that the club has increased in value as a sponsor object. From 2016 to 2017, the number of TV viewers for the club increased from 200 000 to 1,4 million. Nevertheless, the sponsors do not see the value of the increased attention in the same way as KBK. The sponsors are primarily interested in achieving goodwill in the local community, publicity and social gatherings with other sponsors in the region. Thus, they are not as interested in the national attention. This is probably the main reason why sponsors are not particularly willing to pay more for their sponsorship agreements. For the sponsors to invest more in the sponsorship, they need to see that they earn money on the bottom line.

KBK is thus in a difficult situation in the future where they have many loyal sponsors who have been involved for a number of years, which the club values very much. The problem is that the sponsors are not willing to pay the same price as KBK is aware that they can get from major national sponsors. Nevertheless, the sponsors largely have the power in the relationship because they have acquired relationship benefits and that KBK relies on all the resources they already receive from the sponsors. This situation makes it hard for KBK to know how to proceed when the prices of the sponsorship agreements increase. Thus, it is possible to see that the close relationships with many of its sponsors is problematic considering the increasing value of KBK as a sponsor object. There is little doubt that this value is higher now than it was two years ago due to its sporting success. For the club there is little doubt that their value has increased, but they need to look into what the sponsors require more of so the value will increase for them as well.

To answer the research question, the advantages of having dedicated sponsors are that KBK has built up a long trust based relationship with them, something that can be difficult to build with other national sponsors since they do not have the same sense of belonging. As well as these sponsors will most likely continue with their investments when the club

may relegate. There is likewise disadvantages of having dedicated sponsors because they do not see the benefits by the national exposure and they may be limiting for further development. In addition to the local sponsors understanding that they can negotiate the sponsorship agreements by emphasizing that KBK is dependent on their contribution no matter if they would like to pay more or not.

Due to the fact that I mean that the close relationships with the existing sponsors are problematic for the increasing value of KBK as a sponsor object, because the local market can help lift a club at a certain level, where KBK is today, but it can be a break for further development. Therefore, it is important that KBK dare to put a market price out of the increasing value due to sporting success and high level of media coverage. KBK has a unique product that no-one else in the local community can deliver. Hence, the club must gather the sponsors to explain for the sponsors that they need to invest more to get more from the sponsorship. KBK relies on getting higher sponsorship revenues in order to compete on the same basis as most of the other teams in the league and establish themselves in Eliteserien. At the same time, the club is entirely dependent on having as many local sponsors as possible, considering KBK is a local 'project'. What matters to KBK is that they start with those sponsors who contribute the most, which are the general sponsor and the main sponsors. This is the only way that allows the remaining sponsors to join a similar increase.

The results shown in this thesis cannot be generalised to other clubs due to the structure of the research design as its intention was to illuminate the dynamic between sponsors and sponsor object in KBK. Further systematic research is encouraged maybe a national quantitative study on elite football clubs and their main sponsors can shed some further light on this matter. The strength of doing something quantitative is that it offers the option of giving a randomised estimate that can be anonymised, which can be a strength in its own way. Despite that I hope that this thesis can be of assistance for those that want to dwell further into the dynamic of sponsors and sponsor agreements. The importance of supporting the local team and its symbolic value for their communities is an interesting leverage that the sponsor object has over their sponsors when investments are sunk that this study have found.

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## 8.0 Appendix

### 8.1 Interview guideline for the representatives of KBK

1. What does it mean to you as a club that you have loyal sponsors and partners?
2. What do you offer for you sponsors?
3. How do you sell KBK as a product outward?
4. What do you mean that the value of KBK as a product is for the local community/sponsors?
5. What do you think the sponsors are getting back from sponsoring KBK?
6. Why do you think local businesses choose to sponsor KBK?
  - How do the sponsors try to influence KBK before and through the season?
  - How difficult is it to get sponsors and good sponsorships?
7. Do you arrange events for the sponsors?
  - If yes – how often and how do such events take place? What do you think you get back for having such events?
  - If no – why don't you cane such events? Do you plan to implement this kind of event in the future? What should these include, what you do expect?
8. What do you do for your sponsors? Do you meet up at their events/meetings?
9. How do you mean that KBK has increased in value as a sponsorship object after the promotion to Eliteserien?
10. How much negotiations/impact do you have when it comes to sponsorship agreements?
  - How is the communication between you and your sponsors?
  - Is there a difference between which sponsors you are in contact with?
11. How were the negotiations of the previous sponsorship agreement?
  - How long did the negotiations last?
  - Why did you end up with that sum?
  - Did you end up on a sum that was higher or lower than expected?
  - Who in the company is involved in such negotiations?
12. In the end, is there something you want to say that we have not come across before?

## 8.2 Interview guideline for the sponsors

1. Why do you sponsor KBK?
2. How long have you sponsored KBK?
3. How long is your sponsorship agreement today?
4. What do you think you are getting back from sponsoring KBK?
5. Do you think the value of KBK has increased now as they play in Elitserien?
6. What is the purpose of getting more out of KBK as a sponsor object?  
→ How do you measure the effect?
7. What are your expectations for media exposure? With regard to advertising at the stadium, how players and coaches appear when they represent you in the media.
8. To what extent do you use the network of sponsors?  
→ What do you use it for?  
→ How is your dialogue with the other sponsors?  
→ How often do you communicate?  
→ Who in the company do you communicate with?  
→ Do you as a sponsor have any impact on the network?  
→ How?
9. What do you wish for KBK to do more of to satisfy your expectations?  
→ Is it important to you that players, coaches, etc. are present at your events?
10. What do you think KBK expects from you as a sponsor?
11. How is your dialogue with the club?
12. How do you value the sponsorship?
13. How do you try to influence KBK as a sponsor? Both before and through the season.
14. In the end, is there something you want to say that we have not come across before?

### **8.3 Questionnaire survey**

1. To what extent has KBK been important in your branding?
2. Has your attention increased after you entered into a sponsorship agreement with KBK?
3. How often do you use KBK in the profiling of your product?
4. To what extent do you share the same values as KBK?
5. To what extent do you share the same goals as KBK?
6. Has the value of your product increased in line with KBK's achievements?
7. To what extent do you use the club's network of other sponsors?
8. To what extent is a network of other sponsors involved in increasing your sales?
9. To what extent could you wish for KBK to arrange more meetings for sponsors?
10. Does your business have an interest in operating such a sponsorship network?
11. Does your business have the resources/capacity to run such a sponsorship network?
12. Are you satisfied with are giving back to you as a sponsor?
13. To what extent are you willing to raise your contribution if KBK manages to establish themselves in Eliteserien?
14. Does your company make annual assessments of the sponsorship?
15. Do you give feedback to the club at the perceived value of the collaboration?
16. All in all, how much value do you see in the sponsorship with KBK?