Sponsorship Evaluation

By

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Abstract

The application of and investment in sponsorship globally has been increasing rapidly for over 20 years while the theoretical development and practical ability to evaluate the effectiveness of sponsorship has lagged behind. It is evident that a strong theoretical foundation and improved evaluation tools are required. Agency Theory has made contributions to almost every discipline and sub-discipline within organization theory, and a review of its tenets supports taking such a perspective on sponsorship evaluation. Viewing the sponsor-sponsee relationship as an example of the principal-agent relationship for the purpose of evaluating sponsorship is the focus of the research. The implication that the sponsee provides a service to the sponsor in return for cash and/or in-kind product is also fundamental to this research.

This research recognizes the importance of the explicit (formal) and implicit (unwritten) objectives of both the sponsor and the sponsee in effectively evaluating a sponsorship. In this regard, the dissertation focuses on the evaluation of the sponsorship contract (Agency Theory's unit of analysis) in both its explicit and implicit forms, while considering important relationship factors (e.g. time) as external influences to the evaluation of such contracts. Specifically, a review of the literature and a series of expert interviews and consultations were used to explore the sponsor-sponsee relationship, and provide the basis for the construction and development of a sponsorship evaluation process model. The process model was then tested by adopting it to evaluate two major sponsorships: Kanatek's sponsorship of an expedition to Mount Everest, and ATB Bank's sponsorship of the Edmonton Grand Prix. Based on learning gleaned from these sponsorship evaluation case studies, a final version of the model is proposed and recommendations for future research and practice in sponsorship evaluation are presented.

Dedication

This thesis is dedicated to Dr. Sean Egan, team leader of the Kanatek Expedition to Mount Everest and close friend and mentor to the author. He passed away tragically in April 2005 during his quest to summit Everest. Sean's conscientious guidance and unconditional support of the author and his research is recognized. He was a role model to many, including the author, and is deeply missed.

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1.0 INTRODUCTION

1.1 Purpose and Relevance

A sponsorship occurs when a “corporation [or other investor] creates a link with an outside issue or event, hoping to influence the audience by the connection” (Rifon, Choi, Trimble, & Li, 2004, p. 30). This ‘link’ or ‘association’ with a specific property (known as the ‘sponsee’ as a way to consider all forms of properties from athletes to events to clubs to facilities) is the key to differentiating sponsorship from other promotional strategies. It enables the investor (known as the ‘sponsor’) not only to receive the related promotional benefits (television exposure, print exposure, branding opportunity, etc.), but also to be associated, in the minds of consumers, with the sponsee. For example, Irwin, Lachowetz, Cornwell and Clark (2003), in their survey of 500 spectators at the 2000 FedEx St. Jude Classic Golf Tournament, found evidence which suggests that spectator response to the sponsor (FedEx) was influenced positively by their affinity to the cause which the tournament benefits – the St. Jude’s Children’s Research Hospital. In fact, the association between a sponsor and a sponsee has proven to be longer-lasting than the sponsorship itself, as it carries on even when the sponsorship relationship is terminated (Wright, 1988). For example, the long-running sponsorship between Gatorade and the Hawaii Ironman Triathlon has now ended, yet the benefits for both parties continue as consumers continue to associate the Hawaii Ironman Triathlon and Gatorade. Akin to other promotional strategies, sponsorship also enables a sponsor to efficiently reach its target market (Rodgers, 2003; Pham & Johar, 2001).

In a typical sponsorship transaction, the sponsor provides cash and/or in-kind¹ product/service to a sponsee in return for promotional opportunities and the ability to leverage the association. The following two examples of Ottawa-based sponsorships illustrate this relationship. First, the 2006 ING-National Capital Marathon was a sponsorship where ING bank, as sponsor, provides cash to the National Capital Marathon event, the sponsee, in return for promotional value. Second, Scotiabank Place is a sponsorship relationship where Scotiabank has invested significant financial resources in order to be the title sponsor of the arena facility, the sponsee, and the exposure it provides.

International sporting goods conglomerate Adidas' sponsorship of the 2004 European Football Championship provides a good example of a large international sponsorship. This sponsorship involved the use of Adidas' silver and black 'Roteiro' ball in every game of the month long tournament. In demonstrating the significant potential of a well planned sponsorship, the promotional value provided to Adidas in exchange for cash led to the sale of over 6 million Roteiro balls in the weeks following the event (Ewing, 2004). The use of data from the sales of Roteiro balls in the Adidas case exemplifies a typical sponsorship evaluation measure. Current sponsorship evaluation practice often involves the use of 'eyeballs'², 'footsteps'³ or sales projections. Such evaluation measures lack specificity in terms of how objectives are addressed and, typically, these projections overstate or include factors that do not indicate whether the sponsor or the sponsee will achieve their objectives.

¹ "In-kind" refers to the contribution of product or services in lieu of cash by a sponsor. For example, an athletic apparel company provides the volunteer T-shirts and draw prizes for a running event.

² The number of people who viewed the promotion, often measured by impressions.

³ The number of people who frequented a store as a result of the promotions, often measured by coupon retrieval or questionnaires.

In today's competitive marketplace, sponsees compete for limited sponsorship opportunities from a variety of sources in an environment where the demand from sponsees for sponsorship resources is significantly greater than the supply of interested sponsors (e.g., Nike, General Motors, Coca-Cola). Because of this competitive environment, the sponsor is placed in a position of power when dealing with all but the most valuable sponsees, such as the Olympic Games, Expo, Academy Awards, World Cup of Soccer, Super Bowl, and well-known athletes like Tiger Woods. Although these 'super-valuable' or 'mega' sponsees are in the enviable business position of having interested sponsors bidding for their property rights, the majority of sponsees seeking resources struggle to attract, satisfy and maintain sponsors (Hoek & Gendall, 2002). Sponsors generally seek promotional means through which they can enhance their brand and build their networks, creating loyal customers and attracting new business as a consequence.

The sponsor-sponsee relationship is a marketing relationship which can develop in many ways and may be viewed from a variety of perspectives. No two sponsor-sponsee relationships are the same: power structures vary, the size and scope of the parties vary, the objectives differ, the stage of the relationship between the sponsor and the sponsee changes, the length of the sponsorship varies, and in some instances the relationship involves intermediaries. The literature establishes sponsorship as "a strategic activity with the potential to generate a sustainable competitive advantage in the marketplace" (Fahy, Farrelly, & Quester, 2004, p. 1013). This implies a divergence from philanthropy and supports the role of sponsorship as part of marketing strategy where sponsors garner promotional value, and sponsees obtain resources.

Sponsorship has developed from its roots in philanthropy where sponsors provided resources to third parties based on altruism, to the current situation where sponsorship is used by practitioners to achieve the goals of their respective organizations (Dolphin, 2003). In today's dynamic marketplace, sponsorship is viewed as an effective and efficient promotional tool that is capable of cutting through the existing advertising clutter (Rodgers, 2003; Pham & Johar, 2001) and achieving competitive advantage (Fahy, Farrelly, & Quester, 2004). According to Cornwell and Maignan (1998), sponsorship continues to be in the early stages of its development and Meenaghan (1998) notes that sponsorship has received more attention from industry than it has received within academic circles. This lack of academic attention has been described as an "empirical chasm" (Westerbeek & Smith, 2002, p. 141).

Three general sponsorship related themes have developed in the sponsorship literature. The first theme centers on the definition of sponsorship (e.g., Rifon, Choi, Trimble & Li, 2004; Gardiner & Shuman, 1988; Sandler & Shani, 1993; Meenaghan, 1983). In addition to research focusing on sponsorship definition issues, this theme includes research concerning the managerial aspects of sponsorship such as sponsors' objectives, target audiences and media objectives (Cornwell & Maignan, 1998). A second major theme might be termed 'methods to obtain corporate donations'. Research in this theme focuses on sponsorship's complementary yet distinct position with respect to philanthropy and cause-related-marketing (CRM) (e.g., Polonsky & Speed, 2001; Webb & Mohr, 1998). Third, a significant stream of literature has evolved regarding the implementation side of sponsorship. Topics within this stream focus on sponsor/sponsee selection (Cornwell & Maignan, 1998), the link to corporate objectives (Gardiner &

Shuman, 1988), the ability to measure the effectiveness of a sponsorship (e.g., Farrelly, Quester, & Burton, 1997), the legal and ethical considerations in sponsorship (Cornwell & Maignan, 1998), the magnitude of the association between the sponsor and the property (e.g., Giannelloni, 1993), sponsorship's influence on consumer attitudes (Parker, 1991), and the sponsor's commitment to leveraging their investment (Gwinner & Eaton, 1999).

While considerable investigation into sponsorship has taken place during the past 15 years (e.g., Amis, 2003; Bennett, Henson & Zhang, 2002; Javalgi, Traylor, Gross, & Lampman, 1994), practitioners and academic researchers have recognized that evaluation remains one of the greatest challenges facing sponsorship development (Crompton, 2004a; Harvey, 2001; Bowey, 1998; Copeland, Frisby, & McCarville, 1996). While several evaluation tools exist in the literature (Irwin & Asimakopoulos, 1992), they suffer from a number of deficiencies including failure to assess return on investment (ROI⁴) and reliance on simple measures that do not take the objectives of the sponsorship, such as sales increases and brand equity, into account (Crompton, 2004a; Berrett & Slack, 1995; Gardiner & Shumman, 1988).

As investment in sponsorship continues to increase (Kolah, 2003) so will the incentives for both sponsors and sponsees to evaluate sponsorships. Sponsors will question the resulting effects of an investment in the sponsee as a means of validating its selection, compared to alternative promotional strategies and/or tactics it did not pursue. Similarly, the sponsee will want to demonstrate its ability to both attract and maintain investment by sponsors as well as to provide evaluation of the value provided to

⁴ ROI is a commonly used term in business to refer to the ratio of money earned or lost on an investment to the amount of money invested in that activity. It is typically measured as a percentage annualized return.

sponsors. Clearly, evaluation is vital to a sponsorship's continuing growth and is the focus of this dissertation. Specifically, this research is focused on utilizing an Agency Theory perspective to develop and test a process model for sponsorship evaluation.

Agency Theory, where the sponsor-sponsee relationship is viewed as a principal-agent relationship and where the agent acts on behalf of the interests of the principal (Bahli & Rivard, 2003), is adopted as the theoretical foundation for the dissertation. In this context, Agency Theory provides a way to view cooperative effort where one entity (the principal) engages another (the agent) to act on their behalf; where the sponsee as agent is seen as offering a service to the sponsor as principal. Given that "Agency Theory provides a unique, realistic, and empirically testable perspective on problems of cooperative effort" (Eisenhardt, 1989, p. 72), and that agency relationships have been shown to pervade marketing (Bergen, Dutta, & Walker, 1992), the application of an agency perspective on the sponsor-sponsee relationship, particularly with respect to the evaluation of its success, may be useful.

This dissertation focuses on designing, developing and testing a process model that could be used for the evaluation of sponsorship in a variety of settings. The author could not uncover a similar approach in the available literature, suggesting that no such model or approach currently exists. This process model was developed by reviewing the current literature on sponsorship evaluation and evaluation in general. This first phase of development is outlined in a preliminary model (Version D1) developed from a review of the literature and presented in Chapter 4.3.7.1.

A number of knowledge gaps concerning sponsorship evaluation were identified in the review of the literature. These include the limited research and understanding of (i)

the sponsor-sponsee relationship, (ii) current evaluation practices, (iii) barriers to evaluation, and (iv) when and how evaluation occurs. Therefore, the second phase of the dissertation research involved in-depth qualitative interviews with 14 experts. The purpose of these interviews was to improve understanding of sponsorship, focusing on areas where gaps in the literature are most prevalent. The preliminary sponsorship evaluation process model was then revised on the basis of knowledge gained from these expert interviews, and the revised model (Version D2) is presented in Chapter 6.1.6.

The third phase of the research involved the implementation of the process model in two sponsorship evaluation case studies. In this phase of the research, the process outlined in the model was applied in evaluating both sponsorships. After applying the process model in these two sponsorship case studies, it was once again revised and Version D3 is presented in Chapter 6.2.3.

1.2 Outline of Dissertation

This dissertation is organized into seven chapters. The current chapter introduces the concept of sponsorship and outlines its importance. This chapter also describes the purpose, objectives and structure of the document. The second chapter describes sponsorship in detail. First, it includes its definition, descriptions of the important players in the sponsorship relationship, and its distinction from philanthropy and other forms of corporate donations. Second, the varying views around the position of sponsorship in marketing theory are presented. Third, the sponsorship literature is reviewed briefly. The third chapter focuses on sponsorship evaluation and includes a review of general evaluation theory, a review of literature on sponsorship implementation and evaluation,

and an assessment of current practice. The fourth chapter models the sponsor-sponsee relationship as an occurrence of a principal-agent relationship. This process involves, first, introducing Agency Theory as the framework by which to view sponsorship; second, reviewing the literature on Agency Theory; and, finally, viewing sponsorship from an Agency Theory perspective. The fifth chapter outlines the preliminary sponsorship evaluation process model, and then describes the research methodology which details the two-phase research protocol. The sixth chapter presents the results of both phases of the research, as well as revisions to the sponsorship evaluation process model, while the seventh chapter discusses the results, limitations and suggestions for future research.

1.3 Contribution of Dissertation: Objectives

Given (i) the increasing use of sponsorship, (ii) the calls for improved sponsorship evaluation in the literature, (iii) the demand for effective evaluation tools by practitioners of sponsorship, (iv) the limited available literature on sponsorship evaluation, and (v) the proprietary nature of evaluation methodologies in practice, a number of steps were undertaken to provide the foundations necessary to build the sponsorship evaluation model. These steps comprise an iterative process of developing the initial process model from the literature, gathering needed information from sponsorship experts and revising the model, applying the model in two sponsorship cases, and once again revising the model. Specifically, these steps address the major objective of this dissertation as described below.

Major Dissertation Objective: To propose and test a sponsorship evaluation process model. A preliminary model is developed based on existing literature. Data on existing sponsorship evaluation practices were gathered from interviews with sponsorship experts, and the model was revised in light of this enhanced understanding. The model was then utilized/put into practice in order to evaluate two different sponsorships. Based on the knowledge and experience gained through the implementation of the model, the process model is revised once again and offered as a model to be used and adapted by others in evaluating sponsorships.

To achieve this objective, four important sub-objectives must also be addressed as follows:

1. *Dissertation Sub-Objective #1:* To achieve a deeper understanding of the sponsor-sponsee relationship. Typical and common objectives of the sponsor as principal and sponsee as agent must be identified and understood. Further, an understanding of the inner workings of the sponsor-sponsee relationship, both the formal contract (explicit) and the informal understandings (implicit), must be developed and enhanced.
2. *Dissertation Sub-Objective #2:* To achieve a deeper understanding of current evaluation practices. Without a clear understanding of what practitioners are currently doing to evaluate sponsorships, it is very difficult to develop a relevant and legitimate process model.

3. *Dissertation Sub-Objective #3*: To develop an understanding of the perceptions of barriers, benefits, and fears regarding evaluation in order to allow for effective evaluation.
4. *Dissertation Sub-Objective #4*: To develop knowledge about whether and when evaluation occurs in practice in sponsorship. In order to evaluate sponsorships, measurement metrics for each sponsor/sponsee objective must be developed with knowledge of the timing and depth of analysis that occurs in practice.

2.0 SPONSORSHIP

The purpose of this chapter is to introduce and describe the promotional activity known as sponsorship. In doing so, it provides the necessary understanding around the concept to allow for the research that follows regarding the evaluation of sponsorship. Included within the chapter is content on the historical development of sponsorship, a review of its growth, its definition and the definitions of its key variables (e.g. sponsor, sponsee, intermediary), and the key concepts of sponsorship (e.g. involvement, leveraging, exclusivity, mega-sponsees, and image transfer). This content led to the identification of important issues in the related literatures, including the absence of a consensus definition, the conflicting views on sponsorship's place in marketing theory, and the limited understanding of the development of sponsorship relationships. In turn, the chapter also includes sections devoted to clarifying these important issues, including (i) constructing a proposed working definition of sponsorship, (ii) articulating the common sponsee scenarios, (iii) reviewing the process of establishing a sponsorship relationship, and (iv) presenting the literature related to sponsorship's place in marketing theory.

2.1 Introducing Sponsorship

A sponsor⁵ (e.g., Coke, Jim's Hardware Store, the Government of Ontario, and Eric Sprott) is an investor who invests resources in a sponsee and in return seeks promotional value and other objectives from their association with that sponsee. The sponsee (e.g., Olympic Games, Michael Jordan, the Tulip Festival, a fundraising dinner,

⁵ In most cases, the sponsor is a corporation, however a sponsor can also be a charity, a not-for-profit organization, a partnership or an individual.

Winterlude) is the property which receives resources and seeks to achieve their own objectives from the association. Affiliated entities are intermediaries who support the sponsor-sponsee relationship, such as a benefiting charity, a sponsorship sales agent, an event manager, or a facility provider.

Sponsorship is attractive to these stakeholders for several reasons. First, faced with the challenge of a cluttered marketplace (Arthur, Dolan, & Cole, 1998), it is no longer sufficient for an organization to promote through advertising alone. Sponsorship may provide an efficient way to differentiate a company from its competitors (Fahy, Farrelly & Quester, 2004; Amis, Slack & Berrett, 1999). Second, anecdotal evidence concerning the attractiveness of sponsorship relative to other promotional tools is supported by sponsors who have bolstered their initial sponsorship investment with additional funds to leverage that investment (Berrett & Slack, 2001). It is the ability to leverage a sponsorship extensively as part of an integrated marketing communications mix that makes it more attractive than other promotional tools such as advertising and publicity (Cornwell, Pruitt, & Clark, 2005; Belch & Belch, 2001; Shimp, 1997; Cornwell, 1995). Leveraging, used in this context, refers to strategies that the sponsor or sponsee funds in addition to what was outlined in the contract and then implements in order to increase the effectiveness of the sponsorship. These techniques are varied and include such things as the title sponsor of a televised event, and/or developing commercials for that event and paying for their diffusion leading up to, during, and following the event (Nicholls, Roslow & Dubish, 1999). Reebok's recent decision to increase its annual budget to leverage its sponsorship investments to US\$12.6 million (Kolah, 2003) emphasizes the importance of leveraging.

2.1.1 Origin of Sponsorship

There is extensive debate among researchers over the exact origins of sponsorship. It has been linked to the banning of cigarette advertisements in Britain in 1965 and the subsequent interest of tobacco companies in promoting themselves and their products through association with televised sporting events (Mason, 1999). Arthur, Scott, Woods and Booker (1998) claim that sponsorship has been around for thousands of years since the gladiator days of ancient Rome. Cornwell, Pruitt and Clark (2005) trace its formal beginnings to the 1984 Olympic Summer Games. Still, others give credit to the late Mark McCormack, the legendary founder of the sport marketing firm IMG.⁶ McCormack's vision that athletes could secure sponsorship and endorsement deals led him to convince legendary golfer Arnold Palmer to allow him to manage his affairs (Kolah, 2003). Wilkinson (1993) believes that the first true use of sponsorship was in the 1960s when corporations began to seek a return on their donations to sport and other social service associations. These were known as "Philanthropic Sponsorships" (Wilkinson, 1993). Media sponsorship (product mentions on radio programming), a precursor to sponsorship as we know it today, was first practiced during the 1930's in the United States by industry giants Coca-Cola and General Foods (Bloxam, 1998). While these views are divergent, most authors suggest that modern sponsorship has been around for at least the last 40-50 years.

It is widely agreed that sponsorship has moved from its roots in philanthropy to a promotional activity that has mutual benefits for both the sponsor and the sponsee

⁶ IMG is one of the world's largest and most successful sport marketing firms. Headquartered in Cleveland, USA the firm has 70 offices in 30 countries, including one in Toronto. For more information see www.imgworld.com.

through a relationship where their association is key in the resulting promotional strategy (Rifon, Choi, Trimble & Li, 2004; Mason, 1999; Mack, 1999; Arthur, Scott, Woods & Booker, 1998; Scott, 1998; Hoffman, 1998; Thwaites & Carruthers, 1998; Mullen, 1997; Wilson, 1997; Howard & Crompton, 1995; Smith, 1994; Collins, 1994; Kuzma & Shanklin, 1994; Irwin, 1993; Shaw & Post, 1993; Sandler & Shani, 1993; Wilkinson, 1993; Woods, 1993; Witcher, Craigen, Culligan & Harvey, 1991; Abratt & Grobler, 1989; Sleight, 1989; Armstrong, 1988; Gross, Traylor & Shuman, 1987). Others are less convinced of sponsorship's evolution. For example, Meenaghan (1991a) dubbed sponsorship the "Chairman's Choice Syndrome," suggesting that sponsorship development was often based on the CEO or President of a given firm supporting his or her favourite sport so that he/she and his/her colleagues could sit in the crowd and watch. However, the prevalent view today is that sponsorship is now distinct from philanthropy, and is utilized as a promotional strategy tied to an organization's marketing communications activities (Dolphin, 2003; Cornwell and Maignan, 1998; Meenaghan, 1998; Brooks, 1990).

2.1.2 Defining Sponsorship

Sponsorship is not easily defined. A review of the literature reveals that definitions of sponsorship – although rarely identical – often contain the same key elements (Olkkonen, 2001). These key elements include the mutually beneficial exchange of sponsor resources (cash or in-kind product/services) in return for promotional value, and – most importantly – the association with the sponsee. The associations made between sponsor and sponsee can influence consumer perceptions of both (Brown &

Dacin, 1997; Aaker, 1996). Each sponsorship relationship has its own distinct personality and a unique transfer of image values to the sponsor leads to the positive *rub-off* of image from the sponsee to the sponsor, or the *halo-effect* of the association (Meenaghan, 1983). The modern term for the halo-effect is congruency (Meenaghan, 2001) where it is the consumer's perception⁷ of the congruency between the sponsor, the sponsee and the association that is important. The fact that the sponsor receives the right to promote the association (the sponsee also has this right) is either stated or implied in most definitions of sponsorship (e.g., Dean, 1999; d'Astous & Bitz, 1995).

The first widely accepted definition of sponsorship (Meenaghan, 1983) still included the concept of philanthropy, while more recent definitions (Polonsky & Speed, 2001; Cornwell & Maignan, 1998; Sandler and Shani, 1993; Otter & Hayes, 1987) do not include philanthropy in their definitions, indicating sponsorship's evolution into a communications strategy/tactic. Gardiner and Shuman (1988) describe sponsorship as a form of promotion, but indicate that it differs from advertising in that the medium and creative messages are not as tightly controlled by the sponsor as they would be by an advertiser. Interestingly, this definition focused on differentiating sponsorship from advertising, which was a major challenge for the field in the mid-1980's. The importance of the 'association' was also common in sponsorship definitions around this time (Sandler & Shani, 1989, p. 12):

[Sponsorship is] the provision of resources (e.g., money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity. The providing organization can then use this direct association to achieve either their corporate, marketing or media objectives.

⁷ Consumer's perception of congruence has been shown to be determined by their prior knowledge of the sponsor and the sponsee, and how logically they view the connection between the two (Meenaghan, 2001; Jagre, Watson & Watson, 2001).

Integral to this definition as well as others (Sandler and Shani, 1993; Meenaghan, 1991a; Sleight, 1989) is the implied relationship between the sponsor and sponsee, and that both parties expect to benefit from the sponsorship. Similarly, McCarville and Copeland (1994, p. 103) positioned sponsorship as a promotional strategy that “involves an exchange of resources with an independent partner in hopes of gaining a corresponding return for the sponsor”. Ukman’s (1995, p. 2) definition emphasizes the fact that sponsorship can be paid in cash or via in-kind product, and introduces the notion of leveraging: “[Sponsorship is] a cash and/or in-kind fee paid to a property...in return for access to the exploitable commercial potential associated with that property.”

Newer definitions of sponsorship focus primarily on the relationship aspects of sponsorship and leveraging. For example, Cornwell and Maignan (1998, p. 12) provide this view on sponsorship:

On the basis of the definitions found in the literature, we propose that sponsorship involves two main activities: (1) an exchange between a sponsor and a sponsee whereby the latter receives a fee and the former obtains the right to associate itself with the activity sponsored, and (2) the marketing of the association by the sponsor. Both activities are necessary if the sponsorship fee is to be a meaningful investment.

Specific to the sport industry, Shank’s (1999) definition moves emphasis away from the concept of the exchange towards taking an investment perspective on sponsorship (i.e., a sponsor-focused definition). Further, Shank’s definition emphasizes the expansion of the definition of the sponsee beyond an event or activity to include sports properties such as athletes, leagues, and events.

Recent publications on sponsorship have moved away from re-defining sponsorship to accepting past definitions. Cornwell, Pruitt and Clark (2005) adopt the

definition of sponsorship-linked marketing as “the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship” (Cornwell, 1995, p. 13) while Crompton (2004a, p. 268) defines sponsorship as an example of exchange theory where “(i) two or more parties exchange resources, and (ii) the resources offered by each party must be equally valued by the reciprocating parties”. Further, Jalleh, Donovan, Giles-Corti, and Holman (2002) defined sponsorship in the context of a Hierarchical Communications Model, and Madrigal (2001) reverts to Meenaghan’s definition of sponsorship (1991a).

Intermediaries are entities outside of the sponsor and sponsee (i.e., third parties) who exert influence on the relationship. They may include player agents, contractors, event managers, media organizations, security groups and municipalities. From their point of view, a formal sponsor-sponsee relationship is a means by which to achieve their specific goals, such as profit, promotion, networking, etc. In this regard, an agent representing the sponsor or the sponsee, the manager of the facility in which the event will occur, or the sub-contractor carrying out some task (e.g., advertising design, signage, etc.) will receive their due share and potentially benefit from the association. For example, TrojanOne, a Toronto-based sport marketing firm, acts as Coca-Cola’s agent in determining how to best allocate their promotional dollars for certain marketing objectives.

2.1.2.1 Sponsorship Involvement

Involvement is “the personal, social, and economic significance of the purchase to the consumer” (Crane, Kerin, Hartley, Berkowitz & Rudelius, 2006, p. 206). Anne and

Cheron (1991) find that consumers are more likely to recall a sponsor (i) if they are more involved with the sponsee, (ii) if they have prior knowledge about the sponsor, and (iii) if they have interest in the sponsee. D'Astous and Bitz (1995) and Pham (1992) narrow the list to two key points: (i) an exciting sponsee and (ii) achieving a high level of consumer involvement in the sponsorship. In either case, the high level of involvement leads to an increase in information-processing by the consumer and more interest in the sponsorship.

2.1.2.2 Leveraging

Leveraging activities can be defined as any marketing or promotional tactic implemented with the goal of promoting a sponsee or a sponsor-sponsee association (Cornwell, Pruitt & Van Ness, 2001; Quester & Thompson, 2001; Crimmins & Horn, 1996). A number of authors (Otker, 1988, Abratt & Grobler, 1989, Meenaghan, 1991a; 1991b; 1998; Sandler & Shani, 1993, 1998) prescribe that it is good practice for sponsors to leverage their sponsorship by investing additional resources in complementary promotional activities that strengthen the association. The argument here is that the initial investment only buys the rights to an association but there is still a need to exploit this further by investing additional sums. The association can then be promoted and leveraged beneficially using a variety of marketing communications elements (e.g., Ludwig & Karabetsos, 1999; Javalgi, Traylor, Gross, & Lampman, 1994; Meenaghan, 1991b). Examples of leveraging initiatives range from an advertising campaign launched as the sponsored event approaches, to a PR campaign that increases awareness of the sponsorship, to linking a sought-after sponsee image with an integrated marketing mix (Irwin & Sutton, 1994; Hoek, Gendall & Sanders, 1993; Abratt, Clayton & Pitt, 1987).

Sponsors and occasionally sponsees leverage to (i) achieve competitive advantage (Fahy, Farrelly & Quester, 2004), (ii) generate revenue (Flynn, 1993), and (iii) impact consumer-oriented objectives, such as increasing brand awareness, brand image, and purchase intentions (Meenaghan, 2001; Lardinoit & Quester, 2001; Quester & Thompson, 1999; Ludwig & Karabetsos, 1999; Cunningham & Taylor, 1995; Gardiner & Shuman, 1988; Meenaghan, 1991a; Ukman, 1995).

The literature recommends spending at least the same amount as the sponsorship investment itself, and ideally more, in leveraging (Meenaghan, 2001; Quester & Thompson, 2001), with authors suggesting that the sums required for successful leveraging may be up to five times the initial expenditure (Seguin, Teed & O'Reilly, 2005; Shanklin & Kuzma, 1992; Witcher, Craigen, Culligan & Harvey, 1991; Abratt & Grobler, 1989; Eisenhart, 1988). For example, a number of the sponsors of Euro 1996⁸ spent in excess of a 3:1 ratio on leveraging their sponsorships (Lardinoit & Quester, 2001). In practice, however, the amount spent on leveraging varies greatly. For example, in a study of Canadian corporate sponsors, Thwaites, Aguilar-Manjarrez and Kidd (1998) found that only 63 percent of the sponsors studied leveraged their investment. Thus, 37% did not invest any resources beyond the initial sponsorship fee.

2.1.2.3 Sponsorship and Exclusivity

The concept of exclusivity refers to a sponsor being given the right to be the only sponsor of a given event in their business category (e.g. automobile, airline, etc.). The onus often lies with the sponsee to protect the exclusivity of its sponsors from ambush

⁸ Euro 1996 refers to the 1996 European Football Championships. The event is held every four years and is one of the largest events in Europe, if not the world.

(Crow & Hoek, 2003; McCarthy & Lyberger, 2001). Exclusivity is often given credit for creating the high level of interest in sponsoring the Olympic Movement in the mid-1980's (Pound, 1996). As a result of these very large sponsorship investments, exclusivity has become a vital aspect of sponsorship. Sponsors now demand to have their investments protected against ambush marketing, which is where organizations, typically the competitors of official sponsors, seek the benefits of official association with a mega-sponsee, but are unwilling to pay for such an association (Crompton, 2004b; Lyberger & McCarthy, 2002; McCarthy & Lyberger, 2001; Townley, Harrington & Couchman, 1998).

In practice, exclusivity, or category exclusivity as it is now often termed, is becoming increasingly important. Studies of consumer opinion of ambush (Seguin, Lyberger, O'Reilly & McCarthy, 2005; Shani & Sandler, 1998) demonstrate empirically that consumers find ambush marketing to be unacceptable and are confused by it. These authors note that exclusivity is the key to success in sponsorship as sponsees must determine ways to protect the exclusive rights of sponsors, particularly in high value sponsorships (e.g. Super Bowl, Olympic Games), but with growing importance in smaller properties (Shank, 2005).

2.1.2.4 Image Transfer

An important concept in understanding how sponsorship works and differentiating sponsorship from other promotional strategies is the idea of image transfer (Walliser, 2003). Gwinner and Eaton (1999) suggest that the use of image transfer is the most effective way to leverage a sponsorship. Image transfer in the sponsorship literature

is defined based on the fact that, in any given sponsorship, both the sponsor and the sponsee bring their own specific image values (Meenaghan & Shipley, 1999), which in turn can be transferred to a sponsor, a sponsee or a co-sponsor (Grimes & Meenaghan, 1998). It is important to note that this transfer takes place in the minds of the consumers who transfer, through the sponsor-sponsee association, some image value from one party to another (Gierl & Kirchner, 1999; Giannelloni, 1993). There is literature that researches the image effects of sponsorship and provides empirical support that sponsorship contributes to the modification of certain image dimensions (Stipp & Schiavone, 1996).

Various authors (Gwinner & Swanson, 2003; Jagre, Watson & Watson, 2001; Johar & Pham, 1999; Gwinner & Eaton, 1999; Grimes & Meenaghan, 1998; Gwinner, 1997; Keller, 1993; McDonald, 1991) have looked specifically at the transfer of image from sponsee to sponsor. A review of this literature reveals seven key propositions concerning image transfer. First, in the case of a well-known and long-established sponsee and a less established sponsor, the chance of image transfer is less likely as consumers are more likely to relate to the well-known sponsee, and not to the association or to the sponsor. This has obvious implications in sponsor selection. Second, in the case of sport sponsees, consumers (spectators) are likely to be very focused on the event at hand suggesting that the likelihood of image transfer is reduced. Third, in the case of a sponsor promoting a low involvement product, Gwinner (1997) suggests that a sponsee with a positive brand image will be a “potent force” in building the image (brand) of the sponsor. Fourth, in the case of a sponsor and sponsee with similar images, the transfer of image and ability to leverage the association effectively is enhanced (Gwinner & Eaton, 1999). This further supports the importance of the sponsee selection stage of a

sponsorship relationship. Fifth, a sponsor may be able to better leverage its sponsorship if it sponsors a number of sponsees who possess consistent images (Gwinner, 1997). This demonstrates the importance of a sponsorship portfolio where the overall effectiveness of all sponsorships could be hindered by a single, inconsistent one. Sixth, the transfer of image depends on the exclusivity of the agreement between the sponsor and the sponsee. That is, the ability of the sponsor and the sponsee to reduce the frequency of ambush may lead to improved image transfer. Finally, the transfer of the image depends on the level of involvement the sponsor has with the sponsee. The more involved the sponsor becomes in the relationship with the sponsee, the stronger the perceived relationship becomes and, in turn, the greater the image transfer.

2.1.2.5 Sponsee Scenarios

We know that the demand from sponsees for sponsorship resources is significantly greater than the supply of interested sponsors (Berrett & Slack, 2001). Only those few sponsees who are major, global properties with significant media interest and high levels of reach are in a strong business position vis-à-vis potential sponsors. These sponsees are classified here as mega-sponsees. The remainder (and vast majority) of sponsees are termed 'typical' as they struggle to achieve cash and/or in-kind resources from sponsors. When considering sponsorship for evaluation or other strategic purposes, the acknowledgment of which scenario is being dealt with is very important (Witcher, Craigen, Culligan & Harvey, 1991).

Mega-sponsees, such as the Olympic Games, have been defined as "short-term events with long-term consequences for the cities that stage them" (Carlsen & Taylor,

2003, p. 19). It is widely believed that these events provide significant tourist flow to a region, in turn, providing jobs, economic impact, new urban infrastructure, and income. (Carlsen & Taylor, 2003; Dimanche, 1996; Hughes, 1993) Further, these mega-sponsees can be characterized as *news events* (Getz, 2002; 1998) that are viewed positively by sponsors interested in mass-market promotions, and who, in turn, compete for official sponsor status. In practice, the mega-sponsee has many interested sponsors vying for the sponsorship rights, which leads to incredible sums of money being spent on the rights. Given the reach of a mega-sponsee, one of the most important reasons that a large sponsor seeks to enter into such a sponsorship agreement is to increase brand awareness and alter its image or that of one of its brands (Amis, 2003; Amis, Slack & Berrett, 1999). An example is the Olympic Games and the International Olympic Committee's well known TOP program where sponsors in twelve major categories (non-alcoholic beverages, information technology, innovative products and services, health care products, film/photographics and imaging, computing equipment, life insurance/annuities, retail food services, timing/scoring/venue results services, audio/TV/video equipment, wireless communications equipment, and consumer payment systems) compete for the valuable and far-reaching official sponsorships of the Olympic Games. The value of these sponsorships is profound, as the fees for an Olympic TOP sponsorship in the 2001-2004 quadrennial averaged US\$65 million⁹.

Typical (smaller) sponsees, on the other hand, often lack the sophistication and reach required to attract, satisfy and maintain sponsorship (Copeland, 1991). They have also been defined by their lack of television coverage, which is known to be a very

⁹ In addition to these fees, TOP sponsors typically invest between US\$50 million and US\$250 million towards leveraging the sponsorship.

important criterion for sponsors when selecting sponsees (Witcher, Craigen, Culligan & Harvey, 1991; Abratt, Clayton & Pitt, 1987). Typical sponsees often carry out concurrent complementary marketing activities to make themselves more attractive to sponsors, since such activities will help create more appeal in specific target markets where more sponsors are interested in investing, which, in turn, will increase their ability to obtain sponsorship and, in some cases, attract sponsors with whom they wish to be associated, or even encourage premium rates for such sponsorships (Gwinner & Eaton, 1999). It is also important to note that typical sponsees are often counting on revenue from sponsorship to survive. Thus, for typical sponsees, revenue-generation takes priority over image objectives. This is particularly true for cash-starved not-for-profit and charitable foundations (Rifon, Choi, Trimble & Li, 2004; Bendapudi, Singh & Bendapudi, 1996).

2.1.2.6 Working Definition of Sponsorship Adopted in this Dissertation

This dissertation adopts the Cornwell and Maignan 1998 definition of sponsorship as it clearly articulates that sponsorship involves two activities: the exchange between sponsor and sponsee, and the marketing of the association that results from the exchange. Further, the Cornwell and Maignan definition (i) is based on an extensive global review of international research on sponsorship, (ii) is relatively recent and (iii) is quoted frequently in the literature (e.g. Ali, Cornwell, Nguyen, & Coote, 2006; Felt, 2003; Ruth & Simonin, 2003). This conceptual definition is adapted in the context of the literature, as the working definition of sponsorship for this dissertation which suggests that operationally, a promotional endeavour is termed a sponsorship if the following 10 criteria are met:

1. One party (the sponsor) invests resources in another party (the sponsee), where
 - a. the sponsee provides promotional value in return, and
 - b. the sponsor makes the investment in order to achieve image-based, brand-based and/or media-based objectives.
2. In the relationship between the sponsor and the sponsee, the sponsee is seen as providing a service to the sponsor.
3. Joint sponsor-sponsee activities are part of the sponsorship (i.e. an association exists).
4. Consumers (or members of the target market of the promotion) are exposed to three specific entities: the sponsor's brand, the sponsee's brand and the sponsor-sponsee association.
5. Consumers (or members of the target market of the promotion) are presented with a partnership between the sponsor and the sponsee. The impact of the partnership on consumers is expected to last longer than the sponsorship contract itself due to the goodwill or emotional ties that consumers build over time.
6. The sponsor-sponsee association is exploited or leveraged by one or both parties.
7. The transfer of elements of the sponsee's image to the sponsor is of interest to the sponsor.
8. The exclusivity of the sponsorship is of interest to the sponsor and the sponsee.
9. Congruency (fit) between the sponsor and the sponsee is important to both parties.
10. The primary objectives of the sponsor are marketing based (i.e. non-philanthropic).

In many sponsorships, a number of other stakeholders and intermediaries are involved in the relationship between the sponsor and the sponsee. These stakeholders may include other sponsors, suppliers, supporting organizations, property management

groups and player agents. All of these influence the relationship and need to be considered in any related research. Table 1 below provides examples of parties who may be involved in different sponsorship arrangements.

Table 1: Sponsorship Arrangements

Scenario	Example
Sponsor-Sponsee	Local bike store sponsors a local athlete
Sponsor-Agent-Sponsee	Coke engages a sport marketing firm to use sponsorship to achieve a promotional goal
Sponsor-Agent-Mega Sponsee	The Super-Bowl hires a sponsorship consultant to maximize their revenues from sponsorship
Sponsor-Agent-Agent-Sponsee	Both sponsor and sponsee have engaged agents on their behalf
Sponsor-Agent-Agent-Mega Sponsee	Both sponsor and sponsee have engaged agents on their behalf; and the sponsor is a major property like the Olympic Games

2.1.3 The Process of Establishing a Sponsorship

After crafting the working definition of sponsorship, the next step is to understand the process of developing or establishing a sponsorship. The literature suggests that there are several common stages in the process of establishing sponsorship arrangements (Hoek & Gendall, 2002; Cornwell & Maignan, 1998). Attracting sponsorships is the act of convincing an interested sponsor to enter into some sort of exchange transaction with the sponsee (O'Hagan & Harvey, 2000). This may often take the form of a trial relationship or an in-kind sponsorship arrangement. Once a sponsor has agreed to enter a sponsorship arrangement/contract with a given sponsee – in other words, they have been *successfully attracted*, the sponsee enters into the stage of attempting to satisfy the sponsor (O'Hagan & Harvey, 2000). This stage is known to the practitioner as *servicing* or *activating* and involves making sure all of the tenets of the sponsorship contract are

met, and that all of the sponsor's expectations are met, if not, exceeded. This would include such things as meeting the contractual agreements in terms of the amount and location of signage and television commercial slots, and the visibility or presence of the sponsor at press conferences. The final phase of sustaining a long-term sponsorship partnership is the maintenance phase. This involves negotiating with the sponsor to carry on the sponsorship arrangement in the future; striving to build a healthy long-term relationship, dedicating sponsee staff to servicing the sponsorship, demonstrating the sponsee's appeal over its competition, and undertaking the joint planning of co-promotional opportunities (O'Hagan & Harvey, 2000).

From the point of view of a sponsor, both selecting and leveraging a sponsorship requires specific tactics. In this respect, sponsors must carefully evaluate their promotional options and, if sponsorship is selected as part of that portfolio, consider which type of sponsee (industry, league, event, etc.) offers the greatest return. The selection of the sponsee has become an important aspect of sponsorship (Walliser, 2003; Thwaites & Carruthers, 1998). Once a partnership is contracted, the sponsor must then plan to fully leverage the partnership to maximize the return on their investment. Seguin, Teed and O'Reilly (2005) note a number of leveraging activities including (i) media relations programs to enhance publicity around the sponsorship, (ii) television coverage to promote the sponsorship, (iii) cross-promotions to build relationships with suppliers and partners, (iv) public appearances by high-profile athletes or entertainment stars at retail outlets or company functions, (v) related charitable ventures to associate a positive social or community benefit with the sponsorship, and (vi) hospitality activities for key partners, clients and suppliers.

2.2 Sponsorship Industry¹⁰ Growth and Key Industry Segments

The use of sponsorship as a promotional tool has grown steadily over the past 25 years (Meenaghan, 1998). Grimes and Meenaghan (1998) argue that this growth is a result of four main factors: (i) the cluttered marketplace, (ii) the onset of government restrictions on tobacco and alcohol advertising, (iii) the increased popularity and commercialism of sports and arts, and (iv) the increasing trend towards globalization, where corporations are attracted to sponsees whose reach transcends borders and cultures. Global investment has progressed from approximately US\$500 million in 1982 (Kuzma & Shanklin, 1994), to US\$3 billion in 1989 (Boyle & Haynes, 2000), to US\$11 billion in 1996 (Boyle & Haynes, 2000), to US\$19.5 billion (Boyle & Haynes, 2000) in 1999, to US\$24.4 billion in 2002 (Kolah, 2003¹¹), to US\$28 billion in 2004 (IEG, 2004), and to an estimated US\$30.5 billion in 2006 (IEG, 2006). In terms of its contribution to promotional spending, sponsorship has increased in importance from 2.5% of all promotional expenditures in 1987 to an estimated 5.8% in 2001 (IEG, 2000), with Andref and Nys (2002) suggesting that sponsorship will grow to represent 8.5% of all advertising expenditures by 2010.

Sponsorship for the 2012 Olympic Games in London, England is reported to be priced at around \$50 million British pounds for a 6-year deal leading up to 2012 (Sport Business News, 2006). The Royal Canadian Mint was announced as a second tier sponsor of the 2010 Olympic Games in Vancouver with a \$15 million (Canadian)

¹⁰ For a summary of important industry trends affecting sponsorship, please go to Appendix L.

¹¹ Kolah (2003) also noted that globally (i) 145 sponsorships had a value of US\$10,000,000 or greater, (ii) the 50 largest sponsorships averaged 6.7 years in length, and (iii) soccer is the most common sponsee as well as the sponsee that receives the most sponsorship dollars (US\$1.44 billion annually).

commitment (VANOC, 2006). Further, VANOC recently announced that it has already raised \$565 million in sponsorship, including \$200 million from Bell Canada and \$110 million from RBC Financial Group, for the 2010 Winter Olympic Games, with a final sponsorship goal of \$700 million, or enough to pay for half of the Games' operating budget (Ogilvie, 2006). Table 2 below details how sponsorship is growing on all corners of the globe.

Table 2: Global Sponsorship Values (Source: IEG, 2003)

Territory	Sponsorship values in 2003 (US\$ billions)	Percentage growth (over 2002)
North America ¹²	\$10.5	9.1%
Central and South America	\$2.2	4.8%
Europe	\$7.4	4.2%
Pacific Rim	\$4.7	9.3%
Other	\$1.4	7.6%

Sponsorship is clearly a significant global industry and, like any such industry, it is varied and segmented. In a study of 1353 international sponsorship deals in 2002, 80% were sport sponsorship, 10% were broadcast sponsorships, 7% included arts and culture sponsorship, and 3% involved the sponsorship of charities or cause-related events and activities (Kolah, 2003). As these figures illustrate, sponsorship has traditionally been used most extensively in the sport sector (Copeland, Frisby & McCarville, 1996; Thwaites, 1995), and approximately 65-80% (IEG, 2006; Kolah, 2003) of its use and spending on sponsorship is still in that context. In fact, 94% of all rights fees invested in sponsorship were invested in sport sponsees (Kolah, 2003). Other areas of sponsorship

¹² There is very little to no official published data on total sponsorship spending in Canada. The only known sources are a dated study by Thwaites, Aguilar-Manjarrez and Kidd (1998) which estimated that approximately CAD\$375 million was spent on sponsorship in Canada in 1997, and a recent estimate of CAD\$750 million put forth in an industry publication (Issues in Sponsorship, 2003).

application including the arts, the environment, universities, and social functions – all of which are also very important - has been much smaller than in sport (Kolah, 2003; Quester & Thompson, 2001; Witcher, Craigen, Culligan & Harvey, 1991). However, a number of researchers have forecasted that the gap between sport sponsorship and arts sponsorship will close over time as sport sponsees' prices escalate and sport sponsorship opportunities saturate (Quester & Thompson, 2001; Meerabeau, Gillet, Kennedy, Adeoba, Byasss & Tabi, 1991).

Although it continues to lag behind sport in its share of the sponsorship market, the industry known as 'the arts' is beginning to receive more attention in the literature, and receives a significant amount of investment from sponsors each year. In 2002, 7% of all sponsorship deals representing 2% of global sponsorship investment were in the arts (Kolah, 2003). Although much of the process is the same for an arts sponsorship as it is for a sport sponsorship, the literature does identify a number of differences (Wolton, 1988). First, as opposed to sponsors of sport who work out of their marketing departments, sponsors of arts are typically based in their public relations departments (Quester & Thompson, 2001). Second, arts sponsors typically seek a very specific target audience that can be reached only by events, while sport sponsorship typically relies heavily on the media to reach mass market audiences (Sparks, 1997; Marshall & Cook, 1992; Abratt & Grobler, 1989). Finally, the literature demonstrates that arts sponsors typically seek to pursue image rather than sales-related objectives from the association (Quester & Thompson, 2001).

Another area that has received attention in the literature is sponsorship involving celebrities. This is where the celebrity is a sponsee and the sponsor seeks to transfer the

celebrity's image to that of their product (McCracken, 1989). This has obvious similarities to both sport sponsorship and arts sponsorship (i.e., high-profile athletes and artists as sponsees). A celebrity is defined in a variety of ways, but it typically refers to an individual who may be a sport star, movie star or politician whose name is well known and whose image is well understood by some market (see Ferrand & Pages, 1996). Kahle and Homer (1985) show that the more closely related the images of the celebrity and the sponsor, the greater the effectiveness of the sponsorship. This finding is very similar to what happens when consumers perceive a congruent fit between a sponsor and a high profile sport or art sponsee (McDaniel, 1999). In all cases, it is well established that consumers respond better to congruent sponsor-sponsee relationships (Cornwell, Roy & Steinard, 2001; Gwinner & Eaton, 1999; Cornwell, 1995).

2.3 Sponsorship and Marketing Theory

There is consensus in contemporary literature that sponsorship fits as an element of promotion strategy (Shannon, 1996; Cunningham & Taylor, 1996). However, there remains considerable lack of agreement as to whether it fits as a distinct element of the promotional mix or as a sub-tactic of advertising. While some authors consider sponsorship as part of advertising (see Cornwall & Maignan, 1998); others position it as different from advertising and as a promotional strategy unique in its application and benefits (e.g., Amis, Slack & Berrett, 1999; Meenaghan, 1998; 1991b; Cornwell, 1995; Hastings, 1984). For example, Thwaites (1995), Amis, Slack and Berrett (1994), Furlong (1994), Meenaghan (1994), and Sleight (1989) argue that sponsorship fits quite naturally alongside advertising, public relations, sales promotion, and personal selling as an

element of the marketing communications mix because its basic function lies in achieving communications objectives. Others view sponsorship as part of sales promotion (Bennett, Lamm & Fry, 1988), as a specific consumer-oriented sales promotion (Belch & Belch, 2001), as a television-based sport promotion technique (Cannon & Riordan, 1994), and as a public relations or publicity activity (Kotler, 1997; Lancaster & Massingham, 1993; Zikmund & d'Amico, 1998).

Although debate continues (e.g., Grewal & Pechmann, 1998), sponsorship is now widely believed to be different than advertising (Meenaghan, 2001; Tripodi, 2001). Bloxam (1998) outlines three key differences between sponsorship and advertising, which are detailed in Table 3 below.

Table 3: Sponsorship's Distinction from Advertising (Bloxam, 1998)

<i>Distinction</i>	<i>Meaning</i>	<i>Example</i>
Sponsors viewed as 'part of the program'	Due to the association effect, consumers perceive a sponsor as more involved with the sponsee than an advertiser who lacks the association.	The Nike Run TO event in Toronto (sponsor) versus a Nike TV commercial (advertising) during CBC Sportsweekend
Advertising & Sponsorship function differently	The process by which the communication takes place differs. In sponsorship, the message is coded, delivered and decoded in collaboration with the sponsee while in advertising the process occurs independently.	Leading up to and during the Olympic Games, the IOC and its TOP Sponsors work together on all promotions, while Ford, purchasing an advertisement in the Globe and Mail, develops the promotion on its own.
Sponsorship is widely believed to benefit a wider audience	Consumers often believe that supporting a sponsor has greater benefit than supporting an advertiser as the perception is that the sponsee will benefit. This is particularly important in the sponsorship of causes (e.g., amateur sport, charity, etc.).	The CIBC Run for the Cure is a strong example of this distinction as consumers are exposed to CIBC investing resources to directly support the Run for the Cure.

What differentiates sponsorship from advertising is the association between the two parties (sponsor and sponsee) which enhances the relationship beyond a basic cash purchase of promotional value (advertising). Often, in sport, charity or art sponsorships, an emotional connection is key to this enhancement (Shank 2005; Meenaghan, 2001; 1999). Lyberger and McCarthy (2002) and Javalgi, Traylor, Gross and Lampman (1994) note that sponsorship differs from advertising in that the medium and created messaging are not as tightly controlled by the sponsor as they would be by an advertiser. Meenaghan (1991b) suggests that 'goodwill' is the main differentiating factor between advertising and sponsorship, since much higher levels of goodwill are created by consumers (often fans in the sport setting) as a result of a sponsor's involvement with an event (Meenaghan, 1991b). Parker (1991) empirically supports this distinction by finding that consumers who were subject to both sponsorship and advertising programs had a more positive attitude toward sponsors than toward advertisers (Parker, 1991). In this regard, the point of difference is that communications to consumers created by sponsorship are non-verbal and non-argued in nature (Derbaix & Pham, 1991) implying that the process of encouraging consumer change and action via sponsorship occurs peripherally (Petty & Cacioppo, 1986).

An additional but very important difference between sponsorship and advertising lies in how each works to persuade customers. Advertising exploits the construct of emotion and sponsorship seeks to 'connect' with the emotion inherent in sport sponsee or the arts sponsee or the charity sponsee (Meenaghan, 2001). Other authors describe sponsorship as fundamentally different from advertising since it persuades consumers indirectly (Crimmins & Horn, 1996). This is based on the association that exists and the

fact that consumers are influenced by the sponsee, the association and the sponsor, not just the sponsor. If a firm is seen to be supportive of a sponsee (team, charity, event, athlete, etc.), the sponsor's expectation is that the consumer – who is interested to some extent in the sponsee – will view the sponsor positively provided that there is a good fit between the image of the sponsor, the sponsee, and the association. Kover (2001) differentiates sponsorship by describing how it offers an 'interaction' with consumers as opposed to advertising which only 'talks' to them. This, in theory, allows sponsorship to create a bond with consumers via the values they both share by association with the sponsee of interest (Kover, 2001). For example, Coke's sponsorship of the Olympic Games allows for the transfer of attributes from the sponsee's image (Olympic Games: performance, international, etc.) to the sponsor's product's image via the promotion of the association amongst the two.

A brief analysis of the objectives sought by advertising and sponsorship provides a good view of the similarities and differences between the two promotional tools. Consistent with advertising, sponsorship may, in some cases, be employed to enhance public awareness of a sponsor or to improve or change a previously established image (Cornwell, Roy & Steinard, 2001). Another similarity to advertising is that sponsorship may seek to increase sales or increase media exposure (Cornwell, Roy & Steinard, 2001). Conversely, Meenaghan and Shipley (1999) argue that a sponsorship can achieve more diverse objectives than an advertisement, including the increased awareness towards altering the image of a brand or the enhanced ability to improve business relationships with customers. Cornwell, Roy and Steinard (2001) point out that there are two additional objectives that demonstrate sponsorship's difference from advertising: (a) achieving

corporate hospitality and (b) advancing the personal agendas and interests of senior executives, both of which are enabled by the fact that a sponsorship can be leveraged and, thus, more readily allows for associated events and activities. Hoek, Gendall, Jeffcoat and Orsman (1997) supported this distinction empirically by examining consumers' responses to sponsorship and advertising and finding that, although neither had a significant impact on behaviours (intent to purchase), that attitudes were more positively reinforced by sponsorship.

Sponsorship as a source of competitive advantage for organizations is well developed in the literature (Fahy, Farrelly & Quester, 2004; Amis, Slack & Berrett, 1999; Hamel & Prahalad, 1994). The literature on competitive advantage shows that firms must differentiate themselves from competitors on some asset or process and, to be sustainable, this capability or competency gap must be enduring (Bharadwaj, Varadarajan & Fahy, 1993). Any advantage gained, of course, is not enduring or sustained if it can be easily imitated or otherwise replicated (Peteraf, 1993; Grant, 1991). Specifically then, how does sponsorship enable sustained competitive advantage? The literature suggests that a sponsorship should yield a unique outcome which fits with the image that the sponsor is trying to convey (Amis, Slack & Berrett, 1997; Ferrand & Pages, 1996). An example of a successful sponsor-sponsee relationship, such as Budweiser's sponsorship of the National Football League (NFL) where the sponsor (Budweiser) has built an enduring and positive association with the NFL (sponsee), its fans and the sport of football, illustrates how a sponsor can develop its sponsorship into a sustained competitive advantage (Amis, Pant & Slack, 1997).

In summary, the literature supports sponsorship as an independent element of promotion strategy, distinct from advertising.

2.4 Summary: Sponsorship

This chapter has presented an analysis of the literature on sponsorship, which makes a number of important contributions to this dissertation. First, definitions of sponsorship were reviewed and a working definition crafted. Second, sponsorship's distinction from advertising was presented and supported. Third, the use of sponsorship as a promotional tool was shown to be growing and expanding. Fourth, the key concepts of sponsorship (e.g., involvement, leveraging, exclusivity, and mega-sponsor) were described. Finally, the sponsor-sponsee relationship was presented to provide the basis for the work on evaluation in subsequent chapters.

3.0 SPONSORSHIP EVALUATION

The purpose of the following chapter is to review the current state of sponsorship evaluation, both in practice and in the literature. This review includes literature on evaluation in general, performance measurement, objectives, sponsorship evaluation, and sponsorship implementation, as well as content related to the tactics, methods and general practice of sponsorship evaluation. This will provide the essential information and knowledge required to address the major dissertation objective of developing a sponsorship evaluation process model. The first draft of the model was constructed based largely on the sponsorship evaluation literature.

3.1 Introducing Sponsorship Evaluation

It has long been understood that the most difficult task in sponsorship is being able to observe tangible results that are attributed to the sponsorship program (Harvey, 2001; Bowey, 1998; Copeland, Frisby & McCarville, 1996; Cornwell, 1995; Meenaghan, 1983). The literature often discusses evaluation and the need to evaluate sponsorship relationships yet many researchers have reported that few sponsors evaluate their investments in sponsorship to any significant extent (e.g., McDaniel & Kinney, 1998; Farrelly, Quester & Burton, 1997; Marshall & Cook, 1992). In fact, Gardiner and Shumman (1988) report that over 50% of sponsors do not evaluate their sponsorships. Berrett and Slack (1995) found that most Canadian companies under study had no clear idea of the benefits they received from sponsorship and that most evaluations were relatively informal and fairly infrequent. Further, those who do evaluate often use procedures, such as media impressions, TV ratings and print coverage (Marshall & Cook,

1992). For the most part, academic researchers who have written about sponsorship evaluation focus on the use of measurement techniques from advertising (Olkkonen, 2001; Meenaghan, 2001), as opposed to the development and adoption of sponsorship-specific measurement (Farrelly, Quester & Burton, 1997; Abratt & Grobler, 1989). Although such approaches may provide evidence of impact, they are deficient in their ability to assess all aspects of a sponsorship. Supporting this point, Brooks (1994) notes that the fundamental problem in sponsorship evaluation lies in demonstrating that it worked better, relatively, than more traditional methods of promotion (e.g., advertising or sales promotion).

A major aspect of the sponsorship evaluation challenge stems from the many objectives that sponsors seek with sponsorship programs (Cornwell & Maignan, 1998; Berrett & Slack, 1995; Berrett, 1993). In fact, a review of literature reveals that 61 distinct objectives have been identified by various authors. This list can be found in Appendix A, where the range of objectives is considerable; each requiring unique evaluation methods.

3.1.1 The Attribution Issue

A fundamental challenge in all evaluations is the issue of attribution. Within the attribution issue, two general concerns are always present: (i) issues around measuring intent, and (ii) consideration of the effect of externalities on the dependent variable. The attribution issue and these two concerns are relevant to sponsorship evaluation.

In sponsorship evaluation research, like much consumer-based research, the reliability and validity of a respondent to self-analyze their 'intent' to behave (e.g.,

purchase, act, etc.) is questionable as 'intent' may not be the normal way of thinking for individuals (Schwarz, 1999), making any such questions difficult to answer. Considerable research explores the underlying question: 'what is the intent to purchase question capturing?' For example, (i) a respondent may construct an answer as opposed to providing a response based on a decision (intent) that they have already made (a 'false positive') or (ii) respondents who do not like to be manipulated might respond 'no' to an intent based question, even though their purchase patterns are in fact influenced by a given sponsorship (a 'false negative'); (Schwarz, 1999; Sia, Lord, Blessum, Ratcliff, & Lepper, 1997; Feldman & Lynch, 1988). When answering questions, respondents may refer to the most accessible answer in their memory which infers that respondents may be providing an overall opinion of all sponsors of a given event as opposed to the specific sponsor of interest (Feldman & Lynch, 1988). The issue here is not the formation of questions around the intent to purchase but may be related to the influence of 'category exemplars' that are 'top of mind' for respondents when they are asked a question related to intent to purchase. A category exemplar here refers to the answer that comes to mind immediately (e.g. Olympic Sponsor = Coke; Super Bowl Sponsor = Budweiser) and what effect that has on the respondents' ability to answer correctly (Sia, Lord, Blessum, Ratcliff & Leppter, 1997). As Schwarz (1999) points out, 'social desirability' may also have an impact. Respondents may answer positively because it appears to be the appropriate thing to do or they may answer negatively because they do not want to be tricked by a promotional tactic. This is often handled by assuring respondent anonymity and communicating clearly that no entity benefits financially from the research.

Identifying whether there are factors other than the sponsorship that affect the

variable of interest (the dependent variable) (e.g. sales, awareness, employee morale, etc.) is a major concern in all consumer-based research including sponsorship evaluation. For sponsorship evaluation researchers, the concern refers specifically to the ability of the research to attribute the effect of the sponsorship (as opposed to other messaging) on opinions of the sponsor and/or the sponsee held by the target groups and on its effect to drive the purchase of that sponsor's products (i.e. intent to purchase). For example, Irwin, Lachowetz, Cornwell and Clark's (2003) finding that courier company Federal Express' sponsorship of the 2000 St. Jude Classic golf tournament positively influenced spectators' affinity for St. Jude's Children's Research Hospital (the charity benefiting from the event) has to be questioned in light of other external factors which might have contributed to the result (e.g., other St. Jude's Children's hospital promotions, the percentage of spectators who were parents, etc.). Typically, this issue is handled by asking respondents multiple questions about the many potential influencers and then determining which are most impactful.

3.1.2 Demand for Improved Sponsorship Evaluation

The noted expressions of the difficulty or even 'impossibility' (Berrett, 1993) of sponsorship evaluation, however, are not well received in practice. In recent years, the calls from organizations (both sponsors and sponsees alike) for a viable tool for measuring sponsorship effectiveness have increased (Mullin, Hardy & Sutton, 2000; Milne & McDonald, 1999). The original idea for this dissertation was generated from practitioner interest expressed by the CEO of a medium-sized Canadian sport marketing agency directly to the author (Mark Harrison, personal communication, October 27,

2002). As described earlier in this document, organizations are increasing their spending on sponsorships globally. As spending increases, interest in evaluating sponsorships also increases among both sponsors and sponsees.

Pope and Voges (1994) are believed to be the first researchers to note that sponsors should begin to make use of evaluation techniques to assess the return on their sponsorship investments. Following that recommendation, a limited number of methods to evaluate sponsorship were developed, mostly by practitioners. In practice, these methods include counting 'footsteps' (i.e., number of people who came to your store as a result of sponsorship), measuring 'impressions' or 'eyeballs' (i.e., the number of people who likely saw your sponsorship and were made aware of it), and gauging changes in sales figures. A few evaluation models also exist in the literature. Cornwell, Pruitt & Clark (2005), Cornwell (1995), Pope and Voges (1994), and Irwin and Asimakopoulos (1992) all proposed sponsorship evaluation models to assist sponsors with the evaluation of their sponsorship programs in relation to the measurement of specific sponsorship objectives. These models do not include return on investment analysis or the measurement of sponsor recall in consumers, which limits their value to practitioners. Although these efforts contribute to the process of moving sponsorship knowledge forward, to date they do not represent sufficient approaches for dealing effectively with sponsorship evaluation.

Clearly, there is high demand for improved sponsorship evaluation in the literature and in practitioner circles. This high demand justifies this research and sets the stage for the deeper analysis of the evaluation, performance measurement and sponsorship evaluation literature, which follows in the remainder of this chapter. These

sections provide the knowledge foundation for the dissertation. Notably, the brief reviews of evaluation theory and performance measurement provide guidance and key concepts for the process model that exist outside of the sponsorship evaluation literature, while the review of sponsorship evaluation literature provides the underlying necessary knowledge for the construction of that model.

3.2 Evaluation

The act of assessing the effectiveness of an activity is known as evaluation. Evaluation can be formal and documented or informal and undocumented. Formal evaluation refers to assessment exercises which are planned, documented and analyzed (e.g. a survey of voters post-election to determine the effectiveness of political campaigns) while informal evaluation refers to everyday assessments that are not documented (e.g. how does my hair look today?). This dissertation is interested in formal evaluation. It is important to note that formal evaluation can lead to both positive (e.g. improved customer or employee satisfaction) and negative (e.g. delaying or avoiding decisions) results (Newburn, 2001).

Redfern (1998) traces the history of formal evaluation back to the 5th century BC, when Socrates used evaluative questioning in pedagogy; known as the Socratic Method of Discourse. Formal evaluation has evolved into what Scriven (1998) describes as two types of evaluation: formative and summative. Formative evaluation is defined as a means of improving “an intervention of service with feedback” (Newburn, 2001, p. 6). This involves querying some group (e.g., consumers, employees, etc.) on some intervention (e.g., marketing program, employee benefit plan, etc.) to evaluate that

interaction. Summative evaluation, conversely, measures the impact and effectiveness of programs or initiatives (Newburn, 2001). Examples would include the assessment of a course instructor, a government policy, or a sponsorship. At its basic level, formal evaluation is abstract with wide-ranging application. At its most complex levels, it is viewed as a human cognitive process occurring both consciously and unconsciously in decision making (Kodish, 2003). Examples of evaluation include athletic events, customer satisfaction surveys, employee performance evaluations, medical examinations, and standard educational evaluation. This dissertation research is focused on developing a process model for the summative evaluation of sponsorship.

Formal evaluation practice is widespread in its application in areas of academia, government, and business¹³. In marketing, the evaluation of consumers on a variety of measures (e.g., satisfaction, intent to purchase, brand awareness, post-purchase opinion, etc.) is carried out in a variety of ways (e.g., customer surveys, comment cards, online surveys, etc.), which impact an organization's marketing mix (Meredith, 1993). In terms of its execution, there are generally three important factors required for successful formal evaluation: (i) clearly articulated baseline measures (to measure effectiveness against), (ii) clear, measurable objectives, and (iii) support from key stakeholders on the evaluation (i.e., 'buy-in'); (Crane, Kerin, Hartley, Berkowitz & Rudelius, 2006).

3.3 Performance Measurement

Performance measurement is an established way of evaluating that prescribes methods to assess the short-term outputs and long-term impacts of programs, processes and activities. The purpose of introducing it in this dissertation is that it provides context,

¹³ See Appendix_Footnote for a short summary of the widespread application of evaluation.

concepts and an alternative view on evaluation. A number of the tenets of performance evaluation are applicable to the evaluation of sponsorship and are incorporated in the development of the process model. The specific benefits that performance measurement provides to this dissertation are outlined in this sub-section.

The performance measurement literature provides important direction to enable useful evaluation, as well as for implementing effective measurement practices. Heslop and Fadaie's (2002) '3 Bs of impact assessment' are particularly useful in this regard. Their work on measuring the performance of technology transfer programs reveals that successful impact assessment requires (i) the buy-in of key stakeholders to the measurement model and approaches being used, (ii) believability in both the procedures to be followed and the outcomes that will be generated, and (iii) the existence of buyers or users of the results who will ensure good application as well as the dissemination and promotion of the results (Heslop & Fadaie, 2002). The emphasis on efficient process is evident in performance measurement as demonstrated by Heslop and Fadaie's (2002, p. 223) rationale for the 3Bs:

Since program assessments of any kind require considerable resources and the outcomes can be expected to affect future planning and resource flows, there is value in getting the process right. In many ways, poor assessments can be more detrimental than no assessment at all. Considerably more effort needs to be directed to determining which methods and means yield useable results...One overarching determination of the worth of an assessment is the extent to which managers and decision makers at all levels and among all stakeholders both within and outside the organization find the process outcomes useful and useable. Use of the results will only occur if managers feel they are part of the process, have significant input, believe the results are credible, accurate and representative, and decisions based on the outcomes will be better decisions.

In terms of the process of performance measurement itself, models such as cost-benefit analysis typically guide the determination of targets, indicators, measures and

data collection procedures. Figure 1 below is Heslop and Fadaie's (2002) representation of how two well-known models (Teather & Montague and Montague) of performance measurement can be depicted. The figure provides an example of a typical performance measurement approach.

Figure 1: Models for Performance Measurement (Heslop & Fadaie, 2002)

Inputs ➡	Activities ➡	Outputs ➡		Outcomes ➡	Impacts ➡
Resources			Reach	Results	
Examples: number of researchers employed, size of budgets	Examples: number of projects	Examples: number of partnership agreements, intellectual property agreements	Examples: Clients, users, co- deliverers, beneficiaries	Initial effects usually firm- based e.g. client satisfaction, new products, increased revenue, improved productivity	Related to the mission of program e.g. wealth creation, industry sector development, environment, health, safety, sovereignty

This review yielded five (5) specific benefits of performance measurement to this dissertation. First, the importance of time in the measurement of results is emphasized and noted by the identification of both short-term outcomes and long-term impacts. Second, the concept of reach is an important contribution to sponsorship evaluation, where consideration of which groups will be reached may allow for improved evaluation as a typical objective is likely to have multiple targets suggesting that multiple measurements (one per target) are required. Third, the importance of resources in performance measurement is a key concept that can be transferred to sponsorship evaluation where leveraging and evaluation are both, in and of themselves, resource-

intensive undertakings. Fourth, the importance of including non-economic measurements in sponsorship evaluation is underlined, as the many objectives in sponsorship require approaches outside of economic measurement which only capture a small part of the overall value (Heslop & Fadaie, 2002). Finally, while evaluations are often overly broad, lengthy in their implementation and costly both in terms of human and financial resources (Melkers & Cozzens, 1997), performance measurement activities are more results-oriented and can be a major input to good performance reviews (Heslop & Fadaie, 2002). Therefore, since the focus on many processes, specific activities and outcomes leads to more efficient and effective evaluation (Heslop & Fadaie, 2002; Bozeman & Papadakis, 1995) the performance measurement approach is readily adopted.

3.4 Sponsorship Evaluation

As noted previously, an objective of this chapter is to review the sponsorship evaluation literature and provide the baseline information necessary for the construction of a new process model. In order to accomplish this purpose, this section presents the challenges of sponsorship evaluation identified in the literature, the development of this literature, the identification of practical applications of sponsorship evaluation, and the role of evaluation in implementing a sponsorship.

3.4.1 The Challenges of Sponsorship Evaluation

Walliser's (2003) in-depth review of the literature on sponsorship identifies three specific challenges that researchers are faced with. First, Walliser (2003, p. 88) points out that "overall, little is known about the conditions which lead to successful and durable

image transfer from the activity supported to the sponsor". Here, Walliser is referring to the obstacle of limited knowledge of the image transfer process, which reinforces the need to better understand the complexities of the sponsor-sponsee relationship vis-à-vis image transfer. Second, the literature argues that "objectives other than awareness and image also need to be addressed. It is more than surprising that the impact of sponsorship on employee motivation has not received more attention" (Walliser, 2003, p. 90), thereby noting the challenge of expanding sponsorship evaluation theory and practice beyond awareness and image. Other researchers (e.g., Harvey, 2001) have similarly noted that sponsorship evaluation is an area requiring more attention from researchers. In this regard, Meenaghan (2001) and Olkkonen (2001) both suggest that this is needed as prior research typically involved (i) non-complex tests of recall and recognition and/or (ii) the use of advertising measurement tools to measure sponsorship. This further emphasizes the lack of theory in sponsorship evaluation and the challenge researchers are faced with to move away from advertising-based evaluation approaches. The third challenge faced by sponsorship evaluation researchers is to overcome the methodological deficiencies that currently limit sponsorship evaluation, as summarized by Walliser (2003, p. 93):

On the methodological side, sample quality and size can still be improved considerably...extending research [beyond student samples] to other age and professional groups would be beneficial to sponsorship research. Furthermore, a more frequent use of longitudinal designs would make it easier to study how sponsor awareness may be maintained and under what conditions image transfer takes place.

Clearly, more sophisticated metrics are required that are directly related to the objectives of interest in the sponsor-sponsee relationship of interest.

3.4.2 *The Sponsorship Evaluation Literature*

The literature on sponsorship evaluation involves articles evaluating how sponsorship affects awareness, image and purchase intention (Walliser, 2003). The sophistication and form of sponsorship measurement has changed somewhat in recent years, with emphasis moving from recall and recognition (Lascu, Giese, Toolan, Guehring & Mercer, 1995) to understanding how the sponsor's brand and/or products are perceived by the customer (Scherer & Sam, 2005). The vast majority of the literature adopts tracking (recall and recognition measures) techniques to examine consumer changes among targeted customers (Moore, Pickett & Groove, 1999; Easton & Mackie, 1998; Walliser, 1994). Walliser (2003, p. 92) describes the overall output of these studies:

There is considerable evidence that recall increases as a function of duration of exposure to sponsors, previous brand awareness of sponsors, message length and design, socio-demographic variables of the spectators, such as age and spectator involvement with, and interest in, the activity sponsored. With regards to the integration of sponsorship and other communication tools, an increase of awareness scores is observed when sponsorship is used in conjunction with broadcast sponsorship...or classical advertising.

Other research suggests that time is an important consideration in sponsorship evaluation since it has been demonstrated that brand recall levels increase slightly prior to and during a sponsored event, then fall back to prior levels following the event (Walliser & Nanopoulos, 2000; Cornwell, Maignan & Irwin, 1997; Quester, 1997a; 1997b).

Studies on image, purchase intention and location dependency make up the remaining (but much smaller) three areas of sponsorship evaluation research. The majority of the studies on image (e.g., Meenaghan & Shipley, 1999; Grimes & Meenaghan, 1998; Giannelloni, 1993) show that sponsorship contributes to image

transfer. Research in the area of purchase intention is limited in the sponsorship evaluation literature; however several surveys have shown that sponsorship can impact intent to purchase (Cornwell, Pruitt & van Ness, 2001; Daneshvary & Schwer, 2000). Research in the area of location dependency is rare in sponsorship evaluation; however a group of studies (Westerbeek & Smith, 2002; Westerbeek, 2000; Westerbeek & Shilbury, 1999) have evaluated the importance of the geographical location of the venue or facility where the sponsored property is held.

The early literature on sponsorship evaluation described the published work as war stories (i.e., unsophisticated evaluation) focused on macro-level issues (Sandler & Shani, 1993). Pope (1998) reported on this time period noting that most of the work in sponsorship was descriptive or prescriptive in nature with little attention paid to measuring consumer opinion. Some examples include (i) Stotlar (1993) mentioning that Visa demonstrated market share gains following its sponsorship of the 1998 Olympic Games, (ii) Jeannet and Hennessey (1992) reporting that sales of their tennis racquets increased 1000% following their sponsorship of athlete Boris Becker in 1985, and (iii) Volvo measuring a 6:1 ROI on its sport sponsorship programs (Irwin & Asimakopoulos, 1992).

The period that followed (1993-2004) was marked by many calls for more sophisticated evaluation and evaluation techniques in sponsorship (e.g. Pope & Voges, 1994). Walliser's (2003) in-depth review of the literature on sponsorship reports on 83 published studies related to the measurement of sponsorship impact and noted that 65% of those studies were published after 1996. Importantly, Walliser (2003) also noted that the majority of these studies did not provide actual metrics and, for those few who did,

most adopted basic tracking techniques or experiments to measure awareness or image constructs, with few exploring purchase intention. In this period, a number of researchers reviewed the evaluation practices of practitioners. For example, Ludwig and Karabetsos (1999) reviewed the practices implemented by the sponsors of the 1996 Olympic Games. They found, via questionnaire, that ten out of eleven Olympic sponsors indicated that benchmarks (pre and post-Olympic measurements) were used to evaluate outcomes of their respective sponsorships and that hospitality opportunity, sales, media coverage and image were the most important evaluation criteria (Ludwig & Karabetsos, 1999).

3.4.3 Sponsorship Evaluation Practice

The contemporary literature on sponsorship evaluation documents a variety of evaluation practices. These practices include tracking changes in the sponsor's stock price (if publicly traded) before, during and after the sponsorship relationship (Cornwell, Pruitt & Clark, 2005; Cornwell, Roy & Steinard, 2001), quantitative assessment of news clippings, exposure and attitude measures (Cornwell, Roy & Steinard, 2001), media exposure measures such as ratings, impressions and footsteps (Meenaghan, 2001), and profiling management practice (i.e., tracking management's effectiveness in implementing the sponsorship); (Meenaghan, 2001). These studies demonstrate the attention on sponsorship evaluation, the varied objectives which sponsorship can seek and the fact that researchers are seeking new evaluation metrics.

In general, the promotional benefits of sponsorship are classified as either tangible or intangible (Ludwig & Karabestos, 1999). Tangible benefits are measured through a number of protocols; including consumer surveys, advertising impressions, televised

signage impressions, ticket sales and impressions from on-site signage. The evaluation of intangible benefits employs such measures as the level of audience loyalty, category exclusivity by consumer response and awareness levels of specific brands, owned trademarks and patented logos.

Crompton (2004a) supports that the ideal measure by which to evaluate sponsorships is sales (traffic, leads or sales figures), followed by intent to purchase which he deems 'useful' and finally media equivalency and awareness/recall studies which he defines as 'common but flawed'. A review of the literature on models, methods or frameworks of sponsorship evaluation demonstrates that the literature does not follow Crompton's prescription (see Table 4).

Table 4: Models, Methods and Frameworks of Sponsorship Evaluation

Model	Description	Metrics
Cornwell, Pruitt, & Clark (2005)	Event study of the effect of sponsorship of major North American professional sport properties on sponsors' stock valuations.	Changes in sponsors' stock market prices (using the Scholes-Williams model) tested around sponsorship announcements with five major sponsees (NBA, MLB, NHL, NFL and MLB). A 51-day trading window (25 trading days prior and 25 days following the sponsorship announcement).
Cornwell, & Coote (2005)	Purchase Intention in Individuals	Questionnaires to participants (mostly sponsors) at a special luncheon supporting breast cancer and sponsored by 70 organizations.
Grohs, Wagner, & Vsetecka (2004)	Empirical study to identify obstacles to awareness and image transfer in sport sponsorship.	Mass market consumer surveys pre- and post-event (2001 Alpine Ski World Championships in Austria). Questions asked, and metrics analyzed, about sponsor awareness (percentages), brand prominence (Chi Square tests), event-sponsor fit (Chi Square tests), event involvement (odds ratio), exposure (multinomial logistic regression), and sponsor & event images (regression model).
Crompton (2004a)	Assessment of Evaluation in the Literature	No new metrics provided as work was a review of literature and an articulation of the current state of sponsorship evaluation.

Pitts & Slattery (2004)	Examining the effects of time on sponsorship awareness.	Season ticket holders of a U.S. university football team were queried using a selective sampling technique (every 22 name on list) with the survey sent by mail. Descriptive statistics and a z-test were adopted to analyze the data; measuring the effects of time (before, during and after) on the effectiveness of a sponsorship on awareness.
Fahy, Farrelly & Quester (2004)	Model of Competitive Advantage Through Sponsorship.	Study involved a review of literature and no new metrics were developed.
Gwinner, & Swanson (2003)	Modeling Fan Identification	Surveys of spectators at an NCAA Division 1 conference game on measures about the antecedents and outcomes of sponsor recognition, sponsor attitudes, sponsor patronage and satisfaction with the sponsor.
Lachowetz, McDonald, Sutton & Hedrick (2003)	Professional Sport (NBA) and Corporate Sales Activities and Sponsor Retention	Surveyed corporate sales managers of NBA franchises with a 40-item phone survey to identify tactics to build loyal corporate ticket-buyers and sponsors.
Irwin, Lachowetz, Cornwell, & Clark (2003)	Sponsorship Evaluation in Cause-Related Sport Sponsorships	A survey instrument of demographic variables and questions designed to measure respondent beliefs, attitudes and behavioural intent was designed and distributed during a major golf tournament with a cause-related sponsor. Various analyses were carried out included descriptive stats, ANOVAs, and others to explore the sponsorship's influence on the beliefs, attitudes and behavioural intent of the sample.
Jalleh, Donovan, Giles-Corti, & Holman (2002)	Sponsorship Impact on Brand Awareness and Attitudes, based on a hierarchical communication model that outlines steps from exposure to success	Two health and four commercial sponsorships were evaluated on brand awareness and brand attitude. Two independent samples (one/measure) were taken at each event pre- and post-. Two questionnaires (one/measure) were administered to event spectators. Basic comparative statistics were then used to compare pre- and post-.
Meenaghan (2002)	Sponsorship Development into Partnership	In-depth case analysis of the Guinness-Hurling Championships sponsorship relationship, including some quantitative analysis to measure influence on partnership development.
Madrigal (2001)	Social Identity Effects on Belief-Attitude-Intentions Relationship.	A random digit dialing methodology (i.e., random telephone dialing in a large area: Ohio) enabled a large sample who completed a phone questionnaire focused on the respondents' identification with the local sport franchise of interest and how that impacts their intent to purchase sponsors' products.

Miyazaki, & Morgan (2001)	Assessing market value from Olympic sponsorship ('the valuation dilemma')	The effects of sponsorship announcements on firm value are measured using event study analysis (from finance). Results showed the event sponsorship provides value.
Webb, & Carter (2001)	Sponsorship activities in small business sector.	Questionnaire mailed to SMEs and analyzed measuring the extent of sponsorship. No metrics.
Cornwell, Roy, & Steinar (2001)	Managers' Perceptions of Sponsorship Impact	Managers of firms who use sponsorship responded to 4-page questionnaires one-year apart on sponsorship's role in brand-building over time.
Speed, & Thompson (2000)	A classical conditioning framework to measure consumer response to sport sponsorship	The dependent variable – sponsorship response – was based on respondents' interest in the sponsor, their opinion of the sponsor and their use of the sponsor's products. Six independent variables were measured: sponsor-event fit, personal liking for the event, attitude toward the sponsor, ubiquity of the sponsor, sincerity of the sponsor, and perceived status of the sponsored event.
Nicholls, Roslow, & Dubish (1999)	Brand recall and brand preference study at sponsored tournaments (golf)	On-site surveys (intercept technique) with questions to independent samples on brand recall and brand preference. Brand recall measured by asking "name the first brand which comes to mind" and brand preference from "which of the following brands do you prefer". Correlations.
Ludwig, & Karabetsos (1999)	Identification of important items to evaluation for event sponsorship effectiveness	Hospitality opportunity, sales, media coverage, image and public perception, attitude towards ads, distributors, market share, and sponsor awareness. Empirical analysis of the 1996 Olympics included.
McDaniel (1999)	Match-Up Effects from Customer Schemas in Sport Sponsorship Advertising	Survey research measuring consumer reaction to three events (Olympics, Super Bowl, Professional Bowling) in two print media sources Sports Illustrated, Spin). An experiment with 3x2x2 factorial design is adopted with 3 variations of a print ad, 2 magazine covers and gender used. Analysis of variance is used to analyze results.
Gwinner, & Eaton (1999)	Image Transfer from Event Sponsorship	A between-groups experiment was conducted on a number of pre-test identified event-sponsor alternative pairings on both objective based and holistic image (mental imagery) transfer measures. MANOVA analysis is used to ascertain results.
Johar & Pham (1999)	Understanding Sponsor Identification	Two experiments that (i) explore prominence bias in sponsor identification and (ii) examine the relative magnitude of reliance on prominence and relatedness when both are applicable to sponsorship identification. Both were 2x2 design and data were collected from subjects following exposure to press releases.

Pope (1998)	Consumption Values, Sponsorship Awareness, Brand/Product Use	A three step methodology of (i) focus groups about products/brands to establish value parameters, (ii) questionnaire administration to test the values against the brands and products, and (iii) factor analysis of data and discriminant analysis between factors.
Quester, & Farrelly (1998)	A Model of Brand Association and Decay Effects of Sponsorship	Mass market sampling during and one week following the Australian Formula One Grand Prix to assess recall over time (association and decay). Both aided and unaided recall questions were included.
Society of British Advertisers (ISBA, 1998)	Model of general communication effectiveness with the following measurable: sponsorship reach & demographics, awareness & attitude, media coverage, reach & quality, merchandise, sales, staff attitudes	No metrics provided. A theoretical piece that drafted a model based on the literature.
McCarville, Flood, & Froats (1998)	Effectiveness of Nonprofit event sponsorship	Using a hypothetical scenario, 5 focus groups were carried out with the promotional methods being altered slightly for each group. Results were coded and analyzed using ANOVAs to assess effectiveness.
Pope, & Vogues (1997)	Television recall and recognition of stadium sponsorship placements in Australian Rugby matches.	Survey of recall and recognition about stadium signage viewed on television.
Kinney, & McDaniel (1996); Arani (1992); Meenaghan (1991a; 1991b)	Various studies have identified sponsorship evaluation practices, although no specific model was provided. These practices are listed here.	<ul style="list-style-type: none"> ▪ Column centimeters in print/online press ▪ Product trial opportunities achieved (i.e., #'s) ▪ Cost-benefit analysis between sponsorship and other promotional tactics ▪ Demographics of readers, viewers or listeners (segments, profiles, stats) ▪ Effect on community relations ▪ Merchandising and/or hospitality success (revenue, visits, etc.) ▪ Media reach (impressions, ratings, etc.), including cost/1000 of audience reached ▪ TV exposure time (time X ad rates (30 sec.)) ▪ Radio exposure time (time X ad rates (30 sec.)) ▪ Cross impacts between sponsorship and any of sales, sales promotion, public relations, advertising, and direct selling

		<ul style="list-style-type: none"> ▪ Attendance (spectators) ▪ Staff, consumer or spectator surveys ▪ Attitudinal surveys toward the sponsor(s) pre- and post-event ▪ Staff incentives/rewards ▪ Post-event publicity (how long it continues) ▪ Longitudinal studies of product awareness, sponsor image ▪ Sponsor's name recall ▪ Return on Investment ▪ Increased business (i.e., new clients)
Stipp, and Schiavone (1996)	<p>Study of the relationship between sponsorship characteristics and consumers' perceptions. Stipp and Schiavone did so at the 1992 Olympic Games.</p> <p>*Note, the critique of this type of study is its overly short-term focus (Roajaretnam, 1994) which ignores longer-term outcomes of sponsorship.</p>	<p>Consumer (attitudinal) surveys on a wide variety of sponsorship scenarios stemming from the 1992 Olympic Games. Measurement tool was a questionnaire administered immediately following exposure to the Games. Questions were attitude based (towards the sponsor) and most used Likert Scales.</p>
Shilbury, & Berriman (1996)	Sponsor and advertiser recall and recognition of an Australian football club	Questionnaires to spectators on awareness measures. Analysis with descriptive statistics.
Slack, & Bentz (1996)	Small businesses in sport sponsorship	Interviews with small business owners focusing on rationale to sponsor and identifying sponsorship objectives.
Cornwell (1995)	Market measures of evaluation	<p>Suggest a focus on:</p> <ul style="list-style-type: none"> (i) increase in market share (ii) increase in sales <p>No empirical evidence or modeling was included.</p>
D'Astous, & Bitz (1995)	<p>Assessment of the impact of four components of sponsorship on consumers. The four components are: nature of the sponsorship (philanthropic versus commercial), origin of the sponsorship (pre-existing sponsee or one created by the sponsor), frequency (continued or one-off), and the sponsor-sponsee fit.</p>	<p>A 2x2x2x2 binary design where respondents were provided with fictitious sponsorship scenarios (one for each cell in the factorial design) following pre-testing. Open ended responses measuring nature, origin, frequency and fit were queried, coded and analyzed using analysis of variance techniques.</p>

Rajaretnam (1994)	The effect of a sponsorship on awareness, corporate image, and brand preference in an Indian organization.	Case study with limited quantitative analysis, no sales, no purchase behaviour and no long term analysis.
Javalgi, Traylor, Gross, & Lampman (1994)	The effect of sponsorship on consumers' attitudes towards an organizations and its image.	Attitudinal telephone surveys of sponsors and their image, based on 6 interviews with sponsors from 6 large Fortune 500 companies. Questions were recall (aided) and recall (unaided). A MANOVA analyzed awareness responses between the 6 companies.
Cuneen, & Hannan (1993); Stotlar, & Johnson (1989)	Recognition, recall and awareness in stadium advertising. Cuneen and Hannan (1993) re-tested the original method.	Onsite surveys on recognition, recall and awareness yielding % of each age bracket of spectators who noted an ad, remembered a promotion, etc.
Marshall, & Cook (1992); Parker (1991); Abratt, & Grobler (1989)	Media Audits, including Abratt and Grobler's framework for sponsorship evaluation based on a sample of 28 sponsors in South Africa in 1988. *Note that many authors (e.g., Sleight, 1989; Crimmins & Horn, 1996) are highly critical of this technique as they are not objective-driven and focus on publicity as opposed to evaluating a sponsorship.	Television screening of advertisements (i.e., the use of media surveys to determine if ad was seen and for how long, then a monetary value is attached based on maximum advertising rates).
Meenaghan (1991a; 1991b)	Sponsor Effectiveness Categories: media exposure, levels of sponsorship awareness (spectators), sales, spectator feedback, and cost-benefit analysis.	A literature review provided for the identification of sponsor effectiveness categories. No empirical analysis was undertaken.

Table 4 revealed three important contributions to sponsorship evaluation. First, the studies suggest five areas of sponsorship evaluation; namely (i) recognition, recall and awareness; (ii) image and attitude; (iii) brand, service or product effects; (iv) media audits; and (v) behavioural measures. Second, the studies highlight the extensive range of objectives and metrics available. Finally, as is evident from the studies listed in Table 4 and supported by other published reviews of sponsorship literature (Walliser, 2003), the vast majority of models focus on awareness which Pope (1998) points out is a serious failure, since most of a sponsorship's objectives are found in further steps of the consumer response continuum (i.e., from awareness to interest to test to conviction to purchase). Others (e.g., Hoek, Gendall & Sanders, 1993) point out that this focus on awareness is understandable given that it is (i) simple and inexpensive to measure, (ii) the first step in achieving benefit from a sponsorship, (iii) easy to conduct from a methodological point of view, and (iv) regarded as a strong measure of advertising effectiveness and is, as such, easily adapted to sponsorship. Recognizing this, Hoek (1998) notes that evaluation of sponsorship needs to evolve to explore the awareness-behaviour relationship, as awareness measures provide only limited insight into the effectiveness of a sponsorship, as the construct of 'sponsorship effectiveness', in the context of this analysis, is complex.

It is also important to look beyond the academic literature when reviewing practice. In this regard, a cursory review of websites related to a number of sponsorships provides some insights into sponsorship evaluation practice. This process was found to be difficult, as those entities who do evaluate do not publicly share their findings or their research protocols. For example, global airline manufacturer Boeing has established six

general criteria which they use to benchmark their performance on sponsorship relationships. Although full details are not published at www.boeing.com, a general picture of what they seek from a sponsorship is provided on the website. However, no specific information is provided on evaluation (Boeing, 2005). The review of websites also identified a variety of promotional tactics related to a sponsorship which are measurable. These are outlined in Table 5 below.

Table 5: Measurable Promotional Tactics

<i>Tactic</i>	<i>Example</i>
Sponsor name as official team name	Anaheim Mighty Ducks
Official sponsee poster	Movie poster
Website title and web link	www.google.ca on event messaging
Sponsor/Sponsee signage at track	End zone signage at CFL Game
Front Cover of Event Program	Product Placement (Mats Sundin drinking Pepsi on front of Toronto Maple Leafs' program)
Related publications (e.g., newsletter)	Sony's magazine about CFL football (but really promoting their products)
Sponsor logo on equipment and/or team uniform	Tiger Woods with Nike clothing
Mailing lists (use of)	Endurosport (Ontario bicycle store) sponsors the Ontario Association of Triathletes to access their mailing lists
Onsite product sampling	Power bar samples distributed at a Powerbar-sponsored running event.
The right to use trademarks, logos and slogans in advertising, packing and promotions	FINA awarded Montreal with the 2005 World Aquatic Championships allowing the local organizing committee to use the FINA logo on all messaging
Prestige of sponsee	A Super Bowl sponsor
Awareness and association with sponsee	Consumer opinion of association including image transfer and awareness
Category exclusivity (no other product or service in same category allowed to sponsor the sponsee)	Top Olympic sponsorship in a given category (e.g., John Hancock in financial management) means no similar firm can have sponsorship status in the Olympic movement
Level of audience interest/loyalty	Television ratings
Cross-promotional benefits with sponsor	Shared production of a joint TV commercial or co-branding program

Limited degree of sponsor clutter	Guaranteed exclusivity and number of sponsor categories by the sponsee.
Non-ambushability of sponsee	Guaranteed exclusivity and number of sponsor categories by the sponsee.
Networking Opportunities	Associated hospitality events and VIP invite list(s)
News worthiness	Publicity achieved

Each of these tactics is, in turn, measurable using the various available metrics such as attitude measures (pre-post), media ratings, sales results, image transfer, employee motivation, and hospitality effectiveness.

3.4.4 Implementing Sponsorship and the Role of Evaluation

McAllister (2002) has developed a model of successful sponsorship implementation (from the point of view of the sponsor). McAllister's best practice model (see Figure 2 below) outlines six distinct steps in the process of implementing a successful sponsorship. Issues related to sponsorship evaluation are included in various stages of this model. The process begins with the identification of objectives for the sponsor, the sponsee and the sponsorship relationship (association). The sponsor's objectives are considered to have the most influence on subsequent evaluation. Following the development of objectives, market research is used to measure key attributes (pre-sponsorship measurement). In the third and fourth stages of this model, promotional tactics are selected and the sponsorship is implemented. In stage five, post-sponsorship measurement provides data to compare against the pre-sponsorship measurement. Finally, the results are assessed in order to ascertain success and changes are made to the plan as required. McAllister's model (see Figure 2 below) provides an important contribution to the literature in that it presents a process by which to approach

sponsorship evaluation. It recognizes the importance of both pre and post sponsorship measurement. Because it specifies key steps in a process of evaluation, this dissertation adopts the model as a way of organizing and reporting on the literature on sponsorship evaluation. In the following section, each step of the model is presented with accompanying briefs on related sponsorship evaluation literature.

Figure 2: Steps to Successful Implementation of a Sponsorship (adapted from McAllister, 2002)

3.4.4.1 Objective Setting

An objective is a goal or a particular outcome that is sought. Objectives play a vital role in evaluating a sponsorship as they determine what will actually be measured and evaluated. The majority of authors writing on sponsorship evaluation have

emphasized the importance of objectives in the sponsorship evaluation process (Cornwell, Pruitt & Clark, 2005; Grohs, Wagner & Vsetecka, 2004; Jalleh, Donovan, Giles-Corti & Holman, 2002; Meenaghan, 2002; Dean, 1999; Cornwell & Maignan, 1998; McDaniel & Kinney, 1998; Gwinner, 1997; Marshall & Cook, 1992; Crowley, 1991; Meerabeau, Gillet, Kennedy, Adeoba, Byasss & Tabi, 1991; Armstrong, 1988; Gardiner & Shuman, 1988; Wolton, 1988). Thus, objectives must be developed and managed carefully (Hoek, 1998). Most writers suggest that sales objectives are not a high priority amongst sponsorship managers (e.g., Crompton, 2004a; Walliser, 2003; Cornwell & Maignan, 1998; Grimes & Meenaghan, 1998; Hoek, 1998; Gwinner, 1997; Lee, Sandler & Shani, 1997; Thwaites, 1995; Crowley, 1991). The most common methodological approach in the literature has been to ask sponsors to rank the importance of a set of sponsorship objectives via surveys or interviews (Mount & Niro, 1995; Kuzma, Shanklin & McCally, 1993; Marshall & Cook, 1992; Otker, 1988). Thwaites, Aguilar-Manjarrez and Kidd (1998) studied practices in the management of sponsorship and assessed the extent to which selected Canadian organizations adopted the prescriptions for effective sponsorship identified in the literature. They found that 82 percent of companies set specific objectives while 69 percent sought to formulate objectives in a quantifiable manner.

Considerable empirical work exists in the literature on sponsorship objectives. This research has demonstrated that a necessary first step in sponsorship evaluation is the specification of clear objectives (Cornwell, Pruitt & Clark, 2005; Crompton, 2004a; Abratt & Gobbler, 1992). Research also shows that a wide range of objectives are being pursued by sponsors, sponsees and intermediaries (e.g., Polonsky & Speed, 2001).

Further, the literature reveals that techniques borrowed from the evaluation of advertising are most commonly used since consumer attitudes are more easily measured than links to long-term sales (Nicholls, Roslow & Dubliss, 1999; Stipp & Schiavone, 1996).

Cornwell's (1995) work on the development of sponsorship-linked marketing discusses two main measurement methods: (i) increase in market share and (ii) increase in sales.

She notes that such measures may be flawed in evaluating sponsorship due to their roots in the evaluation of advertising whereby an assessment of the association via image transfer is not included. This research demonstrates that effective evaluation is often not done.

The literature on objectives specifically related to sponsorship evaluation provides two important contributions to this dissertation. First, a considerable amount of research has examined what objectives sponsors are seeking through sponsorship. The most common objectives are awareness improvement, image enhancement, relationship building through hospitality, and increased sales (Howard & Crompton, 1995; Berrett, 1993). Second, sponsors are seeking a considerable range of objectives through sponsorship ranging from television exposure (Scott & Suchard, 1992; Meenaghan, 1991b; Witcher, Craigen, Culligan & Harvey, 1991) to reputation (Mason, 1999) to direct access to participants (Berrett & Slack, 2001) to increased sales (Shank, 2005; 2002). A complete list of objectives identified in the literature is attached as Appendix A. This list of objectives can be grouped into eight summary areas, as presented below in Table 6:

Table 6: Summary Groupings of Sponsorship Objectives

#	Grouping	Component Objectives from Appendix A
1	Efficiency of sponsorship versus advertising (i.e., impact/cost ratio).	2, 6, 17, 34, 61
2	Flexibility of promotional strategy both in its effects and in the objectives it can meet.	4, 7, 9, 13, 20, 22, 26, 38, 41, 42, 43, 50, 54
3	Builder of brand equity, including positioning sponsor as a good corporate citizen.	3, 8, 12, 24, 36, 39, 44, 45, 46, 47, 52, 58, 59
4	Direct contact with key decision-makers via hospitality, positive corporate citizenship and other leveraging tactics.	14, 16, 19, 27, 29, 30, 53, 56
5	Ability to overcome market clutter and achieve media exposure.	5, 10, 11, 15, 18, 21, 23, 35, 40, 48, 55, 60
6	Positive impact on employees (motivation and attraction of future staff).	14, 16, 19, 25, 28
7	Ability to enter new, international markets.	7, 24, 32, 33, 49, 51, 57
8	Management interest	31, 37

Sponsorship evaluation literature also shows that benefits that are unrelated to the original objectives of either the sponsor or the sponsee are often measured and considered (Crompton, 2004a; Nicholls, Roslow & Dubliss, 1999; Stipp & Schiavone, 1996). For example, if a sponsee provides the sponsor with a bevy of impressions and media coverage data when the sponsor's original objective was solely to build B2B (industrial) clients through a sponsorship, the sponsee is not effectively evaluating the objective of interest. This is a common practice in sponsorship evaluation. Advantages of this practice include reduced costs and reduced work on evaluation, while the disadvantages of this practice include a failure to evaluate the objectives of interest and over-stating the benefits of the sponsorship.

In summary, the literature reveals that a wide range of objectives are common in sponsorship and that a researcher working in sponsorship evaluation would have to measure the objectives relevant to each sponsorship when conducting evaluation research on that sponsorship.

3.4.4.2 Pre-Sponsorship Measurement

The second step in McAllister's model involves the assessment of the sponsor's target market and the perceptions of that target market on a number of potential image attributes of potential sponsees (e.g., their image, their brand, etc.) in order to determine if the given sponsee's image is consistent with the sponsor's desired organizational image/brand or product image/brand. McAllister (2002) recommends significant investigation on the part of sponsors (and sponsees in the case of the mega-sponsee) in assessing a roster of potential partners for developing a sponsorship relationship. The literature advises taking a proactive stance in seeking out and selecting the appropriate partner(s) whose image(s) fit(s) with the promotional objectives that the sponsor/mega-sponsee is trying to achieve (Gwinner & Eaton, 1999). Achieving such a 'fit' enables both sponsor and sponsee to leverage the association effectively to meet their own specific objectives.

For sponsorship evaluation specifically, the importance in this step is three-fold. First, the researcher needs to make sure that the sponsorship is worthy of evaluation. That is, does the cost-benefit analysis make sense (i.e. is the benefit provided by the evaluation greater than the resources required to undertake the evaluation (time, financial and human))? Second, a researcher must identify all the objectives of the sponsor(s), sponsee and intermediaries and verify that they are possible to evaluate. Finally, a well-planned pre-test can provide (i) learning for future data collection and (ii) useful baseline measurements.

3.4.4.3 Choose Promotional Tactics

Following pre-measurement, the promotional tactics are chosen by the sponsor. In McAllister's (2002) model, this involves the selection of a sponsee. It is important to note that, in the case of the mega-sponsee, it is the sponsee who has the greater power and selects the sponsor.

Sponsee selection is the 'sponsorship decision-making process' for the typical sponsor-sponsee relationship, where the sponsor is selecting from a group of interested sponsees (e.g., Aguilar-Manjarrez, Thwaites & Maule, 1997; Cousens & Slack, 1996; Thwaites, Aguilar-Manjarrez & Kidd, 1995). The literature suggests that there are several considerations in this decision-making process including assessing the 'fit' or the complimentary ability of the sponsor and the sponsee to achieve their objectives (Seguin, Teed & O'Reilly, 2005; Cornwell & Maignan, 1998), having 'common geographic scope' which refers to shared markets of interest (McCook, Turco & Riley, 1997), protecting against ambushers/guaranteeing exclusivity (Arthur, Scott, Woods & Booker, 1998; Lee, Sandler & Shani, 1997), consideration of attendees of sponsee events (Brooks, 1994), access to television coverage (Bennett, 1999), and access to naming rights (McCarthy & Irwin, 2000; 1998).

With respect to sponsorship evaluation, two important points are revealed during the selection of promotional tactics. First, the researcher must assess the importance of the situation (typical versus mega-sponsee) and know where the specific sponsorship falls. It is clear that the nature of the relationship is significantly different in each situation. Second, it is vitally important for the researcher to understand how the decision

is being made in order to conduct an effective evaluation. In this regard, the evaluator needs to be very aware of the objectives sought by all parties involved in the sponsorship.

3.4.4.4 Sponsorship Implementation

Following the selection of the sponsee (or sponsor in the case of the mega-sponsee), the sponsorship is implemented. Practitioners commonly refer to this step as 'activation'. This involves 'actioning' the sponsor-sponsee contract. The implementation of a sponsorship is a well articulated process with developed literature existing on various promotional techniques (signage, endorsements, etc.), leveraging the association and the media, and in various areas of sponsorship management including consumer reactions to sponsorship, sponsorship objectives, sponsorship budgets, organizational structure and individual needs addressed by sponsorship (e.g., Crompton, 2004b; Kover, 2001; Lardinoit & Quester, 2001; Lyberger & McCarthy, 2001; Meenaghan, 2001; Farrelly, Quester & Burton 1997; Anne & Cheron, 1991; Parker, 1991).

In terms of its benefit to sponsorship evaluation, this literature demonstrates that the evaluation researcher needs to be involved in the sponsorship prior to activation in order to enable effective data collection throughout the sponsorship implementation since it is an iterative process. A number of researchers seek to provide practitioners with guidance for their sponsorships in general. For example, Seguin, Teed and O'Reilly (2005) adopted an in-depth, multi-case study approach to identify the Top 10 Sponsorship Best Practices.

Table 7: Top 10 Sponsorship Best Practices (Seguin, Teed & O'Reilly, 2005)

#	<i>Best Practice</i>
1	A significant investment in human and financial resources in leveraging (3:1 to sponsorship value) the investment in the sponsorship
2	Clearly defined objectives (both the sponsor and sponsee)
3	Integration with the sponsor's overall marketing mix
4	A consideration of customer interests (drives sales, build brand, etc.)
5	The need for strong long-term relationships
6	The requirement of on-going television coverage on a major network
7	A good fit between the sponsor's objectives and the sponsee's product(s)
8	The incorporation of branding as a sponsorship objective
9	Hospitality as a prominent leveraging technique
10	Cross-promotion with associate sponsors

The best practices outlined in Table 7 are guides only and do not provide practitioners with specific direction on implementing or evaluating their objectives. The final step in Arthur, Scott, Woods and Booker's (1998) process model for the effective implementation and management of sport sponsorship programs supports this point. Here, Arthur, Scott, Woods and Booker (1998, p. 55) note that "sponsorship can be evaluated via a number of methods...[and that] sponsorship organizations should always evaluate their properties and discard those that do not measure up to pre-set objectives". This further underlines the need for the evaluation researcher to be involved during the implementation stage of the sponsorship.

3.4.4.5 Post-Sponsorship Measurement and Sponsorship Results

The final two steps of McAllister's model represent the stages of sponsorship activation that are most relevant to sponsorship evaluation. Here, it is important to acknowledge the various challenges to sponsorship measurement that must be overcome. The literature has revealed eight such challenges to measurement and evaluation.

First, as noted earlier in this chapter, considerable literature argues that clear behavioural objectives must be established upfront in order for sponsorship to be effectively evaluated (Sandler & Shani, 1993; Abratt & Gobbler, 1992; Marshall & Cook, 1992; Meenaghan, 1991b). The objectives of both the sponsor and the sponsee must be determined by the researcher. A well-articulated and complete sponsorship contract is essential (Newburn, 2001; Bergen, Dutta, & Walker, 1992; Eisenhardt, 1989). The term 'complete' refers to the formal inclusion of as many of the sponsor's and the sponsee's objectives as possible, as it is the implied, understood or informal objectives that are most difficult to evaluate since the details are unclear, if not unknown.

Second, previous research has noted that a sponsor who typically invests in sponsorship as part of an overall promotion strategy has an established promotional mix prior to launching a sponsorship (Thwaites, Aguilar-Manjarrez & Kidd, 1998; Quester, Burton & Farrelly, 1998). This implies that organizations who adopt sponsorship are often doing so as part of a broader marketing strategy that includes integrated promotional tactics (e.g., advertising, public relations, sales promotion, etc.) and the leveraging of those tactics. Promotional activity concurrent to or in combination with sponsorship may cloud or bias evaluation of the sponsorship either from current or carry-on effects (Thwaites, Aguilar-Manjarrez & Kidd, 1998).

Third, pre-existing views of the sponsor, the sponsee and the sponsorship by target markets may influence the evaluation process. In this regard, the literature points to consumers and their awareness levels and opinions of the sponsor and the sponsee, as well as their attitudes towards and intent to purchase sponsors' products (Jalleh, Donovan, Giles-Corti & Holman, 2002). In addition to a given consumer's attitude

towards the sponsor or sponsee, Stipp and Schiavone (1996) point to two additional factors that decide if a sponsorship is effective or not in reaching a given consumer: how the consumer perceives the quality of the leveraging activities incorporated by the sponsor and the overall visibility of the sponsorship program. The measurement of these factors is very challenging if the objectives being evaluated are broader than sales and sales promotions (Hoek, 1998).

Fourth, each sponsorship objective may be linked to a different set of preferred outcomes (e.g., financial, sales, consumers views, branding, etc.) which may or may not correspond with the measurement tools used in empirical research (Mack, 1999). In general, difficulty arises for one of three reasons: (i) measurement tools are applied erroneously, (ii) no evaluation occurs, or (iii) inappropriate measurement tools are applied. These challenges point to the need to expand and disseminate the tools available for evaluating based on objectives, not based simply on available methodology. Clearly, the misapplication of measurement tools (e.g., adopting metrics from advertising research (recall and recognition) to evaluate sponsorship (Crompton, 2004a)), the snubbing of evaluation and the failure to ground metrics in the objectives of interest are important challenges facing sponsorship evaluation (Pope & Voges, 1994).

Fifth, in practice, some sponsorship managers have little interest in evaluating their sponsorship investments; they adopt sponsorship programs to meet their own personal needs and objectives (i.e., sponsoring a sport or an art in which they, or their CEO, have a personal interest); (see Seguin, Teed & O'Reilly, 2005). Berrett and Slack (1995) note that the existence of stated objectives and the existence of many unstated objectives, such as personal interest, make the measurement process considerably more

challenging. In situations such as these where the sponsorship contract is incomplete, or the true rationale for its existence is hidden, evaluation will be flawed, particularly if sponsors wish to keep their true objectives private.

A sixth challenge involves the consideration (if applicable) of the effect of sponsee success (e.g., a winning sponsored team or a victorious sponsored track runner) relative to an unsuccessful sponsee (e.g., a poor theatrical performance or technical difficulties at a concert). Although some research in the area suggests that there is considerable effect from success (Cornwell, Pruitt & van Ness, 2001) on the overall ability of a sponsorship to achieve its objectives, the ability to define and measure success remains a significant challenge in sponsorship evaluation.

Seventh, sponsorship evaluation in practice is often carried out using evaluation tools from advertising which may not consider the association component of sponsorship and, thus, does not address its full benefits. The adoption of advertising evaluation methodologies to evaluate sponsorship is commonly cited in the literature (Crompton, 2004a; Sparks, 1997; Cornwell, 1995; Vavra, 1995; Brooks, 1994; Parker, 1991; Meenaghan, 1983). Stipp and Schiavone (1996) argue that the development of sponsorship-specific evaluation tools is needed to overcome such challenges.

Finally, specific metrics to measure awareness, interest and attitude are lacking in the literature on sponsorship (Wilson, 1997). It is likely that metrics are in place in practice, but they are proprietary in nature and not shared publicly. In this regard, Quester and Farrelly (1998) have pointed out that sponsors should be measuring the awareness that consumers have of their organization and its products and that of their competition. This is important as market share (Quester & Farrelly, 1998) and prominent brands (Johar

& Pham, 1999) can influence the effectiveness of a sponsorship relative to the competition. Further, evaluation literature outside of sponsorship (e.g., Greene & McClintock, 1991) has developed similar metrics that could be adapted.

3.5 Summary: Sponsorship Evaluation

The review via McAllister's model provides direction around the evaluation of sponsorship. First, it is necessary to fully identify and understand the objectives sought by all relevant parties in a sponsorship. Ideally, the researcher would (i) have a reliable framework with which to organize the evaluation and (ii) be involved early enough in the sponsorship process to support the development of clear, measurable objectives. Second, a researcher is directed to collect baseline measurements pre-sponsorship to determine if the cost-benefit analysis justifies spending resources on the evaluation of the sponsorship. Third, the distinction between the typical sponsee and mega-sponsee scenarios was again supported. The researcher needs to know which scenario they are working in and be involved throughout the process. Finally, the many measurement challenges around evaluation were described with a number of recommendations provided to the researcher, including (i) the need for a complete sponsorship contract, (ii) access to marketing plans for all organizations involved in the sponsorship, and (iii) tactics related to the attribution issue.

Overall, the literature on sponsorship evaluation strongly supports the need for improved tools and models for the sophisticated evaluation of sponsorship. A variety of writers point to a number of these challenges, including (i) a lack of understanding of the sponsor-sponsee relationship, (ii) the lack of consideration, specification and use of

objectives in the evaluation process, (iii) the limited development of appropriate metrics, (iv) the limited understanding of the barriers to, fears about, benefits of, and timing of sponsorship evaluation, and (v) the difficulty of measuring accurately in the context of larger marketing mixes. Despite the identification of these challenges, little is provided in terms of how to evaluate sponsorships effectively. Ideally, a sophisticated process for conducting sponsorship evaluation would be proposed and tested. However, to date, the author found limited evidence of such a process. Even the literature that claims to provide such a framework really does not do so. For example, although the process model published by Arthur, Scott, Woods and Booker (2001) lists ten practices to adopt for successful sponsorship management; it is not a step-by-step process model by which to evaluate a sponsorship effectively.

4.0 THEORETICAL FRAMEWORK

This chapter builds on the literature reviewed in the previous chapters with the purpose of providing a clear theoretical foundation from which to view and evaluate sponsorship. A number of business-based theoretical perspectives by which to view sponsorship relationships are considered and Agency Theory is selected as the theoretical framework to guide this dissertation. The rationale for this choice is presented, followed by a review of Agency Theory and its utility as an appropriate theoretical framework on which to base the research. This includes reviewing (i) the scope of Agency Theory, (ii) its key concepts, branches and assumptions, (iii) the contract as its unit of analysis, and (iv) crafting the first draft of the process model for sponsorship evaluation.

4.1 Selecting and introducing Agency Theory

A number of schools of thought have been developing to explain and explore business relationships including relationship marketing, agency theory, partnership theory, and strategic alliance theory. Each provides a different perspective on different types of relationships. Relationship marketing is about improving relationships between organizations and their customers by “building solid, long-term relationships with customers [that] require a concentrated effort on the part of all employees and management to get to know what satisfies the customer and what the customer values” (Barnes, 2001). A strategic alliance, or interorganizational governance structure (Thorelli, 1986), focuses on relationships between two groups where the two groups become the same entity with common objectives and an accompanying enhanced competitive advantage (Ireland & Hitt, 1999; Borys & Jemison, 1989). Partnership theory focuses on

situations where two or more entities support each other and work collaboratively towards common outcomes but do not merge into one entity to do so (Rees & Gardiner, 2003). Deemed “important yet controversial¹⁴” (Eisenhardt, 1989, p. 57), Agency Theory views a business relationship as a principal-agent relationship, where one group (i.e., the principal) relies on another group (i.e., the agent) to carry out some endeavour on behalf of the principal (Bahli & Rivard, 2003; Bergen, Dutta, & Walker, 1992; Eisenhardt, 1989).

Agency Theory has received considerable attention in many literatures, including accounting, economics (where it began), finance, marketing, political science, organizational behaviour and sociology (Eisenhardt, 1989), as a means to explain the relationships involved in cooperative effort between a principal and an agent of that principal in pursuit of a common business outcome. Eisenhardt (1989) points out that an agency relationship assumes that each party in the relationship has their own motive since their goals are not congruent. This infers that in any agency relationship, although it involves the agent working on behalf of the principal towards a common objective (as determined by the principal), both groups have their own ‘bottom line’ rationale (which may or may not be profit) for being involved in the relationship. It should also not be assumed that the principal benefits more than the agent, as this is not always the case (Sappington, 1991; Ross, 1973).

During its ‘glory years’ of the early 1980’s, Agency Theory was hailed by many as a powerful lens through which to view organizations (e.g., Jensen, 1983). It was thought that it would provide the solution to many of the challenges facing principals.

¹⁴ This dichotomy proposed by Eisenhardt (1989) stems from the duality of Agency Theory’s effective (i.e. important) yet impersonal (i.e. controversial) view on business relationships.

Conversely, other theorists (e.g., Perrow, 1986) viewed Agency Theory as degrading to those involved and overly simplistic in its application. These authors argue that the principal-agent view of a relationship is limited in its ability and potentially threatening for the agent (i.e., the use of an agency approach could potentially lead to the exploitation of workers).

4.1.1. The scope of Agency Theory

Ross (1973, p. 134) claimed that “examples of Agency Theory are universal”, indicating the broadest of scopes. Others have been very critical of the broad range, stating that Agency Theory looks only at stock prices (Hirsch & Friedman, 1986) or that it fails to truly address any problems of interest (Perrow, 1986). Historically, the value of Agency Theory has been most evident in the economics literature (e.g., Sappington, 1991; Harris & Raviv, 1979; Ross, 1973) while it was originally believed to be less valuable to organizational scholars (Eisenhardt, 1989). Recently, however, organizational researchers have applied Agency Theory to such relationships as consultants and clients (Basu & Lederer, 2004), ERP implementation consultants and client organizations (Basu & Lederer, 2004), IT outsourcers and suppliers (Bahli & Rivard, 2003), international retailers and franchisees (Doherty & Quinn, 1999), advertising agencies and their clients (Waller, 2004), shareholders and managers in general (Eisenhardt, 1989) and information policy in agency relationships (Jacobides & Croson, 2001). Today, research grounded in Agency Theory continues to be found in the marketing literature and that of political science, finance, sociology, accounting, organizational behaviour, information

technology, economics, and engineering, demonstrating the ongoing relevance of the theory.

Examples of relationships where an agency perspective would be appropriate are many and include most relationships between an organization and a facilitating agency (Bergen, Dutta, & Walker, 1992). A facilitating agency can include such entities as sponsors, advertising agencies, research suppliers, publication warehouses and marketing agencies that act as specialists and implement some marketing objective on behalf of the principal. Facilitating agencies are remunerated by the principal in return for the work they provide. The form of payment is often fee-for-service or commission, but in the case of sponsorship could involve either a cash payment or the provision of in-kind product. It is important to note that an agency relationship may be more complex (i.e., involve more than 2 parties) than principal-agent. An example (see Table 8) would be the relationship between the owner of an NFL franchise and her star quarterback, where a number of other parties (i.e., player agent, General Manager of franchise, lawyers, coach, player's family) are also directly and indirectly involved in the relationship.

Table 8: Agency Relationship Example: NFL Franchise and Star Quarterback

Party	Agency Theory Role	Description
Star Quarterback	Agent	Asked to complete a role on behalf of the owner.
Player's Family	Intermediary (Agent)	Influences player actions.
Player's Agent	Intermediary (Agent)	Acts on behalf of player in negotiations with principal (owner).
Player's Doctor	Intermediary (Agent)	Influences player actions.
Player's Lawyer	Intermediary (Agent)	Acts on behalf of player and advises player in negotiations with principal (owner).
Owner	Principal	Entity seeking to achieve objective of on-field success by engaging star quarterback (agent).

General Manager	Intermediary (Principal)	Acts on behalf of owner in negotiations with player (agent).
Team Lawyer	Intermediary (Principal)	Acts on behalf of owner and advises owner in negotiations with agent (player).
Coach	Intermediary (Principal)	Influencer on player and owner.
Teammates	Intermediary (Principal)	Influencer on player and owner.

4.1.2 An overview of Agency Theory

Eisenhardt (1989) provides a good summary of Agency Theory in the following table adapted from her management-based review and assessment of the theory. Selected elements from this overview are further developed in chapter 4.2.

Table 9: Agency Theory Overview (adapted from Eisenhardt, 1989)

*	Point	Description
Key Idea	Principal-agent relationships should reflect efficient organization of information and risk-bearing costs.	The principal strives to achieve the most efficient level of monitoring to ensure compliance by the agent with the sought objectives.
Unit of analysis	Contract between principal and agent.	The formal (written) and informal (understood) agreement between the parties.
Human assumptions	<ul style="list-style-type: none"> ▪ Self interest ▪ Bounded rationality ▪ Risk aversion 	<ul style="list-style-type: none"> ▪ Each party will act with their own interests in mind, tending to avoid risk ▪ Within the boundaries of the contract, the sponsee with act in a rational manner
Organizational assumptions	<ul style="list-style-type: none"> ▪ Partial goal conflict & information asymmetry between the principal and the agent ▪ Effectiveness criterion: efficiency 	<ul style="list-style-type: none"> ▪ Principal and agent have differing objectives ▪ Principal evaluates agent on their efficiency ▪ It is unlikely that the principal shares full information with the agent
Information assumptions	Information as a purchasable commodity	Knowledge and information are key to the relationship and may be sought externally
Contracting problems	<ul style="list-style-type: none"> ▪ Agency (moral hazard¹⁵ and adverse selection¹⁶) ▪ Risk sharing 	<ul style="list-style-type: none"> ▪ Agency selection is typically a difficult and biased task ▪ Finding a risk-sharing agent is difficult

¹⁵ Moral hazard (Eisenhardt, 1989) refers to the condition where the principal cannot ascertain if the agent accurately represents their ability to do the work for which they are being paid.

¹⁶ Adverse selection (Eisenhardt, 1989) refers to the condition where the principal cannot be sure if the agent has put forth maximal effort in pursuing the work of interest.

<i>Problem domain</i>	Relationship in which the principal and agent have partly differing goals and risk preferences (e.g., compensation, regulation, leadership, impression management, whistle-blowing, vertical integration, transfer pricing)	This problem domain holds for the vast majority of principal-agent relationships as, typically, goals and risk preferences differ considerably
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4.2 Key concepts in Agency Theory

Agency Theory is complex and widely applicable. This sub-section introduces and describes some of the key aspects of Agency Theory in Table 9 that provide important descriptive background on the theory or that are relevant to this dissertation.

4.2.1 The contract as unit of analysis

The use of a contract and analyses of such contracts have become the units of analysis of Agency Theory, which has led the theory to focus on developing more efficient principal-agent contracts, whether they be behaviour-oriented (e.g. management philosophy) or outcome-oriented (e.g. profit) (Bergen, Dutta, & Walker, 1992). Contracts take on many forms and contain various aspects, from written to verbal, formal to informal, and implicit to explicit. It is particularly important to note that items not expressly written in a formal contract may be part of the understanding between a principal and an agent.

4.2.2 Assumptions in Agency Theory

There are a number of assumptions in Agency Theory that must be fully understood before applying it to a given context. These assumptions fall into three categories: human assumptions, organizational assumptions and information

assumptions. The human assumptions include self interest, bounded rationality, and risk aversion. In simple terms, Agency Theory assumes that individuals behave to benefit their own interests while respecting most rules and avoiding unnecessary risk. The organizational assumptions include goal conflict among participants, efficiency as the effectiveness criterion, and information asymmetry between principal and agent. Here, the organization is assumed to balance the interests of its members, seek to be as efficient as possible, and to accept the fact that the principals (typically the shareholders) know less than the agent (typically management). Finally, the information assumption is that information is a purchasable commodity.

The three categories of assumptions include seven key assumptions underlying Agency Theory. A summary of each of these seven assumptions in each of the contemporary organizational perspectives is presented below in Table 10.

Table 10: Comparison of Agency Theory Assumptions and Organizational Perspectives

<i>Assumption</i>	<i>Organizational Perspective</i>				
	<i>Political</i>	<i>Contingency</i>	<i>Organizational Control</i>	<i>Transaction Cost</i>	<i>Agency</i>
Self-interest	X			X	X
Goal conflict	X			X	X
Bounded rationality		X	X	X	X
Information Asymmetry		X		X	X
Preeminence of efficiency		X	X	X	X
Risk aversion					X
Information as a commodity					X

**** Taken taken directly from Eisenhardt, 1989 ****

As noted in Table 10, Agency Theory involves all seven of the assumptions, while the other organizational perspectives do not.

4.2.3 Monitoring in Agency Theory

Agency Theory typically examines, from the principal's point of view, the trade-off between the cost of monitoring the agent and the attainment of the principal's objectives where the contract between the two groups is the unit of analysis. It is a well established tenet of Agency Theory that the principal cannot monitor the actions of the agent perfectly or without costs (Sappington, 1991), where the costs refer to resolving conflicts between principals and their agents and aligning the interests of the two groups (Jacobides & Croson, 2001). This brings forth such issues as 'power' and 'trust', as both variables impact how much autonomy the principal gives to the agent and how much cost is incurred by the principal when such autonomy is not granted. It must also be recognized that this issue can swing the other way, where the agent may not trust the principal and must incur costs in monitoring the principal (e.g., making sure they are reimbursed, ensuring that their own brand is respected, etc.). In both cases, it is the combination of the principal's trust of the agent and the sharing of risk by the agent that leads to potential costs on both sides (Eisenhardt, 1989). It is important to note that the dimension of time, either the length of the relationship or the stage of its development, should also be considered when adopting an Agency Theory approach (Morgan & Hunt, 1994). Typically, however, the literature focuses on the principal's monitoring costs as opposed to power, time and trust (Ross, 1973).

4.2.4 Agency Theory in economics, marketing and management

Agency Theory was born in public sector economics as a way by which to view the 'problem' that governments face in controlling the behaviour of their employees to

insure that they act in the best interests of society and not themselves (e.g., Harris & Raviv, 1979). This form of a principal-agent relationship was the beginning of the development of this theory and focused very much on the incentives required to deal with the agency problem (Sappington, 1991; Harris & Raviv, 1979; Alchian & Demsetz, 1972). These early writings presumed that the objectives of the relationship were defined by the principal and implemented by the agent, where the agent possesses more information than the principal (i.e., asymmetric information) and, as such, the principal is required to spend resources monitoring the agent to insure compliance. In addition, the fact that random external events (e.g., unforeseen economic, environmental, political, competitive and social changes) could influence the relationship was an important aspect of early Agency Theory (Harris & Raviv, 1979).

From a management perspective, Eisenhardt (1989, p. 58) describes Agency Theory as “directed at the ubiquitous agency relationship, in which one party (the principal) delegates work to another (the agent), who performs that work”. Recently, Agency Theory has been applied in the management literature with a number of useful applications identified such as the Board-CEO and Sales Director-Sales Person relationships. For example, Bahli and Rivard (2001) use Agency Theory as one of the theoretical foundations of their work on outsourcing in IT. Of particular note is the authors’ use of Agency Theory to develop risk scenarios around IT sourcing principal-agent relationships. Measurement problems are also identified by Bahli & Rivard (2003) as a risk factor that can lead to disputes and potential litigation. This point is particularly relevant to sponsorship evaluation where measurement has limited use in theory and practice. Whether it evolves to litigation or not, a breakdown in a principal-agent

relationship always has consequences: services debasement and/or cost escalation.

Service debasement refers to a reduction in the amount or quality of service performed by the agent, while cost escalation implies a rise in cost to the principal. Each can occur at any point in the relationship and both are closely related and one can lead to the other (Bahli & Rivard, 2003).

The move of the most widely-accepted definition of marketing from its focus on the concept of the exchange (Arrow, 1985; Bagozzi, 1974) to a relationship-based definition (American Marketing Association¹⁷, 2004) is a demonstration of the growing importance of relationships in marketing theory (e.g., Barnes, 2001) and further validates the appropriateness of an Agency Theory perspective on marketing concepts, including sponsorship evaluation. Aijo (1996) reviewed the theoretical development of relationships in management and in marketing and proposed that it represented a paradigm shift in the field, driven by technology improvements that enable closer firm-customer relationships. Gummesson (2004, p. 136), who defines relationship marketing as “marketing based on interaction within networks of relationships”, tells of how relationship marketing evolved into one-to-one marketing and then to customer relationship marketing (CRM), the name by which it is often described today. Gummesson’s work demonstrates the evolution of relationship marketing, as it theoretically develops the concepts of B2B (business-to-business) relationship marketing as distinct from B2C (business-to-customer) relationship marketing and introduces ROR (return on relationship). ROR is a marketing metric to measure the “long-term net

¹⁷ For reference, the American Marketing Association’s new definition is “marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (American Marketing Association, 2004).

financial outcome caused by the establishment and maintenance of an organization's network of relationships" (Gummesson, 2004, p. 141). Numerous other authors have also written about relationship marketing, including Rowley (2004) who develops relationship marketing and knowledge management as complementary paradigms and Gronroos (2004) who proposes the process by which relationship marketing occurs. Bergen, Dutta and Walker (1992) add that the majority of all marketing transactions occur via "facilitating agencies" contracted by the principal or the agent on some kind of remuneration basis and point out that the ultimate consumer can also be viewed as being in a principal-agent relationship, as explained below:

A given individual can shift from the role of principal to that of an agent across different contexts. For instance, a purchasing agent acts primarily as an agent whose job is to represent the needs and interests of others in the firm when buying goods and services from outside suppliers. However, when seeking information from a given supplier on which to base a purchase decision, the purchasing agent acts like a principal and the supplier's salesperson is the agent. Thus, relationships are context specific, and agency models should be used to examine the relationship that is specific within a single context. (Bergen, Dutta, & Walker, 1992, p. 26)

This differs from the view of economists who are primarily interested in the incentives needed to control the agency problem while marketers are focused on the exchange that takes place between the two parties in a given relationship, and how to insure that the objectives of both parties are met in an efficient manner.

The fact that the closely related theory of transaction cost economics has a significant track record of use in the marketing literature strongly supports the application of Agency Theory to marketing issues. Both transaction cost analysis and Agency Theory "examine efficiency aspects of how firms organize functional relationships" (Bergen, Dutta, & Walker, 1992, p. 29) and are deemed to be complementary as both study

contracts and involve relationships where both parties act in self-interest (Williamson, 1988; Anderson & Oliver, 1987).

Bergen, Dutta and Walker (1992) identified three major areas where Agency Theory has been applied in marketing: (i) sales force management, (ii) distribution channel coordination and control, and (iii) promotion (Bergen, Dutta, & Walker, 1992). Research pertaining to the relationship between a sales manager and a sales person (e.g., John, Weiss, & Weitz, 1987) has typically centered on the determination of the most efficient and effective sales compensation plan to enhance sales. Previous studies on channel coordination and control (e.g., Moorthy, 1987) have been built on the idea that a distribution channel is a set of principal-agency relationships and related research areas (i.e., pricing mechanisms, franchising agreements, incentives, etc.). Promotion-based research using Agency Theory (e.g., Nelson, 1974) has focused mainly on the organization-consumer relationship and the signals of product quality from producers to consumers. In this relationship, the consumer is considered an agent as the organization (principal) seeks to inspire behaviour in consumers that expresses product quality to other potential consumers (e.g., positive word of mouth, observable product usage, etc.).

In summary, a management (Eisenhardt, 1989) or marketing (Bergen, Dutta, & Walker, 1992) view of Agency Theory moves beyond the consideration of the principal's interest in the formal contract to include a broader understanding of a contract (i.e., both formal and informal) and to consider the objectives of the agent as equal in importance.

4.2.5 Information and Agency Theory

The concept that information is a commodity that has a cost and can be purchased is unique to organizational research and implies that organizations can invest in information systems¹⁸ as a method of controlling agent opportunism (Eisenhardt, 1989). The concept of executive compensation is a good example of this contribution. While significant literature has called for increased executive compensation based on performance (Bebchuk & Fried, 2003), an Agency Theory perspective would say that executive performance is contingent on a number of factors including information systems, ability to motivate employees, skills, experience, etc. For example, in the case of information systems, an agency theorist would argue that improved information systems would decrease managerial opportunism (also known as ‘shirking’) and, in turn, result in a decrease in performance-based pay.

4.2.6 Risk preference and the variables in Agency Theory

The uncertainty of the external environment on the risk aversion of either the principal or the agent is important in Agency Theory (Eisenhardt, 1989). Risk, in this case, is “viewed in terms of risk/reward trade-off, not just in terms of inability to plan” (Eisenhardt, 1989, p. 62) inferring that the contract between principal and agent is influenced both by uncertainty and the willingness of both parties to accept risk. As a point of clarification, a new venture considering the ‘make or buy’ decision illustrates the

¹⁸ Information systems can be formal and informal and include such things as budgeting, managerial supervision, boards of directors, and databases. Of note, Eisenhardt (1989) identifies boards of directors as particularly relevant in organizational studies as they may be used as a formal information system to monitor executives on behalf of shareholders. As boards become more involved, opportunities for management ‘shirking’ are decreased and rewards take the form of behaviour-based results (i.e. strategic action) over outcomes.

risk contribution. In this situation, the firm has limited resources and the likelihood of failure (uncertainty) is high, which means that management would likely be risk-averse, leading them to a 'buy' selection (i.e., transfer the risk to the supplier); (Eisenhardt, 1989).

Figure 3 below describes the variables at play in a principal-agent relationship. Of particular note is the focus on an efficient contract moderated by the environment. In most cases of principal-agent relationships and contracts, efficiency is defined and determined from the principal's point of view. This is because the principal is assumed to be the dominant party in the relationship where it is their desired outcomes that are considered as opposed to the objectives of the agent (Bergen, Dutta, & Walker, 1992). Although the development of Agency Theory has centered on formal contracts, it has been applied to social contracts as well (Bergen, Dutta, & Walker, 1992) indicating that the informal aspects of any contract must also be considered. This is very important in business research as hand shakes, mutual understandings ('my word') and informal contracts are often the relationship guiding mechanism of choice. Due to the realities of day-to-day business and legal costs, even formal contracts rarely include all details and fully elaborate all roles and responsibilities.

Figure 3: Framework of Agency Theory Variables (adapted from Bergen, Dutta, & Walker, 1992)

Figure 3 demonstrates that both the principal and the agent have some level of risk preference which impacts the contract. Risk preference refers to the group's preference for adventure rather than security (Arrow, 1985). Thus, an entity is risk averse when they prefer security over adventure while an entity that prefers adventure over security is not risk averse. Should an entity be indifferent, they are dubbed risk neutral. It is when the two parties have differing levels of risk preference that problems often occur in the principal-agent relationship.

4.2.7 Incentives and self-interest in Agency Theory

Perrow (1986) proposes that the introduction of Agency Theory to organizational thinking had a role in re-establishing the concepts of incentives and self-interest in related research. Perrow's view infers that organizational life – like most forms of life – is based on self-interest (Eisenhardt, 1989). Although both incentives and self-interest, like Agency Theory itself, come from economics, Perrow (1986) reminds us of the complexity of relationships, in particular intra-organizational and inter-organizational ones implying that Agency Theory plays a key role in keeping business research centered on theory and topic, as opposed to topic only which some have argued is a problem in business research (e.g., Barney, 1991; Barzel, 1982). For Agency Theory specifically, this infers that the self-interest of both principal and agent, as well as the incentives necessary to engage both, are important considerations.

4.2.8 The two branches of Agency Theory

Two camps have developed in the literature related to Agency Theory: positivist Agency Theory and principal-agent research. Positivist researchers focus on “identifying situations in which the principal and agent are likely to have conflicting goals and then describing the governance mechanisms that limit the agent's self-serving behaviour” (Eisenhardt, 1989, p. 66), while principal-agent researchers focus on the application of Agency Theory towards the efficient and effective functioning of principal-agent relationships (Harris & Raviv, 1978).

4.2.8.1 Principal-agent research

The principal-agent research stream (e.g., Eisenhardt, 1989; Jensen, 1983) involves applying the theory of the principal-agent relationship to specific examples of that relationship (e.g., lawyer-client, buyer-supplier, and employer-employee) with its focus being the determination of the optimal contract (behaviour-based vs. outcome-based) between the principal and the agent, where incongruent goals and an agent who is more risk averse¹⁹ than the principal are assumed. The literature refers to this situation as the simple model (Eisenhardt, 1989), for which nine cases have been identified.

Table 11: Cases of the Simple Model of Principal-Agent Research

#	Case	Description	Outcome
1	Complete information	The principal knows fully what behaviour the agent has carried out.	Behaviour-based contract is most efficient, as there is no need to transfer risk to the agent.
2	Incomplete information / unobservable behaviour – agent shirking ²⁰	Depending on self-interest of agent, they may not have behaved as desired by the principal.	Principal invests in information systems in order to monitor agent's behaviour (e.g., budget systems, report procedures) and revert to complete information case. OR Principal selects an outcome-based contract to motivate behaviour based on performance outcomes that align the agent's goals with those of the principal. Risk (or 'outcome uncertainty') is transferred to the agent and arises as outcomes are not a perfect measure of behaviour, especially considering the possibility of external influencers (e.g., competitor action). Outcome based contracts are attractive when outcome uncertainty is low and cost of shifting risk to agent are low. Thus, as outcome uncertainty increases, so does risk and so does cost to principal.
3	Incomplete information / unobservable behaviour–	Agent may have claimed to have certain skills/abilities when hired, however they do not	Principal invests in information systems in order to monitor agent's behaviour (e.g., budget systems, report procedures) and revert to complete information case. OR

¹⁹ Stemming from economic theory, the rationale behind the risk aversion assumption is that, typically, an employee (agent) is less able to diversify their employment than an employer (principal) is able to diversify their investments.

²⁰ Shirking is also referred to as 'moral hazard' (e.g. Eisenhardt, 1989) in the literature and refers to the risk of the agent not exerting the agreed-to effort.

	adverse selection ²¹	possess such skills.	Principal selects an outcome-based contract to motivate behaviour based on performance outcomes that align the agent's goals with those of the principal. Risk (or 'outcome uncertainty') is transferred to the agent and arises as outcomes are not a perfect measure of behaviour, especially considering the possibility of external influencers (e.g., competitor action). Outcome based contracts are attractive when outcome uncertainty is low and cost of shifting risk to agent are low. Thus, as outcome uncertainty increases, so does risk and so does cost to principal.
4	Simple model without assumption of a risk-averse agent	Situations where agent becomes less risk averse (powerful agent, resource-rich agent, agent with numerous principals to choose from)	Given the decreased risk aversion of the agent, the principal is in a position to use an outcome-based contract to pass risk to the agent at a reduced cost. This makes the option of an outcome-based contract very attractive.
5	Simple model with risk averse principal	Situations where principal becomes more risk averse (limited resources, financial pressure, etc.)	Given the increased risk aversion of the principal, the principal may choose to use an outcome-based contract to pass risk to the agent at a reduced cost (as compared to keeping the risk themselves). This makes the option of an outcome-based contract very attractive.
6	Simple model with goal congruency	Situations where goal conflict between the principal and the agent is reduced/eliminated	As goals are congruent, agent will behave as principal would like. Thus, there is no need for monitoring. Assuming agent remains risk-averse, a behaviour based contract is recommended (with risk-sharing).
7	Simple model with programmable agent behaviour	Programmability is defined as "the degree to which appropriate behaviour by the agent can be specified in advance" (Eisenhardt, 1985)	If the task(s) asked of the agent are programmable in nature, they are easier to measure making behaviour-based contracts the ideal selection in such cases. In cases where tasks are highly programmable, we revert to the complete information case.
8	Simple model with un-measurable outcome(s)	The simple model assumes, outcomes that are easily measurable, however this is often not the case.	When outcomes are very difficult to measure (long time to complete, require team effort or yield outcomes that are unclear), outcome-based contracts become less attractive and behaviour-based contracts are favoured.
9	Simple model and long-term relationships	The concept of time is important in relationships and, as time passes, information asymmetry decreases and a relationship strengthens.	The longer a contract (relationship) goes on, the more likely contracts are to be behaviour-based and the less likely they are to be outcome-based.

As is evident in Table 11, principal-agent research involves a trade-off, from the principal's point of view, between the cost of monitoring the agent's behaviour and the cost of monitoring outcomes and transferring risk to the agent (Eisenhardt, 1989). This

²¹ Adverse selection or 'misrepresentation of skills' occurs most often when the principal is unable to verify the existence of those skills in the recruitment process, typically due to an inability to understand said expertise.

challenge manifests itself in two classes of problems facing principals; pre-contractual problems and post-contractual issues (Bergen, Dutta, & Walker, 1992; Arrow, 1985).

4.2.8.1.1 Pre-contractual problems in principal-agent research

Pre-contractual problems exist at a number of levels for the principal, including finding an agent with the required characteristics, determining the specific goals they would like to gain from the relationship, and developing the strategies required to achieve those goals. These issues are all mediated by the risk preferences of the principal and take place prior to the offering of a contract.

Pre-contractual problems are addressed with the Hidden Information Agency Theory model (Bergen, Dutta, & Walker, 1992). Under the assumption that the principal knows precisely what he or she wants accomplished and what characteristics they require in an agent, this model focuses on overcoming the fact that a principal does not possess full information concerning an agent and whether the agent actually possesses the knowledge and ability to perform what is expected. This leads directly to the recruitment and selection of agents. Bergen, Dutta and Walker (1992)'s review of literature provides three strategies that principals can adopt in this regard: (i) screening, (ii) examining signals from potential agents, and (iii) providing opportunities for agent self-selection. Screening potential agents involves a trade-off between costs incurred and information gathered. If the principal decides screening is worth the expense, they may adopt such tactics as interviews, reference checks, testing, or re-hiring agents from previous projects. In making the decision around whether to screen or not, the principal must balance the costs of screening with the risk of making an error in hiring and the related financial

losses. The consideration of the effectiveness of screening tools for the traits sought is also important. It is important to point out that it is possible for situations to arise where both the screening costs and the learning by experience (i.e., not screening) costs are high. In these cases, both the principal and the agent may experience losses and other strategies should be considered. Agents may signal to principals that they possess some of the desired characteristics (e.g., additional training, certain skills). The principal can also provide the agent with opportunities for self-selection (Bergen, Dutta, & Walker, 1992), which builds to the 'examining signals from agents' option. In such a case, the principal is not just a passive receiver of signals but a provider of self-selection options to the agents (e.g., willingness to follow a necessary training program) which could help the principal better locate an appropriate agent.

4.2.8.1.2 Post-contractual problems in principal-agent research

Following an agreement on the contract, post-contractual issues may also challenge the principal. The major issues here are around monitoring the agent's behaviour and determining what evaluations and reward-structures should be put in place to insure that the agent's behaviour mimics the principal's objectives. Post-contractual issues are typically addressed with the Hidden Action Agency Theory model (Bergen, Dutta, & Walker, 1992; Picard, 1987). Such models are based on three important assumptions. First, both the principal and the agent are assumed to be motivated by self-interest, typically focused on the maximization of profits. Bergen, Dutta and Walker (1992, p. 3) also point out that "the theory can also accommodate relationships in which one or both parties pursue broader social goals". This may be particularly relevant to

marketing, where the parties may be involved in social marketing, green marketing or not-for-profit marketing. Second, it is assumed that principals normally function with incomplete information about the characteristics of the agent, while the agent functions with complete information about the principal. This was described earlier as 'information asymmetry'. Third, it is assumed that environmental factors (e.g., competition, the political environment, economic conditions, environment, and changes in technology) have some bearing on outcomes, which means that writing a 'perfect' contract is impossible and that both the principal and the agent incur risk.

Hidden action models have typically viewed the principal as risk neutral and the agent as risk averse (Bergen, Dutta, & Walker, 1992), given that the agent is typically relying on the relationship for income purposes while the principal has many other options they could select. However, others (Harris & Raviv, 1979; Picard, 1987) have considered that the agent may not always be more risk averse than the principal. Given these assumptions and the risk preferences of both parties, the literature provides strategies for the principal focused on avoiding shirking behaviour by the agent. Bergen, Dutta and Walker (1992, p. 3) provide the rationale to why shirking is an issue:

In the basic hidden action model, the agent attempts to maximize his or her own utility by choosing the best action available. Given the incompatible goals and risk preferences of the two parties, though, actions the principal would like the agent to perform are often relatively costly for the agent to undertake (i.e., they require more time, effort, or other resources from the agent). Hence, the agent may try to 'shirk' on such actions.

As such, Hidden Action Agency Theory provides the principal with two basic strategic thrusts by which to limit the chance that an agent might shirk on their post-contract behaviours. These are behaviour-based contracts (including monitoring systems) and

outcome-based contracts (Bergen, Dutta, & Walker, 1992). The contrast between the two has received attention in the literature. For example, Anderson and Oliver (1987) and Basu, Rajiv, Srinivasan and Staelin (1985) assess various sales force compensation systems (i.e., outcome-based versus behaviour-based) and provide recommendations for when to use each to maximize sales force control.

Behaviour-based contracts include such things as reporting, field observation and narrow span of control in an attempt to monitor agent behaviour and insure compliance (Bergen, Dutta, & Walker, 1992). There are challenges with behaviour-based contracts as they are very costly to implement and cannot fully eliminate information asymmetry. On the other hand, outcome-based contracts where the agent is evaluated and rewarded based on performance measures (e.g., sales volume) seek to achieve both parties' goals based on the ideas of 'reservation utility'²² and 'individual rationality'²³. The consideration of the bottom line ('payoffs') is important to both parties in developing the outcome focus of the contract, with the fact that the resulting payoffs must be relatively equal for both groups or problems will result (i.e. shirking by the agent or ending of the relationship by the principal). This is known in the literature as incentive compatibility. The challenge for the principal with outcome-based contracts is that they shift risk from themselves to the agent which, should the agent be risk averse, could be costly for the principal.

Bergen, Dutta and Walker provide an example of this situation of shifting risk:

Suppose, for example, that deteriorating economic circumstances make it impossible for a firm to realize its expected sales volume in the current year. A salesperson on straight salary would be unaffected, at least in the

²² 'Reservation utility' involves comparison of the benefits to the agent of the current relationship as compared to the best alternative opportunity outside the current relationship (Bergen, Dutta, & Walker, 1992).

²³ 'Individual rationality' refers to the fact that the contract must be interesting enough that the agent will undertake it (Bergen, Dutta, & Walker, 1992).

short term, but a salesperson on straight commission would bear some of the consequences in the form of lower income. Thus, a risk-averse agent would find the potential for earning \$100 in commissions less valuable than \$100 in salary. A risk-neutral firm [as is assumed], then, might be tempted to compensate the salesperson entirely with salary and absorb the risk. After all, the firm could pay less than \$100 in salary, leaving the salesperson perceiving himself [or herself] to be as well off as he [or she] was with a higher commission, and achieve higher expected profit. Unfortunately, the salesperson would then have less incentive to put forth substantial sales effort. In other words, a commission structure may be necessary to make it incentive compatible for the salesperson to expend the level of effort desired by the firm. (Bergen, Dutta, & Walker, 1992, p. 10)

In summary, the key to a successful Hidden Action Agency Model is efficiently balancing the trade-off between the potential costs of shifting risk to the agent with the risk of the agent shirking their behaviours.

4.2.8.2 The Positivist Branch of Agency Theory

In general, positivist researchers are concerned with governance mechanisms which solve the agency problem (i.e., limit the agent's self-serving behaviour) and focus on the solutions that enable them to do so, given the incongruent goals of the principal and the agent (Eisenhardt, 1989; Jensen, 1983). Positivist theory tries to explain why contracts develop the way they do based on two common propositions (Jensen, 1983; Eisenhardt, 1989).

Table 12: Two Propositions of Positivist Theory (adapted from Eisenhardt, 1989)

<i>Basic Meaning</i>	<i>Theoretical Merit</i>	<i>Eisenhardt (1989) Proposition</i>
...that outcome-based contracts are effective in curbing agent opportunism (Eisenhardt, 1989)	Based on premise that contracts work to align goals of the agent and the principal since rewards for both are then dependent upon the same action, reducing conflicts of self-interest.	"When the contract between the principal and agent is outcome based, the agent is more likely to behave in the interests of the principal"

...that the implementation of information systems will also work to reduce agent shirking (Jensen, 1983)	Information systems inform the principal about agent behaviour, thus reducing shirking by the agent.	"When the principal has information to verify agent behaviour, the agent is more likely to behave in the interests of the principal"
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As demonstrated by Table 12, positivist theory offers a more sophisticated view of an organization than traditional economic theory (Jensen, 1983).

In terms of its application, however, the positivist branch of Agency Theory has been concerned mostly with intra-organizational relationships (i.e., owners and management in large corporations) and in designing efficient governance mechanisms for these principal-agent relationships. Although it has a narrower focus and is considerably less formal and mathematical in its application (Eisenhardt, 1989), the positivist branch is somewhat similar to the post-contractual Hidden Action models of Agency Theory (Bergen, Dutta, & Walker, 1992). A point of difference is that the positivist branch adopts the assumption that agents are risk neutral (as opposed to risk averse); (Bergen, Dutta, & Walker, 1992; Williamson, 1988).

Empirically, literature in the positivist branch typically explores design structures that induce managers to act in the interests of shareholders, often supporting the notion of incentive plans motivating executives to generate shareholder wealth. Fama (1980) looks at the information effects of efficient capital and labor markets as mechanisms to control managerial opportunism. Fama and Jensen (1983) focus on boards of directors as information systems, describe how they function in large organizations, describe how they act to control management behaviour, and propose methods by which shareholders can use boards of directors to monitor the opportunism of top management and, in turn, reduce shirking. Jensen (1983) identified practices which could be better handled through

increased board of director functioning, such as golden parachutes²⁴ and corporate raiding²⁵. Jensen and Meckling (1976), in their review of corporate ownership as an example of a principal-agent relationship, highlight how stock-options for management work to align management and ownership goals. In fact, they argue that firm ownership by management decreases management opportunism (Jensen & Meckling, 1976).

4.2.8.3. Comparison of Principal-Agency Research and Positivist Theory

The complementary nature, similarities and differences of the two streams of Agency Theory are clear in the literature. The following table summarizes.

Table 13: Principal-Agency Research versus Positivist Theory

Similarities	<ul style="list-style-type: none"> • Both view the contract as the unit of analysis • The positivist branch is similar to the post-contract or Hidden Action models of principal-agent research (Bergen, Dutta, & Walker, 1992)
Differences	<ul style="list-style-type: none"> • To date, there is more research/empirical studies in principal-agent research • Principal-agent research is more abstract (Eisenhardt, 1989) • Principal-agent research is more mathematical (Eisenhardt, 1989) • The majority of critics of Agency Theory target principal-agent research in their criticisms (Perrow, 1986) • Positivist theory focuses almost exclusively on the shareholder-executive relationship in large, multi-national organizations • Principal-agent research has a broader focus and more generalizeable theoretical implications (Eisenhardt, 1989) • From a research point of view, principal-agent research “includes many more testable implications” (Eisenhardt, 1989)
Complementary Nature	<ul style="list-style-type: none"> • The two streams complement each other as follows: positivist theory specifies various contract alternatives, while principal-agent theory follows and determines the most efficient contract based on the human, organizational and information assumptions in Agency Theory.

²⁴ A golden parachute refers a generous severance package of cash and stock options paid to executives following a dismissal, a merger or downsizing.

²⁵ Corporate raiding occurs to when a company unethically overtakes another by hiring away employees, stealing information and making side-deals.

4.3 Theory development: Agency Theory and sponsorship

This section argues that Agency Theory is appropriate for sponsorship evaluation. Bergen, Dutta and Walker (1992) suggest that Agency Theory is most productive in analyzing four particular marketing situations:

1. where substantial goal conflict between a principal and its agents exists,
2. where there is sufficient environmental uncertainty to trigger the risk-sharing implications of Agency Theory,
3. where significant information asymmetries exist, and/or
4. where there is difficulty in evaluating performance.

Sponsorship meets all four of these criteria. First, sponsors and sponsees often have very different goals, which could cause conflict around how the resulting association is promoted. Second, given the cluttered marketplace and highly competitive environment, environmental uncertainty is very common in sponsorship. Third, the vast majority of sponsorship relationships fall under the typical sponsee scenario where the sponsor holds the balance of power and where information asymmetry exists. Fourth, sponsorship evaluation has been confirmed to be a difficult task. This is evident for all sponsees; particularly in the case of the mega-sponsee, where attributing success is very difficult.

4.3.1 Agency Theory, mega-sponsees and typical sponsees

The two sponsee scenarios are presented in the following table from an Agency Theory perspective to outline the differences between a mega-sponsee and a typical sponsee from an Agency Theory perspective.

Table 14: Scenarios of the Sponsor-Sponsee Relationship

<i>Case of Sponsor-Sponsee Relationship</i>	<i>Power</i>	<i>Proportion of Sponsorships</i>	<i>Monitoring & Leveraging</i>	<i>Driving objectives</i>	<i>Analogy to Common Agents</i>
Mega-Sponsee	Sponsee	Very rare	Both	Both	CEO
Typical Sponsee	Sponsor	Majority	Sponsor	Sponsor	Average employee

4.3.2 Agency Theory, the sponsorship contract, and the sponsor-sponsee relationship

Agency Theory focuses attention on the sponsorship contract as the unit of analysis when evaluating a sponsor-sponsee relationship. Most sponsorship contracts include both explicit (formal) and implicit (informal) parts with the explicit aspects being those that are included in the contract while implicit aspects are understood but are not written. Agency Theory requires researcher knowledge of all aspects of the sponsorship contract both explicit and implicit, including both sponsor and sponsee objectives. Methodologically, all contracted and implicit expectations of a sponsorship contract can be articulated from both the sponsor's and the sponsee's points of view. Of course, full access to data and decision-makers is required. Further, in most sponsorships, the promotional impact of the association and the risk attitudes of the sponsor and the sponsee must be considered. This is often accomplished by understanding the value-transfer from sponsee-to-sponsor and sponsor-to-sponsee. Figure 4 was developed to

reflect these points and provide a schematic of the principal-agent version of the sponsor-sponsee relationship.

Figure 4: The Sponsorship Relationship

As noted in Figure 4, the targets of a sponsorship's messaging are exposed to three promotional entities: the sponsor (principal), the sponsee (agent), and the sponsor-sponsee relationship (association). An additional key point (outlined in Table 15 below) is that a sponsor-sponsee relationship can take on a number of forms in terms of involved stakeholders.

Table 15: Basic Typology of Sponsors, Sponsees and Intermediaries

<i>Scenario</i>	<i>Example</i>
Sponsor-Sponsee	Local Bike Store sponsors Local Athlete
Sponsor-Agent-Sponsee	Coke engages a Sport Marketing Firm to use Sponsorship to achieve some promotional goal
Sponsor-Agent-Mega Sponsee	The Super-Bowl hires a Sponsorship Consultant to maximize their revenues from sponsorship

Sponsor-Agent-Agent-Sponsee	Both sponsor and sponsee have engaged agents on their behalf
Sponsor-Agent-Agent-Mega Sponsee	Both sponsor and sponsee have engaged agents on their behalf; and the sponsor is a major property like the Olympic Games

4.3.3 Agency Theory phases in sponsorship

Agency Theory also reveals that two series of issues (pre-contract and post-contract) arise in any principal-agent situation (Eisenhardt, 1989). In the case of the sponsor-sponsee relationship, then, the theory requires focus on both the pre-sponsorship contract negotiations (from the perspectives of each the sponsor and the sponsee) and the implementation of the sponsorship post-contract. Table 16 below outlines the pre- and post-contract sponsorship phases for both sponsor and sponsee, revealing three distinct phases.

Table 16: Agency Theory Phases in Sponsorship

#	Phase	Agency Theory Model	Description
1	Pre-Contract (Sponsor)	Sponsee Selection	Investor has decided to include sponsorship in marketing mix
2	Pre-Contract (Sponsee)	Sponsor Attainment	Sponsee has objectives to fulfill for which the interested sponsor is a good fit
3	Post-Contract (Sponsor & Sponsee)	Sponsorship Activation	Contract is in place, sponsor (or mega-sponsee in scenario with powerful sponsee) implements and leverages the sponsorship to maximize return

4.3.4 Agency Theory, risk and sponsorship

Much Agency Theory literature (Bebchuk & Fried, 2003; Bergen, Dutta, & Walker, 1992; Sappington, 1991) views the principal as risk neutral and the agent as risk averse. The agent is typically risk averse because they rely on the relationship for resource generation while the principal typically has many other alternative courses of

action to generate resources. Applied to the ‘typical’ sponsor-sponsee relationship, the sponsee is believed to be risk averse and the sponsor risk neutral, since the sponsee relies on the sponsor for revenue while the sponsor has many alternate options (i.e., competing sponsees) to achieve their promotional objectives. Conversely, when applied to the ‘mega’ sponsor-sponsee relationship, the sponsor is believed to be risk averse and the sponsee risk neutral, since the sponsor relies on the mega-sponsee for the unique promotional value it provides while the sponsee has numerous alternative sources (i.e., competing sponsors) for revenue generation.

4.3.5 Agency Theory, imperfect surveillance and sponsorship

Agency Theory focuses attention on outcomes and end-goals, although they may be enduring and continue for long periods of time (Sappington, 1991). In this regard, external influencers (e.g., power, trust, time) must be considered in any agency relationship where full surveillance of the agent by the principal is not possible. This is necessary in sponsorship as imperfect surveillance is common in the sponsor-sponsee relationship. For example, Berrett and Slack (1999) show that the sponsorship activities of rival companies are influential to a sponsor’s selection of a sponsee, implying that some organization’s are taking a ‘copy-cat’ approach to sponsorship. They, and others, further argue that the sponsor must seek to foster a relationship to help prevent other sponsors from either taking the association for themselves in the future (i.e., outbid) or ambushing the sponsorship (Crompton, 2004b; Berrett & Slack, 1999; Shani and Sandler, 1998; 1993; 1989).

4.3.6 A model of Agency Theory in sponsorship

Figure 5 below represents the theoretical development of the Agency Theory situation (from Eisenhardt, 1989) adapted to the sponsorship relationship.

Figure 5: Agency Theory adapted to the Sponsorship Relationship (Eisenhardt, 1989 (adapted))

As described in the previous sections, Figure 5 is built around the focus of an efficient²⁶ contract (both explicit and implicit) that both parties, with their own characteristics, choices and actions, seek in the context of the very uncertain sponsorship environment.

As Agency Theory's unit of analysis, an efficient contract between the sponsor and

²⁶ An 'efficient' contract in Agency Theory refers to one which allows for both the principal and the agent to achieve their respective objectives in the most facilitated way possible.

sponsee determines the nature of the relationship. The development of the contract (both explicit and implicit) is a blend of (i) the interests (personal characteristics) and strategic decisions (choices) of the sponsor, (ii) the interests (personal characteristics), needs (actions) and strategic decisions (choices) of the sponsee, and (iii) the realities of the environment. Following the sponsorship, its outcomes (i.e. achievement of objectives) are assessed, the benefits to each party determined and the contract is renewed, altered or deleted.

4.3.7 Sponsorship evaluation and Agency Theory

Agency Theory provides a lens by which to evaluate a sponsor's investment in a sponsee and the resulting relationship's ability to achieve both the sponsor's and the sponsee's specific promotional objectives. Here, Agency Theory can respond to a need in sponsorship evaluation by providing the theoretical framework that both academics and practitioners seek that will enable the viable measurement of sponsorship effectiveness. An Agency Theory approach to sponsorship evaluation infers a principal-agent relationship. In terms of measurement, Agency Theory would view the sponsor as the principal and the sponsee as the agent, with the sponsorship contract as the unit of analysis. Once the contract is signed, a 'principal as sponsor' situation results and the principal assumes the role of ensuring the sponsee meets its contractual commitments. The sponsorship contract refers to both the tenets of the formal written contract and the understood but unwritten aspects of the relationship; namely the informal contract. Examples of informal contracts include (i) the understanding that the sponsee will act in

the best interests of the sponsor and (ii) that logos of competitors of the sponsor will not be seen on participants' clothing.

Agency Theory focuses an evaluation on the objectives of the sponsor and the sponsee, as well as any relevant intermediaries. The theory requires the evaluator to examine the sponsorship contract(s) for evidence of the objectives of all parties. It also requires that the evaluator learn about the objectives of all parties that may come into play that are not listed in any formal contracts.

4.3.7.1 Draft Process model of Sponsorship Evaluation

A draft process model for sponsorship evaluation is presented below as Figure 6. It is important to note that the proposed model is a tool which outlines a process to follow in evaluating any given sponsorship. The purpose of the model is to guide researchers and practitioners through the evaluation process in a manner which respects the sponsorship relationship and its uniqueness. It is intended to be applicable to evaluating a wide range of sponsees; be they sport, art, culture, charity, public, private or corporate.

The proposed process model is based on Agency Theory in its construction and the specifics of sponsorship evaluation and performance measurement in its detail. As dictated by Agency Theory, the unit of analysis is the contract. The fact that the process model is rooted in the objectives (implicit and explicit) of both the sponsor(s) and sponsee(s) and does not include other un-related outcomes or impacts follows an Agency Theory perspective. The consideration of resources and activities committed by the sponsor as principal is a reflection of Agency Theory's focus on monitoring the costs of the principal towards eliminating shirking by the agent (sponsee). The operational

definition of a sponsorship, which determines if a promotional endeavour is a sponsorship or not, is built into the model and includes the criterion that the sponsor- sponsee relationship must be a principal-agent relationship. As well, the importance of external influences and the link to the market are both drawn from Agency Theory. Finally, and most importantly, Step 1 (Setting the Stage) uses an Agency Theory lens to build the relationship, determine if it is a sponsorship and set the basis for an efficient and effective evaluation.

The process model is comprised of seven steps. The steps are 'set the stage', 'collect data', 'articulate objectives', 'establish metrics', 'determine metrics for resources and reach', 'collect and analyze data', and 'generate and interpret outcomes and impacts'. As noted in Figure 6, the model also considers the effects of the specific sponsor-sponsee relationship, the market and other uncontrollable external influences during the evaluation process.

The first step is a pre-cursor to the evaluation which sets the stage for an efficient and effective evaluation. First, the sponsorship is selected or offered for evaluation. It is then assessed against the working definition, the key entities (sponsor, sponsee, intermediaries) are identified and the objectives and metrics are forecasted. All of these steps are undertaken to make sure that the evaluation can be effective. If so, the evaluation would continue. If not, the evaluation would stop. If it is appropriate to continue, the research then works to build a relationship with the sponsor, the sponsee and, if necessary, the intermediaries. Upon completion, a decision is made (Go/No-Go) whether to go ahead with the evaluation or not.

In the second step, 'collect data', the researcher accesses four key sources of data (the sponsorship contract, sponsor input, sponsee input and, if applicable, intermediary input) to enable the evaluation. The types of data gathered here would typically include the specific objectives of the sponsorship, the role of the sponsorship in the overall marketing plan of the sponsor or the sponsee, image transfer goals of the association, etc.

The third step focuses on reviewing the data gathered in Step 1 and articulating, summarizing and listing all objectives for the sponsorship. This step is known as 'articulate objectives' and likely includes two sets of objectives: (i) those that are explicitly stated and (ii) those that are implicitly understood but perhaps not articulated in the contract. Of specific note here is the link to the performance measurement concept of 'reach' which refers to the consideration of all the markets reached by each objective. An objective with multiple publics would end up with multiple metrics measuring all of those publics.

Upon completion of the third step, the 'establish metrics' stage (Step 4) takes place. This involves the assignment of a specific metric or metrics (either from the literature, past practice or newly developed) for each objective identified in Step 3. Each metric, whether adopted from past use or newly developed, is then customized to the sponsorship relationship being evaluated and a research design is planned for each. For example, this implies that if 17 objectives are identified in the 'articulation of objectives' step, then at least 17 metrics must be developed. Metrics are not included unless they relate specifically to an identified objective.

The fifth step, 'determine metrics for resources and shirking', stems from the performance management and Agency Theory literatures and involves an assessment of

two specific resource-based items for the sponsor and potentially for the sponsee: inputs and activities, as well as a consideration of outputs unrelated to the objectives identified in Step 3 which may indicate sponsee shirking. With respect to inputs and activities, this refers to determining, respectively, the ways by which to measure the resources committed (financial, in-kind and human) and the leveraging activities undertaken. Specific to the resulting outputs which are unrelated to the identified objectives, the Agency Theory concept of shirking is measurable by the resources committed by the sponsee to outputs not sought by the sponsorship.

Step 6, the 'collect and analyze data' stage is next. This involves the implementation of each of the metrics identified in Step 3 and Step 5, including both data collection and analysis of that data. The researcher gathers evaluation data, and analyzes that data for each of the metrics. Research might include a survey of consumers, attendees at an event, or employees of a sponsor.

This leads to the final step 'generate and interpret outcomes and impacts' where the results of the analysis are considered cumulatively and presented for each metric with an overall assessment of effectiveness. Effectiveness, based on performance measurement models, is articulated as outcomes (what happened) and impacts (what does it mean for the markets concerned). Further, these benefits are contextualized against the costs to achieve them.

The draft process model (version D1) follows on the next page.

Figure 6: Draft Process model of Sponsorship Evaluation: Process model D1

Process Model: Sponsorship Evaluation

4.4 Chapter Summary

This chapter develops the theoretical framework for this dissertation. First, it selects Agency Theory from a number of theories on business relationships as the theoretical framework for this research. An overview of Agency Theory is then presented, along with discussions on its scope, its assumptions, its unit of analysis (the contract), its important aspects (monitoring, information, risk preference, self-interest and incentives), and its two branches (principal agent and positivist research). The scope of Agency Theory is particularly important to this dissertation as it is shown to accommodate sponsorship and the evaluation of sponsorship. The review of the Agency Theory literature supported this position strongly and outlined the four major tenets of Agency Theory that have influenced its development significantly. First, Agency Theory involves ensuring that the agent acts in the interests of the principal (Bahli & Rivard, 2003). Second, it assumes that each party (principal and agent) in the relationship has its own profit motive since their goals are not congruent (Eisenhardt, 1989). Third, agency theorists are always aware that the principal-agent relationship may be influenced by two factors; (i) the case of asymmetric information between principal and agent, and (ii) the possibility of random external factors or events (Bergen, Dutta, & Walker, 1992). Finally, it is known that the principal cannot monitor the actions of the agent perfectly or without costs (Sappington, 1991).

The chapter then focused on the theoretical development of Agency Theory and sponsorship. This process involved developing many of the key concepts of Agency Theory in the context of the sponsor-sponsee relationship, including articulating an agency perspective on (i) the sponsorship contract, (ii) the two sponsee scenarios (typical

and mega), (iii) risk, (iv) time, and (v) imperfect surveillance. The theory development is captured by the adapted model of Agency Theory in sponsorship presented in section 4.3.6. Most importantly, the theory development continues with sponsorship evaluation and Agency Theory. This work clearly demonstrates how an Agency Theory approach to sponsorship evaluation will be beneficial to theory and practice by establishing a draft process model for sponsorship evaluation.

5.0 METHODOLOGY

This chapter outlines the methodology followed to address the main objective and four sub-objectives of this dissertation. A two-phase methodology was implemented. Phase I involved qualitative study in the form of expert interviews while Phase II built on the results of Phase I with two in-depth sponsorship evaluation case studies.

For Phase I, a qualitative study was adopted since an in-depth, yet exploratory, understanding of evaluation in sponsorship was required. A number of alternative qualitative and quantitative methodologies were considered. Expert interviews were selected over alternate qualitative methods (i.e., observation, ethnography and focus groups) as they offer the best opportunity to fully understand a topic with limited empirical-based literature within a dynamic marketplace because they (i) provide detailed, in-depth data and (ii) are based on the views of experts in the area (Yin, 2003; Patton, 1980). Expert interviews were selected over alternative quantitative methods (i.e., surveys) as they (i) provide a smaller yet more appropriate sample of experts, and (ii) yield in-depth data that is more suited to the issue given the current lack of clarity on sponsorship evaluation in the literature and in practice (Yin, 2003).

Phase II involves sponsorship evaluation case studies. “A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context” (Yin, 1994). Case study based research has been shown to be an effective method by which to develop theory (see Eisenhardt, 1989b), particularly in industrial (B2B) marketing (Woodside & Wilson, 2003). Notably, sponsorship is often a B2B marketing activity where a case study method allows for “deep understanding of the

actors, interactions, sentiments, and behaviors occurring for a specific process”

(Woodside & Wilson, 2003, p. 497).

5.1 Phase I: Qualitative Interviews with Experts in Sponsorship

In Phase I of the research, 14 interviews were conducted with experts in sponsorship. The adoption of the expert interview as a research methodology has precedence in the literature as past research has used the method to make key findings in applied marketing (O'Reilly & Madill, 2007; Chalip & Leyns, 2002; Lachowetz & Irwin, 2002; Strauss & Friege, 1999) and sponsorship research (e.g. Jalleh, Donovan, Giles-Corti & Holman, 2002; Hoek, Gendall, Jeffcoat & Orsman, 1997). The expert interviews were implemented to respond to the four sub-objectives and major objective of this dissertation. The four sub-objectives involved improving knowledge of key aspects of sponsorship evaluation. First, improved understanding of the sponsor-sponsee relationship was sought with implications for image transfer, leveraging, exclusivity, sponsee selection, sponsor attainment and activation. Second, an improved understanding of current practices in sponsorship evaluation was undertaken to help identify metrics²⁷ currently being used. Third, a deeper understanding of the sponsor-sponsee relationship was sought through the articulation of the barriers to evaluation, the fears around evaluation, and the benefits that evaluation provides. Fourth, a deeper understanding of the timing of evaluation was sought to shed light on metric identification, and the implementation or activation of sponsorship. Based on these results, the process model was refined (the major objective).

²⁷ The term 'metric' is used in this dissertation to refer to any method of assessing the effectiveness of a sponsorship to achieve a given objective.

Fourteen (14) Canadian experts were selected based on (i) their level of expertise in sponsorship²⁸, (ii) their willingness to participate, and (iii) an assessment of the roster of suggested interviewees, as developed by the researcher. The 14 interviewees were selected from an original roster of 30²⁹ that was put together based on (i) each individual's experiences, (ii) the representation of sponsors, sponsees and intermediaries, (iii) logistics, and (iv) referrals from industry contacts. Each of the selected experts was contacted in order to set up interview appointments, and then interviewed by the doctoral researcher between March 27 and May 5, 2006. The relevant expertise of each expert was researched pre-interview (secondary data analysis) and verified during the interview. Questions were scripted in order to access with as much depth as possible the experts' knowledge of sponsorship, sponsorship evaluation and the sponsor-sponsee relationship. The format involved the posing of a scripted question followed by an opportunity for open discussion. The interview protocol is appended (Appendix B).

All 14 interviews were conducted face-to-face in various locations across Canada (Calgary, Edmonton, Mississauga, Ottawa, St. Catherines, Toronto, Vancouver) in English (13) or French (1). The interviews took between 25 and 80 minutes. On a number of occasions, follow-up discussion about the draft process model continued post-interview over lunch. Each interview was audio recorded, transcribed and analyzed. Each of the first four objectives of Phase I was addressed by the scripted questions and feedback on the process model was achieved at the end of the interviews. In many cases, the interviewee requested the model by email and provided additional feedback by email

²⁸ The known level of expertise of clients resulted from experiences of the doctoral researcher, the supervisor of this dissertation, or on the recommendation of an industry contact or another expert interviewee.

²⁹ Note that the selection of 14 of 30 is not reflective of non-response bias but is simply a function of resources (time, travel budgets, etc.). In fact, only one potential interviewee declined the offer.

and/or phone in the weeks following the interviews. Detailed information on the expert respondents, their experience and roles in the sponsorship industry is provided in section 6.1.

5.2 Phase II: Sponsorship Evaluation Case Studies

Phase II of the research involved implementing the process model to evaluate two sponsorship case studies. The use of case studies often involves multiple research methods within the case itself (Yin, 2003; Patton, 1980) and has recently been adopted to build theory in social marketing (O'Reilly & Madill, 2007) and technology in marketing (O'Reilly & Rahinel, 2006). Here, the implementation of the process model was designed specifically (i) to assess the practical effectiveness of the process model, (ii) to allow the researcher to determine whether the process model could be implemented in practice, (iii) to learn about its strengths and weaknesses, (iv) to learn about the key issues, challenges and benefits associated with its implementation and (v) to build researcher knowledge in order to refine the model. The sponsorship evaluation case studies carried out in this dissertation were:

- i) The ATB Bank sponsorship of the Edmonton Grand Prix
- ii) The 2005 Kanatek Expedition to Mount Everest

In understanding the new process model, it is important for researchers to recognize the difficulty in identifying and selecting sponsorship evaluation case studies. In fact, the ability to find sponsorships is based on (i) the researcher's network or (ii) the researcher's ability to speak to industry conferences about sponsorship evaluation. Further, the researcher must be able to convince sponsors and sponsees of the value of the evaluation.

It is only then that serious discussions about an evaluation may take place. For this dissertation, the doctoral researcher has strong ties to industry and speaks regularly at conferences. This allowed for the identification of four potential sponsorships³⁰ for evaluation; two of which are included in this evaluation. The two not included (International Hotel Groups – Canadian Football League and Calgary Stampede – Coca-Cola) did not proceed past Step 1 of the Process Model.

The ATB and Kanatek sponsorship evaluation case studies developed in very different ways as outlined in sections 6.2.1 and 6.2.2, respectively. Both, however, had a number of key points in common that allowed for an evaluation: (i) each includes sponsors and sponsees with sophisticated objectives; (ii) in both cases, access to good data existed; (iii) in both cases, an interested and cooperative industry partner existed; and (iv) each sponsor met all ten dimensions of the operational definition of sponsorship (see section 2.1.3) as outlined in Table 17 below.

Table 17: Proposed Cases & Dimensions of Operational Definition of Sponsorship

<i>Dimensions of Operational Definition</i>	<i>Kanatek</i>	<i>ATB</i>
One party (the sponsor) invests resources in another party (the sponsee), where: a. the sponsee provides promotional value in return, and b. the sponsor makes the investment in order to achieve image-based, brand-based and/or media-based objectives.	X	X
The relationship between the sponsor and the sponsee is a principal-agent relationship, where the sponsee provides a service to the sponsor.	X	X
Joint sponsor-sponsee activities are part of the sponsorship.	X	X
Consumers (or members of the target market of the promotion) are exposed to three specific entities: the sponsor's brand, the sponsee's brand and the sponsor-sponsee association.	X	X
Consumers (or members of the target market of the promotion) consider the sponsor of a given sponsee to be a partner of that sponsee, and this consideration lasts longer than the sponsorship due to the goodwill or emotional ties that consumers build over time.	X	X
The sponsor-sponsee association is exploited or leveraged by one or both parties.	X	X

³⁰ Potential sponsorship here refers to those that went beyond noting that the sponsorship exists and includes those where the researcher and partner(s) began seriously exploring an evaluation.

The transfer of elements of the sponsee's image to the sponsor is of interest to the sponsor.	X	X
The exclusivity of the sponsorship is of interest to the sponsor.	X	X
Congruency (fit) between the sponsor and the sponsee is important to both parties.	X	X
Philanthropy is not the primary objective of the sponsor (i.e. the investor has non-philanthropic expectations from the sponsorship).	X	X

Methodologically, each of the sponsorship evaluation case studies followed the 7 steps of the process model presented in section 4.3.7.1. Given the nature of the process model, the implementation leads to results that are unique to the sponsorship and that includes metrics developed specifically for the objectives identified in that specific sponsorship. The resulting methods for each objective included both qualitative (interviews) and quantitative (surveys) procedures conducted in time and resource limited environments which did not allow for pre-tests and did require short questionnaires. The complete methodological details and accompanying results are presented jointly for each of the sponsorship evaluation case studies (see sections 6.2.1 and 6.2.2). It is also important to note the timing around the sponsorship case studies as the outcomes and impacts of sponsorship could be measured over many years. For this research, outcomes and impacts were measured up to October 30th, 2006.

It is also important to recognize the challenge that exists in presenting multiple-method case studies of a high level of complexity. Two methods of presentation were attempted, with the second being adopted. First, the dissertation was written in the traditional fashion with a complete methodology followed by presentation of results and analysis in a subsequent section. This resulted in a document with considerable repetition, added length and confusion due to repetition. This was deemed ineffective. Second, these chapters were re-written to include a brief methodology section followed by a chapter that included methods, results and analysis together. This philosophy was adopted from

Woodside and Wilson (2003) as an integrative way of presenting a case study that allows for better understanding of the learning provided by each case study. The approach is further supported by Stake (1995) whose text titled *The Art of Case Study Research* provides examples of presented case study research in a fashion similar to that adopted here and focuses on his concept of the unique case as an “integrated system” (p. 2). He further supports the approach taken for this dissertation by noting that a “case study is the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances” (Stake, 1995, p. ix) and that “a 20 - page case is likely to run 50 if the researcher doesn't 'ruthlessly winnow and sift'” (Stake, 1995, p. 121).

Following the completion of each sponsorship evaluation case study, the process model was refined based on what was learned about the practical effectiveness, usability, strengths, weaknesses, challenges and benefits of the process model.

5.2.1 Articulation of Objectives, Metrics and Methods

A methodological step in the case studies is the process of identifying, defining and operationalizing the measurement of each objective (or shirking behaviour). For each case, an extensive process is undertaken to identify all objectives sought through the sponsorship by sponsor(s), sponsee and intermediaries. Upon completion of this process, each objective is evaluated individually. The objectives that seek to reach more than one target market deserve special attention. In these cases, the objective is further evaluated individually for each target market that it hopes to reach. For example, if an objective for a sponsor was to increase employee satisfaction with the marketing efforts of the

company in three employee groups (management, sales and IT), then three evaluations would be administered.

Once each objective has been identified, a number of possible metrics and methods are considered for each, where a metric is defined as ‘a way of measuring a given objective’ and a method is then described as ‘the research method selected to carry out the metric (sampling plan, analysis plan, statistics, research method, etc.)’. These metrics are found in the literature or are developed based on metrics in the literature specific to the given objective. Metrics were chosen based on their applicability to the objective, the resources required to implement the metrics and the data available to the researcher. Once a metric is selected, the method is selected or designed for that metric. Figure 7 below outlines this process.

Figure 7: Defining Metrics and Methods

An example of the application of the four steps of Figure 7 is drawn from a study (O'Reilly, Nadeau, Seguin and Harrison, 2006) of in-stadium sponsorships at the 2004 Grey Cup, the championship game of the Canadian Football League (CFL). First, a review of marketing materials and the sponsorship contract was carried out, followed by interviews with key marketing contacts. Second, a number of objectives were identified. One sponsor, a large manufacturer of consumer products, had its sponsorship of the

National Hockey League cancelled due to a league-wide strike and decided to re-allocate those resources to other major Canadian sport properties, including the CFL. The objective was to build awareness of two specific products. In return for the promotional opportunities offered by the CFL, this sponsor committed \$390,000 in return for sponsorship rights. One of the in-stadium tactics implemented was two broadcast vignettes (one per product) on the Jumbotron. Third, the evaluation was planned by considering a variety of metrics. Options included (i) post-event interviews with marketing staff, (ii) tracking sales data following the Grey Cup, (iii) random, in-stadium questionnaires immediately following the vignettes, (iv) pre- and post-event recall surveys around the stadium, and (v) post-event mass market studies. A combination of options iii and iv was chosen for a number of reasons including granted access to the stadium, resources available, ability to measure immediate impact of the vignettes, access to data, ability to achieve ethics approval and overall cost. Fourth, the specific method was developed to implement the metric, which included having 8 researchers in randomly selected stadium sections with clipboards, short surveys (one-page) and stadium access passes so that the researchers were at the ready to exploit the small window of opportunity in the minute(s) following the diffusion of each of the vignettes. The same group of researchers also collected data pre-game and post-game with an additional set of surveys. The questions included on all three surveys were designed to assess the effectiveness of the vignettes in achieving awareness of the two products.

5.3 Summary of methodology

Phase I involved qualitative interviews with sponsorship experts, followed by Phase II which was comprised of two sponsorship evaluation case studies. The process model was adapted after the expert interviews were completed, then again following the two sponsorship evaluation case studies. Table 18 below summarizes the methodology:

Table 18: Research Plan (Phase 1 and Phase 2) for Dissertation Objectives

#	Dissertation Objectives	Method	Sample
1	i) Improve Understanding of the Sponsor-Sponsee Relationship	Expert Interviews	Fourteen (14) sponsorship experts
	ii) Improve Understanding of Current Practices in Sponsorship Evaluation		
	iii) Articulate Barriers to Evaluation, Fears around Evaluation and Benefits of Evaluation		
	iv) Improve Understanding of the Timing of Evaluation		
	v) Revision of Process Model		
2	i) Conduct Case Study Sponsorship Evaluations	Implementation of the Process Model with Industry Partners	<u>Case 1:</u> Kanatek Mount Everest Expedition
	ii) Refinement of Process Model		<u>Case 2:</u> ATB – Edmonton Grand Prix

A potential disadvantage of the research methods selected for the dissertation is that the combination of expert interviews and in-depth case studies, although rich in detail, may be limited in its ‘generalizability’ to broader instances of sponsorship. In order to mitigate this potential weakness, 14 experts from a variety of industries, experiences and positions (sponsor, sponsee, intermediary) were selected and a case study from each sponsee scenario (one typical, one mega) was selected.

6.0 RESULTS AND ANALYSIS

This chapter presents the results and analysis for Phase I and Phase II. The first sub-section reports on the results and analyses of the Phase I expert interviews ending with an updated draft of the process model. The second sub-section is divided in two parts, one for each of the sponsorship evaluation case studies. Given the step-by-step, iterative nature of the process model, results and analysis for each of the sponsorship evaluation case studies are presented concurrently to the methodological developments of each process model. A final process model refinement is presented following the two sponsorship evaluation case studies.

6.1 Phase I: Expert Interviews

The expert interviews were structured in six sections. First, interviewees were asked to verify their expertise, to provide background information on sponsorship practice in their experience, and to comment on issues in sponsorship. The remaining sections of the interviews corresponded to the four dissertation sub-objectives plus an opportunity to provide feedback on the process model (the major dissertation objective). The results and analyses of these interviews are summarized and presented using the same structure.

6.1.1 Background on Interviewees

Table 19 below summarizes the roster of interviewees and outlines their involvement and expertise with sponsorship evaluation. The overall goal of the selection of these expert interviewees was to include experts representing the points of view of the

various roles involved in sponsorship including sponsors, sponsees and intermediaries.

The identification of each expert interviewee is kept confidential and for the remainder of the dissertation, each interviewee is referred to based on their primary role in the sponsorship relationship (sponsor, sponsee or intermediary) as follows:

- Four Intermediaries (Int_1, Int_2, Int_3, Int_4)
- Four Sponsees (SSee_1, SSee_2, SSee_3, SSee_4)
- Six Sponsors (SSor_1, SSor_2, SSor_3, SSor_4, SSor_5, SSor_6)

Although the intermediaries are all agents who work for agencies, we refer to them as intermediaries to avoid confusion with the Agency Theory terminology and the ‘sponsee as agent analogy’ which is fundamental to this research.

Table 19: Roster and Expertise of Interviewees

Title & Role	Current Position	Years Exp.	# of spon last 2 yrs.	Expertise and Background
Int_1	President of Sport Marketing Agency	18.5	40	<ul style="list-style-type: none"> • Founder and president of successful agency • Experience with over 100 sponsorships • Organizes and presents at conferences globally
Int_2	CEO, Marketing Consulting Group	25+	100	<ul style="list-style-type: none"> • Founder and CEO of successful agency • Worked on over 1000 sponsorships • Extensive experience, including own proprietary model, on sponsorship evaluation • Gives workshops and lectures on sponsorship
Int_3	Director of Corporate Alliances, Event Marketing Agency	4	14	<ul style="list-style-type: none"> • Former elite athlete, successful raising sponsorship \$\$\$'s • Extensive experience in event management and event communications, including sponsorship sales
Int_4	Director, Social Marketing Consulting Centre	30	30	<ul style="list-style-type: none"> • Part-time Professor, Carleton University • Former Senior Executive at Health Canada overseeing all marketing initiatives • Involved in over 1000 sponsorships • International Guest Speaker, Workshops/Lectures
SSee_1	Executive Director Revenue Generation, Brand Management and Communications, Canadian Olympic Committee	26	17	<ul style="list-style-type: none"> • Worked on “100’s and 100’s” of sponsorships • Former senior executive at IMG: Toronto and New York • Chef de Mission, 2004 Canada Olympic Team • Current and Past Board Member of COC, Aquatics Federation of Canada, Water Polo Canada

SSee_2	Senior Director of Partnerships, Canadian Football League	15	25	<ul style="list-style-type: none"> • Important position with large sport league • Formerly with the WWE³¹ in senior marketing position • Vast experience in sponsorships of various types
SSee_3	Senior Vice-President, Operations and Marketing, Hockey Canada	15	28	<ul style="list-style-type: none"> • Senior position with one of Canada's largest National Sport Organization in terms of sponsorship • Previous work with Provincial Sport Association in New Brunswick
SSee_4	Marketing Manager & Project Manager on Events	11	4	<ul style="list-style-type: none"> • Project Manager and Marketing Manager for many sponsorships, many of which are/were events that they created • Worked on over 40 sponsorships
SSor_1	Director of Media and Strategic Sponsorship, Molson	17	25	<ul style="list-style-type: none"> • 10 years with Molson Breweries following 7 in media • Over 250 sponsorships worked on • Own model for sponsorship evaluation
SSor_2	Sponsorship Consultant, Nike	10	8	<ul style="list-style-type: none"> • Has worked on over 100 sponsorships with Nike • Published author on sponsorship • Vast work with athlete sponsorships • Chair, Olympic Marketing Research Centre
SSor_3	Manager of Corporate Sponsorship and Field Marketing at Puroator Courier.	6	25	<ul style="list-style-type: none"> • Former Manager of Marketing Properties at Basketball Canada • Worked on over 100 sponsorships • Strong understanding of both B2B and B2C sponsorship, particularly B2B
SSor_4	Brands Marketing Manager, Inter-Continental Hotels	14	3	<ul style="list-style-type: none"> • In charge of all Canadian Marketing for ICH, including Holiday Inn • Has managed the implementation of over 100 sponsorships
SSor_5	President of Kanatek Technologies	20	15	<ul style="list-style-type: none"> • Worked on 75 sponsorships • Sponsor of a variety of events, both 3 party and own-events – highly strategic focus
SSor_6	Manager Marketing, ATB Investor Services	10	7	<ul style="list-style-type: none"> • Considerable experience in all areas of sponsorship (from sponsor side) from investment to decision to activation to leveraging to evaluation • In charge of activation and evaluation for Edmonton Grand Prix and Calgary Stampede sponsorships

As Table 19 demonstrates, the goal of including sponsors, sponsees and intermediaries in the roster of interviewees was met. Each interviewee (i) currently occupies a senior position in the sponsorship industry, (ii) has an average of 15.8 years (Median: 15) of work experience in sponsorship, and (iii) has worked on 25.4 sponsorships (Median: 21) over the past two years. All were asked if they were experts in the field of sponsorship

³¹ WWE is World Wrestling Entertainment

and all but one expert self-identified as an expert, with modesty expressed in many cases (considering their high levels of expertise). These experts have worked on a wide range of different sizes and types of sponsorships including international mega-sponsees like the Olympic Games or the Grey Cup and a variety of typical-sponsees such as the Nike Toronto 10km run and Clear & Clean Basketball Skills Days³².

Interviewees were also asked about the nature of their specific work on sponsorships. The wording of the question was: "In working on a sponsorship, both during negotiations to sign a contract and during the implementation of the contract itself, what kinds of things are you typically involved in?" The information provided by the sponsees reveals that all have been involved in most aspects of the sponsorship process ranging from the first stages of planning to sales through to contract negotiation, activation and evaluation. Some provided very detailed descriptions while others were more general in their responses. One expert provided a detailed description of the sponsorship process which provides valuable insight:

It would start with a presentation where our focus is making that sales pitch or presentation to show that we are the right property and in doing that, we attempt to do the research and understand what the sport strategy and more specifically what the hockey strategy is of the partner and we spin that back to them in such a way as to show that we are an attractive resource for them and present that in a format to their key marketing representative. We [then] attempt to structure the sales presentation to the level of the person you are pitching it to. You may have someone who is intricately involved both in negotiating and signing the deal and also executing the deal so the attention to detail in that presentation is critical or you may be presenting to a high level marketing representative who wants to know the high level components. So, that is more of the verbal approach to how you are making the pitch. Through the negotiation process it is clearly critical to document any modifications, any adjustments, [and] any side agreements to insure that expectations are managed. And then, once the agreement is in place, then the real work begins to make sure that you can deliver on what the expectations are against the

³² Clear and Clean Basketball Skills Days are events run in Ontario high schools targeted at high school females and promoting basketball skills and healthy skin.

opportunities that you promised. At [the organization], we have a document called our seasonal plans which includes everything from quarterly meetings to weekly telephone calls to regular conference calls to the delivery of say goods & services...tickets, banners, promotional materials, processes for the signing off of activation, sign off on point of sale or point of purchase materials...reporting against the objectives, regularly through the year but then in a formal way at the end of the year. Documenting details and critical dates on the submission of advertisements for event programs, those types of technical components. And, then once through the agreement, conducting a detailed assessment on the ROI. (SSee_3)

All interviewees have worked in most aspects of sponsorship, with particular emphasis on the areas related to their position, function or organization. Differences between the work of sponsors, sponsees and intermediaries is also clear with the work of sponsors emphasizing sponsorship renewal, activation and contract negotiations; the work of sponsees involving the monitoring of the sponsor and intermediaries, as well as resource allocation; and that of intermediaries typically including work to keep both sponsor(s) and sponsee(s) happy.

Interestingly, one sponsee expert added that part of his work recently involved engaging a 3rd party to evaluate sponsorships up for renewal: “we conducted an independent assessment with IEG on what the value of the sponsor offering was” (SSee_3). He further added that the main reason for obtaining the 3rd party review was “to develop a good negotiation support document [an evaluation study] to be able to say ‘a bona fide agency who you do some work with also believes that this offering is worth what we’re asking for’...it is more about what their [IEG – the firm doing the evaluation] reputation is than the report they send back” (SSee_3).

6.1.2 Background Sponsorship Information

At the onset of the interviews, the interviewees were asked a series of questions around three topics related to the sponsorship literature: (i) the definition of sponsorship, (ii) sponsorship's effectiveness vis-à-vis the other promotional strategies, and (iii) sponsorship's distinction from advertising. The posing of these questions had two purposes; to delve deeper into issues yet to be resolved in the literature and to set the stage for the more important questions that followed. Full results and analysis are not reported here although a few summary points directly related to the objectives of this dissertation are noted. First, the responses of the interviewees supported all 10 tenets of the working definition of sponsorship crafted for this dissertation. Second, when asked for their general opinion on the overall effectiveness of sponsorship, responses were unanimously very positive. Third, interviewees were asked if sponsorship is different from advertising with 13 of the 14 experts agreeing clearly that they are distinct and the final expert being undecided.

6.1.3 Understanding the sponsor-sponsee relationship

A major section of the interviews sought to improve understanding of the sponsor-sponsee relationship and asked interviewees 10 questions on related issues that were identified in the review of literature. The questions posed ranged from how sponsorship relationships are typically started to how they are typically terminated. These results are summarized in the subsections that follow.

6.1.3.1 How sponsorships begin and end

In order to learn more about how sponsorship relationships are created, interviewees were asked to describe how a recent sponsorship was initiated and how, in their experience, they are normally terminated. The resulting responses show a varied landscape of how sponsorships are initiated and how they are terminated, where sponsors, sponsees and intermediaries all expressed that they typically started sponsorship relationships themselves. It appears that each group believes that they play the most important role in creating sponsorships.

Three of the four intermediaries suggested that sponsorship relationships typically begin with them working on behalf of a sponsor who has identified specific marketing objectives that they wish to achieve. As stated by Int_2: “we start off with what we are trying to achieve for our client [sponsor] and we take a look at what it is that we need to achieve through a sponsorship component and identify properties [sponsees] who provide for that”, while Int_1 said that “we recommended a relationship [sponsee] to the client [sponsor].”

All four sponsees indicated that they typically begin sponsorships based on the need for resources (typical sponsees) or for the pursuit of specific global marketing objectives (mega-sponsees). SSee_1 provided an example of the most recent IOC Top Sponsor:

It was started because for years this major global corporation was looking for a platform that they could leverage in multiple countries and then when Beijing [China] was named the 2008 host city and China is their single largest growing market. And, their research said that the Olympic Games were incredibly well known in China and very popular and so they decided that this gave them a platform to – one - grow their business in China which was their number 1 corporate objective but – two – give all regions a common platform to deal with. (SSee_1)

Although this story is an interesting mega-sponsee example, SSee_1 admitted that this was not normal practice for typical sponsees. In his experience of how mega-sponsee relationships are initiated, he noted the following.

There is a myriad of ways that they happen from the CEO likes to golf so he wants to invest in golf, to the people who own the sponsorship rights out flogging them on the street with no understanding of what the corporate needs are of the people they are flogging them to - to corporations that clearly know what their goals and objectives are and identify a need within those objectives that a sponsorship program can help deliver against.... [basically] various levels of sophistication.
(SSee_1)

Thus, for typical sponsees, the impetus for beginning sponsorship relationships is to gain access to additional resources. In drawing on his long experience as a sponsee at Health Canada, Int_4 recalled that they decided to embark on sponsorship “based on a policy initiative or strategy based on our marketing plan with clear measurable objectives and then [we] went out and sought sponsors who tied into our plan.” Int_4 also indicated that “other times, it does come from the sponsor who wants to work with us and approaches us”; although in this case he noted that “if somebody [sponsee] comes to you, it is always a problem as it is very rare that it is a good fit”. He further noted that in the case of sponsors approaching the sponsee:

Sometimes sponsors will come and pitch you on why you should put anti-smoking messages on their products or their events with not a thought if it meets the needs of Health Canada and/or its target groups. Sometimes the political arm gets involved and Health Canada may be forced to do something that doesn't fit with the plan and is not the best fit for the message or product or service. This is rare but it does happen. Sometimes people also get ‘starry-eyes’...and they just want to be part of some property for the wrong reasons so this leads to potential sponsors going after properties that are not really a good fit or a smart business choice.
(Int_4)

Sponsors reported on a variety of reasons for entering into a sponsorship relationship. Experts reported that there was very little overlap between and among the six sponsors. The reasons cited by sponsors included (i) as a means to work with industry partners (e.g., “We always go out to our partners, nobody other than that” (SSor_4)), (ii) to replace a previously ended sponsorship, (iii) to develop a sponsorship from an existing relationship with a sponsee (e.g., “It started as initiated dialogue between the sponsor and the President of the sponsee” (SSor_1); “I think that the key for many of them today is based on relationships” (SSor_2)), (iv) as an enabler of highly targeted marketing action (e.g., “It isn’t just mainstream advertising, it is a very targeted event” (SSor_1)), (v) via a sponsee request (e.g., “Ninety percent of the time, we’re being approached by properties...to gauge our interest level and we go from there” (SSor_3)), and (vi) through the strategic pursuit of “best-fit” (SSor_3) with the sponsee as a partner.

Responses from all experts (sponsors, sponsees and intermediaries) reveal two general ways by which a sponsor-sponsee relationship can end. Table 20 lists these by frequency of mention in all interviews.

Table 20: Sponsorship Relationships: Methods of Termination

<i>Sponsorship Relationship Ending</i>	<i>Mentions</i>
Contract ends and is not renewed (a variety of reasons put forth including dissatisfaction, conflict, change in strategy, financial issues, failed negotiations on price, poor results, key contact leaves or is replaced, a better offer comes along, and sponsor fatigue)	22
Contract terminated (a variety of reasons provided including, sponsee failure to deliver on contractual obligations, conflict, dissatisfaction, and poor activation by the sponsor)	9

****Note:** Interviewees often provided more than one mention

As noted in Table 20, it is clear that the vast majority of sponsorships (22 of the 31 mentions) end at the end of the contract or over a failure to renew the contract (price,

strategy, etc.). One of the experts recounts a good anecdote that demonstrates how tenuous these relationships can be:

I think the last one I'll tell you is that we have had a couple of situations, one in particular when I first started that they were sold...a telecommunications company was sold an opportunity to be title to one of our development programs...and, we were clear with them through the sales process that they were buying the right to be title sponsor and have promotional rights in and around that and their marketing staff thought that they had the right to adjust, manipulate, maneuver, change the title and the delivery methods of the program and we spent the better part of 15 months realizing that we weren't meant for each other and we agreed to shake hands and walk away. So, you know, we also operate with the philosophy that - even with our top sponsors who pay us a pretty substantial amount of money, you know well into the 6 figures nearing 7 figures on an annual basis - if it is not right, let's have the conversation and see if it is not best to just shake hands and walk away. (SSee_3)

6.1.3.2 Frequency of Sponsor-Sponsee Communication

An important aspect of any sponsorship relationship is the amount of effort and time that the parties involved in the relationship spend communicating. All experts were asked about the frequency of contact in the relationship. The responses of the 14 experts are summarized in the histogram (Figure 8) below.

Figure 8: Frequency of Sponsor-Sponsee Contact

Figure 8 reports that 'limited/sporadic' is the most common response of experts.

However, a wide variety of responses reveals that variation in communication exists as expert responses range from "unfortunately not enough" (Int_2) to "it becomes more intensive the closer it gets to the event" (Int_3) to "I probably talk to my properties more than I talk to my wife during the day" (SSor_3).

Within this variation, the key theme that more communication is needed in sponsorship emerges. Int_2 puts forth a strong argument in this regard with support, tactics and examples:

What happens when you sign a contract...you sign it and there are a whole bunch of deliverables and the person who is signing the sponsorship is usually involved in a million other things that they are trying to do, then you get closer to the event and the sponsor at that point wants some attention and the person who sold the sponsorship is trying to wrestle or deal with 50 people like that sponsor so they don't get the attention that they want. So, I think that that is one of the huge areas where there is a concern because if you don't work with them all the way through it, the odds of it being successful are a lot less and so I think that people tend to sign the deal and then, you know, move on and

then when there is an issue, they deal with it because they are dealing with so many other crises and such. But, you know, what we tend to do is, for example, is when we sign a sponsorship deal with somebody it sort of depends whether it is short term or long term or whatever. So, for example, I was involved with raising about \$5 million for school-net grass-roots program which was a national initiative to get people to encourage teachers to use online technologies in the classroom. And, we went out and got anywhere from 60 thousand to a million dollar sponsorships with companies like Microsoft and AOL and Cisco Systems and Imperial Oil and CN and all these companies and the agreement was over a 3 year period so what we did was that we built in a quarterly reporting mechanism to provide people with updates so that they were always getting updates. We gave them an annual report that said here is the reach and here is what we accomplished over the last year so we built reporting mechanisms right into that. The other thing that we do...is we'll give them a list of key deliverables and deadlines that are required on their part so that when they sign the agreement, the next thing that they get from this thing is a letter saying thanks a lot now here is your list of what is due and when it is due by. (Int_2)

SSee_3 agrees and adopts some alternate strategies to encourage communication:

We structure a process on any major project...we have an account manager assigned to every sponsor who is the point of contact and the go-to person for that sponsor. We try to divvy up those responsibilities and that contact is happening on a regular basis, at least on a week-to-week basis but, in some cases because of the need and the desire for a little bit of hand holding, it could be on a daily basis. Formally, that group comes together on a monthly basis via conference call starting about 6 months out from the event...so that gives you a bit of a framework of how things were initiated and managed through the process.

6.1.3.3 Agency Theory in sponsorship

Throughout the interviews, a number of questions were asked around key components of Agency Theory (e.g. the contract, monitoring, etc.) and if they fit with sponsorship. These results are summarized in the following sub-sections.

6.1.3.3.1 Formal Sponsorship Contract

The contract is the unit of analysis in Agency Theory. Thus, a question was asked to assess the relative occurrence of formal contracts in sponsorship. All 14 of the experts reported that, today, contracts – either a formal legal contract or a simpler letter of understanding (Int_2) - are involved in all sponsorships.

6.1.3.3.2 Evidence of Sponsee Monitoring

In looking at the sponsor-sponsee relationship as an instance of a principal-agent relationship, we would expect to see evidence of the sponsor monitoring the activities of the sponsee to control for shirking behaviour. The question posed was “does the sponsor monitor the sponsee in any way?” with further explanation required if requested by the interviewee or determined to be necessary by the interviewer. Results indicate that “increased attention is being paid to monitoring” (SSee_1), and that the monitoring of sponsees is common in sponsorship as all six of the sponsors, three of four sponsees, and three of the four intermediaries reported that sponsors monitor sponsees to some level. The sponsee and intermediary who reported to the contrary were strong in their claims. For example, Int_1 indicated that “sponsors often don’t monitor”.

This line of questioning also revealed that the monitoring that is taking place is often of limited sophistication and scope. SSee_2 clarifies that “many factors will result in how often the sponsor will follow-up with the sponsee” and SSee_3 notes that “we monitor each other” reminding us that monitoring and shirking are two-way constructs.

SSor_1 has taken this a step further and now has “a recent contract with a clause in there that sort of holds them [sponsee] to ensuring that they comply with the contract”.

6.1.3.3.3 Sponsee Compliance

Interviewees were asked to respond on what sponsors do (or can do) to encourage sponsee compliance to the items agreed to in a sponsorship contract. In Agency Theory terms, what can the sponsor do vis-à-vis timing to monitor the sponsee to reduce shirking? The importance of sponsee compliance in sponsorship renewal was noted:

A huge part of servicing sponsors and the whole sponsorship process is having people renew sponsorships. The worse kind of sponsorship you can have is a one-off, one-year opportunity because you can't really generate true results in a one year opportunity and so, you know, we do what we can to try to make them happy since if they like you the odds are that they'll forgive you on something too.
(Int_2)

In total, the interviews suggested 12 different strategies that a sponsor could employ to encourage compliance. These responses were then grouped by common theme into 4 general recommendations to sponsors: (i) ensure the development of a clear, strong and binding contract that includes deadlines and termination clauses for deliverables (5 mentions), (ii) monitor the sponsee regularly with sponsee-provided weekly reports and daily communication (5 mentions), (iii) adopt project management practices (2 mentions), and (iv) engage outside sponsorship expertise where necessary (1 mention).

6.1.3.4 Sponsor and sponsee objectives

Each of the experts was asked to provide their ‘top 3’ lists of sponsor and sponsee objectives. Table 21 provides a summary of the top sponsor objectives provided by the experts and Table 22 provides a summary of the top sponsee objectives.³³

Table 21: Top Sponsor Objectives

<i>Objective</i>	<i>Mentions</i>
To increase prospects/sales/return on investment (ROI)	9
To obtain improved visibility/awareness/exposure (TV, media, web, on-site, etc.)	7
To gain affiliation with ‘something sexy’ or ‘prestigious’ brands or trademarks (e.g. co-branding)	6
To create an impact or an experience (audience and stakeholders) (e.g. link of product to sporting event)	5
To work with an honest and upfront business partner	4
To access a specific target market/target new customers	3
To obtain ‘category exclusivity’	1
To open specific access points to leverage/build programs on	1
To achieve community support	1
Hospitality-related (e.g., opportunities for key stakeholders)	1
Access to first right to provide services	1

Table 21 demonstrates the importance of the objectives related to ROI, exposure, association and impact.

Table 22 provides a summary of the sponsee objectives communicated.

³³ Note that not all experts provided a maximum of three objectives for each question

Table 22: Top Sponsee Objectives

Objective	Mentions
To generate revenue (cash) to deliver programs	12
To associate with a credible sponsor/brand	6
To build solid, professional long-term relationships	5
To access in-kind services	4
To build brand awareness/exposure	4
To access referrals to new sponsors/new industry contacts	2
To leverage their own sport property	2
To create opportunities for hospitality	1
To deliver good ROI to sponsor	1
To achieve 'shared experience' for customers	1

Table 22 expresses that resource generation (cash and in-kind) is the most common sponsee objective, however the association with credible sponsors/brands and awareness are also important; as are developing solid relationships.

6.1.3.5 Frequency of intermediary involvement

Intermediaries in the sponsorship relationship work with both sponsors and sponsees. In large, complex sponsorships, there may be a half-dozen or more intermediaries involved. Expert interviewees were asked how often intermediaries are involved in sponsorship relationships. Figure 9 below outlines the findings and shows that involvement of intermediaries differs greatly from rarely to often.

Figure 9: Histogram of frequency of intermediary involvement

Overall, Figure 9 indicates that intermediaries are involved in sponsorship ‘often’ (7 of 13 experts) or ‘occasionally’ (4 of 13). No expert indicated that intermediaries are never involved although one indicated that they are always involved. The experts also pointed to the impact of both size and type of sponsorship as influencers on frequency of intermediaries as both sport sponsorships (Int_2) and large sponsorships (SSee_4; SSor_2) were felt to be more likely to include intermediaries. A few experts also pointed out that there is often more than 1 intermediary involved with any given sponsorship (SSee_3). Intermediaries are also common when a certain expertise can not be found in-house (SSee_4; SSor_1).

6.1.3.6 The importance of exclusivity

Interviewees were asked to comment on the importance of exclusivity; specifically when and how important it is. Although seven of the experts indicated that exclusivity is critically important, results here are quite interesting and, at times,

contradictory. One expert clarified that “exclusivity by product category is important [but] exclusivity for the event itself is not” (Int_2) underlining the importance of categories and their boundaries in exclusivity, which is often complicated as “some companies now compete in many markets with many product/brand offerings making product category exclusivity even more difficult” (Int_2). SSee_1 provides a good example of this:

Well, here’s a good example, in the Olympic world, McDonalds has a slew of [sponsorship] rights for everything from serving ice cream to french-fries to you-name-it [fast food ...]. Where if you go down to the Air Canada Centre, you see ads for Mr. Sub, Tim Horton’s, Pizza Pizza, and McDonalds. And, now, if you ask each of those companies if they were competitive with each other they’d say absolutely but it is ‘he who has the gold rules’ right and at MLSE [Maple Leaf Sport and Entertainment – owner’s of Air Canada Centre] they can set the rules and say well no you’re burger and you’re pizza and you’re donut and do you want in or not?

Another important theme is that exclusivity is only typically offered in large, for-profit-based sponsorships and is not practiced in small sponsorships (SSor_4; SSor_5). One expert (Int_3) noted that “the only time exclusivity isn’t offered is where it is a low-dollar amount...unless you commit \$50,000 or so, there’s no exclusivity guaranteed.” The distinction between sponsors where exclusivity is common and a licensee³⁴ where exclusivity is rare was also highlighted by SSee_3 who explained that his organization has “16 sponsors or corporate partners and about 55 licensees and our licensees don’t necessarily have exclusivity but all of our sponsors in some way have a form of exclusivity.” An additional and related theme brought forward is the role of ‘clutter’ in sponsorship and the need to avoid “logo-soup and being 1 of 50 sponsors of a property [where] you can get lost” (SSor_3) and where “as sponsors, nobody wins in that situation

³⁴ A licensee is a term used to describe an organization that has purchased the rights (‘license’) to a given property from the property owner and is allowed to use that property in its business activities.

because nobody is getting...their pound of flesh out of the agreement...nobody wins”

(SSor_1).

Contradicting these views is SSee_1 who brings forth the NASCAR model as it allows exclusivity as competing sponsors are visible on cars, stadiums and television broadcasts. He states: “I personally prefer the NASCAR model but that is because I’d rather be able to sell more!” (SSee_1). SSee_2 also points out that exclusivity is not always important, particularly when “a brand can’t afford to buy exclusivity and they’ll be willing to bet that they’ll get it”. Further, he indicates that

...it is a bit superficial though because they know and the property knows that it is pretty rare to go out and get somebody else to come on board in that category if a competitor is already there. You’d think that, yes, they’d want to be there to compete with that competitor but they’ll say no that they’d rather find their own property that they can own. So, yes, in a couple of cases, we won’t have exclusivity language written in [the contract]. (SSee_2)

Similarly, SSee_4 points out that she had not encountered problems around exclusivity since they organize all of their events and sponsorships with partners who they know and work with regularly.

6.1.3.7 The Importance of leveraging

Experts were asked for their opinions on the role of leveraging in sponsorship in an attempt to further understand the sponsorship relationship. Eleven of the experts expressed views that were very consistent in suggesting that leveraging is very important. Typical comments included “leveraging is important 100% of the time” (SSor_6) and “I’d say that 50% of sponsors are really committed to and looking for ways to leverage it, which is not enough in my mind” (SSee_2). One expert noted that “if you don’t leverage,

you are wasting the investment [since] sponsorship is the purchase of some asset that needs, in turn, to be leveraged. It is not an end-promotion in and of itself” (Int_4). Two additional key points were expressed. First, one expert identified a marketing strategy where no leveraging takes place: “I mean there is only one reason to buy a sponsorship and not leverage it and that is if you want to freeze out your competitors and that is a strategic buy just to keep them out of it” (SSee1). Second, it was widely noted (five experts) that leveraging is unique to the sponsorship and the ratio and tactics should be determined based on the sponsorship.

6.1.4 Understanding current practice in sponsorship evaluation

The next series of questions was posed in order to develop increased awareness and a better understanding of sponsorship evaluation practices.

6.1.4.1 Sponsorship evaluation experience

All interviewees were asked to describe their own experience with sponsorship evaluation. Results showed that all the experts have significant experience in sponsorship evaluation, including four (SSor_1, SSor_3, Int_3, SSee_2) who have developed their own models to do so. In terms of the intermediaries, all four sell evaluation as a service to clients. Of note is that seven of the experts are rarely involved in the data collection, analysis or application of evaluations, they (likely due to their senior positions) normally only read the summary reports, particularly in the case where a 3rd party is engaged to do the evaluation.

6.1.4.2 Frequency of Sponsorship Evaluation

Each respondent was asked to put a percentage to their estimation of how frequently sponsorships are actually evaluated in practice. Twelve of the 14 experts provided estimates of the frequency of evaluation in sponsorship, as summarized in Table 23 below.

Table 23: Estimates of the Frequency of Sponsorship Evaluation

The results provided in Table 23 show vast differences in experiences as to how often sponsorships are actually evaluated. Deeper evaluation shows that interviewees have varying views and experiences on three aspects: formal/informal, internal/external and techniques. First, confusion clearly exists over what is formal evaluation versus what less formal (or informal). Some experts do not distinguish formal from informal (e.g., “I would say 65-70% [are evaluated]” (Int_1)) which others do (e.g., “Formally one-third and informally two-thirds [are evaluated]” (SSor_4)). Second, two of the experts evaluate all of their own sponsorships which alters their views on frequency (e.g., “we’ve always

done our own assessments and evaluations” (SSee_3)). Third, five of the experts make reference to the level of sophistication of techniques used to evaluate, critiquing their validity: “they are very unsophisticated” (SSee_2), “In a sophisticated manner, very few are evaluated” (SSor_5), “some have no strategic evaluation tools attached” (SSor_2).

Although one of the experts comments that evaluation “is now more scientific than anecdotal” (SSee_1), a general theme is that evaluation is infrequent and unsophisticated. One expert suggests that this may be due to the fact that sponsorships “are typically priced by instinct and by adding together some elements that they think they can put a price on but guessing the rest” (Int_2).

6.1.4.3 Identification of sponsorship evaluation practices

In an effort to identify any new or previously undetected methods for sponsorship evaluation, the interviewees were asked to list all the sponsorship evaluation practices of which they are aware, including those of their competitors. Although only one of the 14 experts knew of the practices of their competition, a number of practices were identified from the experiences of all 14 experts. These are grouped by theme in the table below.

Table 24: Sponsorship Evaluation – Themes Observed in Current Practices

<i>Sponsorship – Themes Observed in Current Practice</i>	<i>Mentions</i>
Sales (measured by average turn, sales force interviews, hits or calls) and/or Purchase Intent (via web survey or focus groups)	7
Media measurements (internal communication between sponsor & sponsee, reach, PR value, awareness, scorecard, ratings, exposure time, CPMs, etc.)	6
Attendee/Customer/Employee interviews about exclusivity (at events or post-event)	5
The measurement of both tangible and intangible value, including the effectiveness of the sponsor/sponsee association and tenets of the contract	3
Assessment of financial statements/expenses (including ROI, opportunity costs)	3
Measures of clutter and ambush effectiveness (by mass market questionnaires)	2
Branding (equity, awareness, etc.)	1

Table 24 provides a summary of the groupings of the expert-identified evaluation practices. In agreement with the literature, the most common practice suggested by the experts is to measure sales or intent to purchase, followed by media measurements and consumer surveys to study the effectiveness of exclusivity as a concept.

It was noted previously that four of the respondents had developed their own models of evaluation. One respondent, Int_2, provided a full and detailed report of his model for sponsorship evaluation. His model fully supports the mandate of this dissertation and is described in detail in Appendix M.

6.1.4.4 Mega-sponsee evaluation practice

A question was asked to assess whether or not the experts viewed mega-sponsees differently from typical sponsorships in terms of how they evaluate sponsorship. Results suggest that the majority of experts (ten of 14) believe that sponsorships involving mega-sponsees and those involving typical sponsees are evaluated differently due to the resources involved. One expert summarizes that “it is a matter of the resources that you are able to put against the measurement techniques [for the evaluation]” (SSee_1). Another expert (Int_3) said “the bigger the money involved, the deeper the evaluation goes”. Three other experts further provide support: SSor_5 notes that “with mega-sponsees, they are likely more sophisticated in their evaluation processes as there are higher stakes and they don’t rely on volunteers”. SSee_4 reiterates that “size has a considerable impact”, and Int_4 says that “of course the mega ones have to as they are spending a great deal of money”.

Interestingly, Int_1 expresses an opposite view: “the larger the property [sponsee] the less true measurement that’s provided.” SSee_3, SSor_6 and SSor_4 indicated that they have no evidence that anything is done differently in evaluating mega and typical sponsee sponsorships. Three other experts (SSor_1, SSee_3 and SSor_3) answered the question very differently as they attempted to rationalize the situation based on their experiences. For example, SSee_3 said, “I don’t know. I really don’t know.” While SSor_1 shared:

I would say – it is a very good question – because when you think of the kinds of dollars that are paid to get rights for the NFL for example, they are astronomical, they make absolutely no sense to me. You know, when you start hearing that people are spending hundreds of millions of dollars to get sponsorship rights for the NFL, I don’t get it and I’m not sure how they got to a number like that or how they could possibly present somebody with a number that says ‘and this sponsorship is a paltry number of \$350 million’... that doesn’t make any sense to me. But I think that those mega-sponsorships, and you think about the Bells of the world in terms of how much they paid for the Olympic rights, that makes no sense to me. They might have their own analysis to say that the back-end of this rights and of using the technology on sight and so on and so forth, is going to pay dividends that we projected to be whatever because we’re trying to get a foothold into the western market but otherwise I would say that a lot of times the sponsorships that I see outside of those ones, perhaps call it the 2 level sponsorship like a hockey team not a mega one, tend to be a little bit more based on reality but not totally based on reality. Because – and I’ll finish this just so you understand exactly what I’m trying to say - sometimes a team could say that a sign is worth whatever. A great example to give you is the Calgary Flames right now. They could basically take our suite that we have as part of our deal and put it up for auction, you know...so the number doesn’t mean anything anymore, it is what the market will bear.

SSor_3 noted that he thinks “in general, that the industry does a really poor job of evaluation” and spoke more about the lack of effective evaluation in sponsorship and the fact that this issue must be addressed before various aspects of evaluation can be compared and contrasted.

6.1.4.5 Forecasting the Future of Sponsorship Evaluation Practice

The final question related to current practice in sponsorship evaluation asked the experts to forecast the future of sponsorship evaluation and provide their views on where it is headed. Again, expert opinions were consistent with all 14 interviewees supporting the view that sponsorship evaluation must improve and develop in terms of its theory, its practice, and its tools. A few of the many relevant expert statements are presented here. The lack of evaluation was supported by six of the experts with one (Int_2) claiming that “currently 26 per cent don’t spend a nickel on evaluation and another 30 per cent of sponsors spend less than one per cent of their total sponsorship funds on evaluation”. Some of the experts (three) focused on the benefits of evaluation. SSee_1 notes that “the more evaluations that people do, the better job they can do of weeding out [weak...] properties. And, the more crappy properties that are weeded out, the more legitimate and popular sponsorship will become”. See_2 proposed that “agencies that specialize or position themselves as specialists in not just brokering sponsorship but in evaluating sponsorship will be well-positioned to succeed”. The most important contribution from this line of questioning is that all of the experts emphasized the need for better tools in evaluation, especially given the growth of sponsorship. For example, SSee_4 suggested that “better developed tools and tactics” are needed. Int_4, SSor_1, SSor4, and SSor_6 all called for a more quantitative/ROI-based approach focused on sales generation. The experts stressed a need for an enhanced link between sponsorship and sales/ROI.

6.1.5 Barriers, Fears and Benefits of Evaluation

A set of nine questions were asked to probe the advantages, limitations and barriers to effective sponsorship evaluation. The goal was to identify items that a well-planned process model would emphasize (benefits) or seek to overcome (barriers and fears).

6.1.5.1 Belief in sponsorship evaluation

As a starting point for this line of questioning, interviewees were asked if they believed that sponsorship could be evaluated effectively. All 14 expert interviewees indicated that they believed that sponsorship could be evaluated effectively; with 12 of 14 responding with an outright yes and 2 of the 14 putting conditions on their yes. SSee_2 responded “yes, I do as long as the metrics are mutually agreed to at the beginning of the process” and SSor_2 answered “I think it can be but I also think there is an incredible amount of wiggle room for misinterpretation.” Thus, overall the results point strongly to the fact that this group of experts strongly believes in sponsorship evaluation and that it can be done well. SSor_1, however, points out a very important challenge (i.e., attribution) facing sponsorship evaluation by reminding us that “we are always going to have grey areas in a sponsorship that are going to be difficult to put values to.”

6.1.5.2 Senior management motivations for sponsorship evaluation

The reasons that motivate senior managers to evaluate sponsorships were a point of contention in the sponsorship evaluation literature that was equally expressed by the expert interviewees. Four of the experts noted that, sometimes, senior managers choose to

sponsor properties because they are personally involved in the property (e.g., “[they] sponsor golf because they play golf.” (Int_4)). All fourteen experts pointed to increasing instances of sponsorship being a business decision, while the level of emphasis varied between respondents.

The trend of sponsorship turning increasingly into a business decision is of central importance to this dissertation. SSee_2 noted that senior management “has to... [demonstrate] that [sponsorship is] a worthwhile investment that would validate their decisions”. Others noted varying motivations for evaluating sponsorship within a business-based approach. SSee_4 noted that senior management often commission evaluations in order to convince a partner to be involved in future events. SSor_1 indicated that, in some industries, competition is on the rise and margins are getting tighter, motivating senior management to evaluate in order to justify the spending of “dollars that you would otherwise spend on other areas, so you’d better be sure that what you are sponsoring isn’t just a CEO prerogative of ‘hey my wife likes figure skating so lets sponsor that’, it...generates ROI”. SSor_2 summarizes a variety of reasons why senior management decides to evaluate a sponsorship:

I think that they need to be increasingly accountable to the dotted line budgets that are attached to these sponsorships, to the marketing communications budgets. And, I think today in the business culture that is more open for responsibility, they need to demonstrate that these corporate partners, particular the big money ones, the partnership meet the end goals and objectives of what they are trying to accomplish.

But most of the experts (10) support that the main motivation of a sponsorship evaluation is to verify/measure ROI or “to determine ROI, value of the investment” (SSor_4) or “to determine if the return on their investment was worth it” (SSor_6). SSor_3 summarizes:

To me, it is just them being responsible as senior managers and understanding what the return is on the investment that they are making. I think marketing has always been seen as an expense which it is and thus there has always been this difficulty linking it to revenue growth. So think that again as sponsorship grows and becomes more important to companies across the globe and plays a bigger role in their overall marketing efforts and takes a bigger chunk of their marketing budgets, with that increased spending senior management are going to have to justify, whether it be to their senior management or to the shareholders, what the return is on the investment.

Motivations to *not* evaluate were also expressed from a business point of view. For example, SSor_2 noted that fatigue in the form of “de-motivated people” post-sponsorship (where evaluations usually take place) often leads to the cancelling of evaluations.

6.1.5.3 Resource allocation and sponsorship evaluation

Interviewees were asked if they thought sponsorship evaluations had an effect on future funding decisions and resource allocations by sponsors and sponsees. As expected, experts reported that a positive evaluation affects future funding and/or resource allocation decisions.

The expert interviewees unanimously supported the notion that future decisions would be affected by either a positive or a negative evaluation. But they were emphatic that a negative evaluation would likely have a more significant impact than a positive evaluation, since “generally with a bad experience, you are less likely to want to repeat” (SSee_1) “with a greater pre-disposition for termination” (SSee_3). SSee_2 summarized:

On the negative side, sponsorship is very fickle by nature; it is not a commodity like media. There are a lot of emotional, a lot of experiential elements to it that if it didn’t work or if it didn’t drive sales or it didn’t return or give a good ROI, well then 100% it would be still an easy decision to say let’s spend our money elsewhere.

With respect to the impact of a positive evaluation, experts were strong in their support including Int_4 who emphatically reported: “absolutely...you have the results...you can go back next year” and SSor_3 who explained that “if you show that your investment has been paid off and that it has been a valuable property, it gives you ammunition and leverage to go back and do that deal again but it also provides for investigating new opportunities with other properties”.

6.1.5.4 Barriers to effective sponsorship evaluation

When building towards a process model for the evaluation of sponsorship, it is important to identify the key barriers that affect one’s ability to effectively evaluate a sponsorship. Once these barriers are known, the model can be developed to overcome or mitigate their effects. The 14 experts provided a total of 31 barriers during the interviews. Their responses were reviewed and grouped by theme in Table 25 below.

Table 25: Barriers to Effective Sponsorship Evaluation

<i>Barrier</i>	<i>Mentions</i>	<i>Explanation</i>
A lack of communication between sponsor and sponsee	9	Weak preparation, poor planning and limited resources leads to a lack of information sharing between sponsor, sponsee & intermediary
Lack of effective and consistent evaluation tools	8	Although many have their own proprietary methods, there exist few options, no agreed upon metrics (including for ROI and brand/image effects) and no cohesive, recognized model
Lack of energy, support and resources to complete post-event evaluation	8	After hard work to make an event happen, not much left to get geared up for a full evaluation, including those who fear the effects of a poor evaluation
Poorly conceived strategy and implementation plan for the evaluation	5	A common barrier identified is that evaluation is often an after-thought which means it is not properly planned and implemented, leading to poor and ‘untrusted’ results
Philanthropic activity still being carried out under the banner of sponsorship	1	pretending donations are sponsorships hurts both future sponsorship and future philanthropy

As noted in Table 25, there are four barriers (by theme) that received considerable mention from the experts. These four empirical findings support the literature on sponsorship evaluation and the hypothesis of this dissertation that emphasizes the importance of a functioning sponsor-sponsee relationship, the need for consistent and effective tools of evaluation, and the need to increase support and strategic planning in sponsorship evaluation.

6.1.5.5 Identification of fears about sponsorship evaluation

Fears that exist around sponsorship evaluation may affect one's ability to effectively evaluate a sponsorship. Once these fears are discovered, the process model can be developed to overcome or mitigate their effects. During the interviews, the interviewees identified a total of 18 fears about sponsorship evaluation. These were analyzed, grouped and presented in Table 26 below.

Table 26: List: Fears about Sponsorship Evaluation

<i>Fear</i>	<i>Mentions</i>	<i>Expert Provided Support</i>
Fear of negative results or failed event (sponsors fear lost investment/ sponsees fear not getting renewed / fear of 3rd party evaluation)	14	What will happen? What if we don't achieve our objectives? What will my boss say? Could we lose key contacts or damage key relationships? What if we run out of time or resources? What if other priorities come up?
Fear that investment was not leveraged or properly leveraged	2	For whatever reason (lazy, financial, etc.) we didn't leverage like we should have...what if senior management finds out?
Fear that reason will be uncovered	1	Senior management fear that it will be discovered that they invested because of personal interest or connection
Sponsee fear of asking/using more money for evaluation	1	We've already spent a lot of dollars and time, will people object to more?

Table 26 demonstrates a strong consistency amongst the experts that a fear of negative results is a major problem in sponsorship evaluation. Additionally three minor themes

were identified that may also be related to the major theme, as fears about leveraging, revealing the true reason for a sponsorship and asking for resources for an evaluation could all be generated by a fear of negative results or a fear of those who fear negative results.

6.1.5.6 Benefits of Evaluation

Given the expectation that evaluation results – positive or negative – would impact future funding decisions and that various barriers and fears would impede sponsorship evaluation, interviewees were asked to share some of the benefits of a well-done evaluation so that the benefits could be used to help make the case to sponsors and sponsees to evaluate properly. The interviewees mentioned 22 benefits, which were analyzed and grouped by theme. This process generated two major themes around the benefits of evaluation. First, experts pointed to the fact that a well-done sponsorship evaluation provides direction and justification (mitigated risk) for future business decisions (12 mentions). Second, the interviewees stressed the benefit that a well-done sponsorship evaluation provides specific measured results on the objectives of interest to all parties involved (including shared objectives) including both ROI and media benefits (10 mentions).

6.1.5.7 Frequency of Dually-Supported (Sponsor and Sponsee) Evaluation

The final question in this part of the interview simply asked experts to estimate how often sponsorship evaluation occurs with both the sponsor and the sponsee fully supportive of the evaluation. Given the position that this is an ideal scenario, the

frequency of this occurrence was deemed important to the research. Reporting provided by the expert interviewees was varied and inconclusive: three experts opted out of answering the question, five noted that such situations are very rare, four noted that it is common or increasing in frequency (“I think it is more common than it used to be (SSee_1)), and 2 (SSee_2; Int_1) suggested it is something that sponsees would like but are not privy to.

6.1.6 Understanding the Timing of Evaluation

The final series of interview questions focused on developing an understanding around the timing of evaluation. The results of these questions were reviewed and analyzed to provide background on timing. When asked at what point evaluation is typically first discussed, the experts were divided in their opinions: six indicated ‘pre-contract’, five said ‘during-contract’, and three noted ‘post-contract’. Deeper analysis provides interesting results. Of the six experts who indicated that evaluation was first mentioned pre-contract during negotiations, four were sponsors and two were intermediaries, but notably, none were sponsees. Of the five experts who said that evaluation was mentioned during the contract, three were sponsees and two sponsors; perhaps implying that evaluation in these cases was driven by a senior management request for an ROI. The three experts who recalled that evaluation is typically mentioned post-contract are all involved principally with non-profit and minor properties, so perhaps this is their reality due to resource issues. One of the interviewees (SSee_3) provided a detailed response that summarizes these issues and demonstrates the importance of evaluation.

When I first started [this job] there was a mixture of ROI relationships and there were buddy to buddy or colleague relationships. So, through that first 4 years, we kind of lived through the ups and downs of that and we conducted a major process of renewal in 2001/2002 season...and attempted to shift everything more to ROI deliverables. Then we talked at that time knowing that the possibility of the Olympics coming to Vancouver and our concern was sponsorship...36 to 38% of our gross revenue and we thought that we needed to protect ourselves and position ourselves properly leading up to 2010 but also more importantly protect post 2010. So, knowing that you need a product to sell, we spent some time managing...kind of collecting and building our inventory of events...so we gathered that, put that all in place and we had that package ready to go pre the July 2003 or 2004 announcement regarding 2010...we then went through a process where we evaluated our sales agency at the time and decided it was best to bring it in house and contracted a new sponsorship sales employee dedicated to us and also dedicated to selling inventory around our major events so we're not re-inventing the wheel. Then the last piece of the puzzle was OK how do we find out what all of this is worth...how do we put in place some reasonable approach to evaluate this and see what it is worth. So, evaluation is kind-of the last piece of that puzzle.

The experts (13 out of 14) believe strongly that evaluation can happen post-hoc but they caution – on a number of levels – that it can only work if planned properly, in an unbiased fashion, with access to reliable and valid data as noted by SSee_2: “it is just a matter of having access to deliverables and research, such as ratings or visibility scores”.

6.1.7 Updated Sponsorship Evaluation Process Model

Expert interviewees were asked to review the first draft (D1) of the Process Model. The protocol involved allowing the interviewee as much time as they would like to review the model followed by the interviewer taking three to five minutes to explain the model and its terminology. This then led, typically, to discussion around the model and identification of areas where it could potentially be improved. The level of this discussion varied widely by interviewee, ranging from no discussion (one expert) to

animated feedback that lasted 30 minutes and carried over into lunch (five experts). Three of the experts asked for the model to be sent by email and then provided additional feedback in the weeks following their interviews.

Results revealed unanimous agreement amongst the 14 interviewees that the model is needed and appropriate to sponsorship evaluation. SSee_1 commented that: “I think it is actually really good...these are things that I know but I haven’t seen it laid out like that” while SSor_4 said “it is complex but looks good to me”. SSee_3 supported the model as well: “I think that we follow many of those steps. I don’t think that there is anything there I would look at and go ‘oh jeez we do something differently” (SSee_3). SSee_4 said “I have nothing to add...looks comprehensive to me”. A very positive sign was that five of the experts offered one of their sponsorships to test the model. In general, the experts also like the concept of reach (SSee_3; SSee_2; SSee_4) and the fact that the model was conservative and realistic in nature (Int_1; SSor_1; SSor_6).

A number of suggestions (18) were proposed to improve the process model. In this regard, two sources of suggestions were obtained: (i) those explicitly provided in the final question of the expert interviews, as well as (ii) those refinements gleaned from the analysis of the expert interviews. Each suggestion was reviewed in detail and carefully considered. A list of the suggested alterations, the rationales for consideration and the adoption statuses follows in Table 27:

Table 27: Process Model Refinements

<i>Proposed Change</i>	<i>Rationale given by Expert</i>	<i>Adoption Status</i>
Length of implementation clarified	If done properly, model could require 3 years with significant data required (Int_2; SSee_2)	No change. Implicit in the model.
Objectives (Step 3) need to also be considered in Step 1 (i.e. a forecast)	Avoid embarking on evaluation if objectives are not known to avoid inefficiency as you shouldn't do a sponsorship unless you know objectives up front (SSee_1; Int_4)	Built into Step 1, Setting the Stage as a sub-point under item 1.
Where is the mega-sponsee versus typical sponsee stuff we talked so much about?	If it is so important why isn't the distinction very clear in the model? (SSee_1)	Built into Step 1, part 1 – determination of scenario
Be clear that philanthropy or donation is not sponsorship	Since you are not acquiring someone else's equity they should not be included (SSee_1; SSor_3)	Wording clarified in Step 1
Enhance importance of upfront determination of sponsorship or not	The working definition is good...want to make sure that only those that meet the definition go forward (SSee_2)	Wording clarified in Step 1
Ideally, model needs to be set up to be used by both sides	Sponsor and sponsee use (SSee_2)	No change. Implicit in the model.
Include upfront cost/benefit analysis before going forward	"we want to know that although there is this exchange of cash for return of services, at the end of the day if it doesn't make us money, if it doesn't deliver something to the bottom line or if it doesn't help us deliver a program better, then that is not our business. There has to be a net to the bottom line" (SSee_3)	New step added to Step 1: called the "Cost/Benefit Pre-Test"
The inclusion of industry specificity (i.e. industry-based impacts)	"The biggest gap that exists is that you cannot build or apply a model that would apply to every industry or every company" (SSor_1)	'Industry effects' added to Step 2/3 box that influences attributes of relationship
Include a more holistic perspective on sponsorship	Regarding sponsorship from a relationship marketing framework is new in the literature (SSor_2)	No change. Implicit in the model.

Include 'major event' impact	"If something happened that changed the flow of the partnership. Let's say something major so an athlete drops out of an event. For example, Mats Sundin leaves the Leafs and a sponsor had their program built around them. Do you feel that this contingency factor, this feedback loop is included in the model?" (SSor_2)	"Unplanned events" impact added to shirking box (Step 5)
Consideration of co-sponsorship effects	"There is usually more than one sponsor who all have different goals and you have to know that going in...move it up to beginning" (Int_4)	"Co-sponsoring effects (activities of other sponsors)" added to external influences box (Step 6/7)
Consider augmenting consideration of 'shirking' effect	I don't think it has every really been measured (SSor_3)	(-) added to shirking box (Step 5) to demonstrate that it will be subtracted from results
Include rigorous data collection which includes face-to-face time with key decisions makers	Necessary to understand clearly the objectives and motivations of those involved, which then enables improved evaluation (SSor_3)	'Talk to Key Players' box added to Step 4 (Establish Metrics)
The role of economic impact needs to be further considered	Would consideration of these models help? (SSor_3)	Nothing added but concept of direct, indirect and intangible impacts may be used to report results
Flexible implementation is a necessary aspect of the model	"...everybody's business objectives are different...I think that there has to be some sort of flexibility or something that allows you to tailor the model to your business that will make sense for your world...it would be great if an adaptable, flexible model that was easy to implement could be developed and shared" (SSor_1)	The process model designed with flexibility in mind so it can be customized for each sponsorship evaluation

As outlined in Table 27 above, a number of changes were made to the model to improve its functional usefulness. Based on these changes, the updated model follows:

Figure 10: Draft Process Model VERSION D2

6.2 Results Phase 2: Sponsorship Evaluation Case Studies

Each of the two sponsorship evaluation case studies is presented in this section separately. For each evaluation, the research approach involves implementing the steps of Process Model D2. Results and analysis are presented for each of the case studies per the steps taken and the data gathered at each step, with methodological considerations provided where necessary, including an introductory background analysis on how each case study was conceived. For each case, the steps and sub-steps are presented in the same order as they appear in Process Model D2. As noted in Chapter 5 (methodology), methods, results and analysis are presented together to best articulate the implementation of the process model.

6.2.1 Sponsorship evaluation 1: ATB Financial – Edmonton Grand Prix Sponsorship

On November 26, 2005, the author presented an early version of this process model at the Canadian Sponsorship Forum in Vancouver, British Columbia. Following the presentation, he was approached by Kelly Rudan, the Marketing Manager of ATB Investor Services – a key division of a large Alberta-based financial services institution - and a discussion ensued regarding the model and sponsorship evaluation. The discussion carried over into further phone and email communication leading to the proposed idea of using the model to evaluate ATB's forthcoming (at the time) sponsorship of the Edmonton Grand Prix car race, one of the largest events in the province.

6.2.1.1 Step 1: setting the stage

The following four sub-sections follow the four sub-sections of Step 1 of the process model.

6.2.1.1.1 Identify sponsorship

This sub-section introduces the key players in the sponsorship. Alberta Treasury Branches (ATB Financial) has assets of \$17.6 billion making it one of Alberta's largest full-service financial institutions. Its competitors include the 'Big 5' Canadian banks (CIBC, RBC, Scotiabank, TD Bank, and Bank of Montreal), Credit Unions and the Canadian Western Bank (Rudan, 2006a). Headquartered in Edmonton, ATB serves over 600,000 Albertans in 245 communities through 151 branches, 135 agencies³⁵, and a Customer Contact Centre in Calgary. ATB has approximately 3,500 employees who work in the head office, the call centers, the processing centers and the branches. ATB also reaches its customers via Automated Banking Machines (ABMs), Internet and Telephone. The bank offers a wide range of wealth management products and services through its ATB Investor Services division. ATB, formerly a government entity, is managed by a Board of Directors which is appointed by the Lieutenant Governor of Alberta. ATB has been performing very well in recent years. In fact, since 1997, the bank has reported a profit in every quarter and its market share has grown significantly. The results of ATB Financial's year-end March 31, 2006 report underline the bank's strong position with net income of \$198.7 million, assets of \$17.6 billion, total deposits of \$15.9 billion, loans amounting to \$14.8 billion, and equity of \$1.35 billion. ATB also holds a number of important memberships and maintains partnerships with key

³⁵ Agencies refer to partner financial institutions such as a local credit union

organizations, including Canadian Payments Association, Interac Association, MasterCard Canada, and Canadian Bankers Association. ATB is organized in four divisions including ATB MasterCard. The other divisions are Investor Services, Business Financial Services and Customer Financial Services.

ATB's market share has been growing; however industry study results demonstrate some uncertainty as to how much. One study (see Table 28 below) shows ATB Financial as ranking 3rd in Alberta with 13% of the market of Albertan Financial Institutions.

Table 28: Financial Institution Market Share, Alberta, 2002 and 2005

<i>Financial Institution</i>	<i>Market Share (2005)</i>	<i>Market Share (2002)</i>
RBC Financial	21%	20%
TD Canada Trust	17%	18%
ATB Financial	13%	8%
CIBC	12%	14%
Any Credit Union	11%	12%
Scotiabank	10%	6%
Bank of Montreal	9%	14%
President's Choice	4%	1%
HSBC	1%	0%
ING Direct	0%	0%
National Bank	0%	0%

Source: Market Share in Alberta (Main Institution, Primary Users), Third Party Agency Report

However, based on a different study that shows ATB Financial with an 8.7% market share, Figure 11 below shows ATB Financial trailing the Big 5 Canadian banks in Alberta.

Figure 11: FI Market Share (Source: Third Party Report July 2006 (Alberta Only))

The 2006 Edmonton Grand Prix (EGP) was the 2nd running of a major automobile race in the city. It was scheduled for July 21st to 23rd, 2006 in Edmonton, Alberta. It was held at the City Centre Airport on a temporary 3.15km course. The event was part of the Champ Car World Series and was officially titled the '2006 West Edmonton Mall Grand Prix, presented by The Brick'. The title sponsors of the 2006 Champ Car World Series were Ford and Bridgestone, which hold promotional rights at all series' events. The EGP itself had 25 sponsors including ATB, as outlined in Table 29 below:

Table 29: 2006 EGP Sponsors

<i>Type of Sponsor</i>	<i>Sponsor</i>
Title Sponsor	West Edmonton Mall
Presenting Sponsor	The Brick
Platinum Sponsors (5)	EPCOR, Konica Minolta, Ford, Travel Alberta, Edmonton Tourism
Television Promotional Partner	Global Edmonton

Newspaper Promotional Partner	Edmonton Journal
Radio Broadcast Rights Holder	AM 630 CHED
Beer Supplier	Molson Canadian
Gold Sponsors (4)	The Sutton Place Hotel, ATB Financial, Driving Force Vehicle Sales Rentals Leasing, River Cree Resort and Casino
Silver Sponsors (3)	Hole's Gardening, Mac's, Pepsi
Pit Lane Club Sponsor	Capital City Savings Business Banking
High Octane Club Sponsor	SS INC Shipper and Supplier
Friends of the Grand Prix	Alberta Motor Association, ATCO Frontec, Roger's Wireless, Yellow Cab
This race was made possible by ³⁶	Edmonton Airports

****Note:** the amounts of the sponsorships and criteria for each type are not public information

The three-day agenda for the EGP involved both on-track and off-track activities providing three full days of entertainment for fans, running from 7:00am every morning until late each night. On-track activities included practice runs, qualifying rounds, various races, pace car track activities and autograph sessions. Off-track activities included 12 rock concerts (including names like Honeymoon Suite and 5440), autograph sessions, and a Miss Grand Prix pageant. The infrastructure for the event includes grandstand seating for over 50,000 people, theme parks, and a downtown race course on city streets. The Marketing Manager of ATB described it as follows: "this thing is more like a festival than a race, since there will be all sorts of activities there ranging from booths to rides to hosting venues to the race itself" (Rudan, 2006a). Ticket prices are outlined in Table 30 below:

Table 30: 2006 EGP Ticket Prices

<i>Ticket Package</i>	<i>Price</i>
Gold Package – 3-day reserved seating ('best seats at the track')	\$235
Silver Package – 3-day reserved seating ('close to the action')	\$170
Bronze Package – 3-day reserved seating ('prime racing areas')	\$105
Paddock Passes (houses the Champ Cars and team transporter vehicles)	\$50
Pit Passes (access to pit row, where cars and teams are located)	\$25

³⁶ "This race was made possible by" is one of the official sponsorship categories.

The decision and approval to proceed with the evaluation was officially made on February 16, 2006 following a cost-benefit pre-test and the subsequent approval by senior management at ATB. As the Process Model prescribes, a number of steps (described in the sub-sections that follow) took place prior to final approval (between November 28, 2005 and February 10, 2006) in order to be certain that the ATB-EGP sponsorship was an appropriate candidate for evaluation.

6.2.1.1.1.1 Pre-Sponsorship Investigation

This subsection describes the investigation vis-à-vis the four aspects of Process Model D2 Step 1, Box 1. The purpose of this is to learn enough about the sponsorship to allow for a preliminary assessment to determine if the sponsorship is an appropriate candidate for evaluation. This pre-investigation involved numerous email and phone conversations between the author and the ATB Marketing Manager, as well as a review of the event and ATB websites. Following this review, it was observed that this sponsorship meets all the dimensions of the working definition of sponsorship (see Table 31 below for full explanation of how each tenet was met), that both sponsors and sponsees have objectives (Rudan, 2005a), that both parties would be willing to contribute to and participate in the evaluation (Rudan, 2005a) and that it meets the definition of a mega-sponsee sponsorship situation (“...the Grand Prix race itself is a huge event, worldwide TV coverage, Alberta's largest event along with the Calgary Stampede...with, in my estimation, over ten million [dollars] in sponsorship revenues” (Rudan, 2005b)). Discussions about the sponsorship also revealed that the objectives of the sponsorship were complex and extensive enough to warrant evaluation (Rudan 2005b; Rudan 2006b).

Finally, it was noted that the evaluation process would contribute to the development of the process model.

Table 31: ATB-EGP Sponsorship and Working Definition

<i>Dimensions of Operational Definition</i>	<i>How met by ATB-EGP Sponsorship</i>
One party (the sponsor) invests resources in another party (the sponsee), where: a. the sponsee provides promotional value in return, and b. the sponsor makes the investment in order to achieve image-based, brand-based and/or media-based objectives.	ATB Bank is investing significant resources to become a sponsor of the Edmonton Grand Prix automobile race where the EGP is providing ATB with promotional value in return for cash. ATB has image, brand, media and sales objectives.
The relationship between the sponsor and the sponsee is a principal-agent relationship, where the sponsee provides a service to the sponsor.	ATB is taking the role of principal and has contracted EGP as its agent to achieve a variety of marketing objectives.
Joint sponsor-sponsee activities are part of the sponsorship.	ATB will be working with the co-sponsor (MasterCard) and EGP on a number of initiatives.
Consumers (or members of the target market of the promotion) are exposed to three specific entities: the sponsor's brand, the sponsee's brand and the sponsor-sponsee association.	In addition to ATB and EGP, the sponsorship involves considerable promotion of the ATB-EGP association via a variety of activities (e.g., website, go-kart track).
Consumers (or members of the target market of the promotion) consider the sponsor of a given sponsee to be a partner of that sponsee, and this consideration lasts longer than the sponsorship due to the goodwill or emotional ties that consumers build over time.	EGP promotes all of its sponsors as partners in bringing such a major event to the city and the province. In the case of ATB, its messaging includes identifying ATB as a partner in Alberta.
The sponsor-sponsee association is exploited or leveraged by one or both parties.	Both ATB and EGP had extensive plans to leverage the sponsorship.
The transfer of elements of the sponsee's image to the sponsor is of interest to the sponsor.	One of ATB's objectives is to re-brand itself as a full-service Albertan bank particularly in the cities, an element of the EGP's image.
The exclusivity of the sponsorship is of interest to the sponsor.	As per the sponsorship contract.
Congruency (fit) between the sponsor and the sponsee is important to both parties.	Given the mega-sponsee situation both parties considered their options and determined that congruency exists. Both parties noted that they had alternative options to consider.
Philanthropy is not the primary objective of the sponsor (i.e. the investor has non-philanthropic expectations from the sponsorship).	ATB's decision to sponsor is a business decision.

6.2.1.1.2 Build relationships

This sub-section reports on the status of the relationships between each organization involved with the sponsorship and the doctoral researcher. In addition to the sponsor (ATB) and the sponsee (EGP), four intermediaries were identified: (i) Stratotech who ran the Go-Kart track, (ii) ATB MasterCard, (iii) the sign-maker, and (iv) the vendor who supplied food and drink for the hospitality suite. The author then assessed that solid relationships were in place – or would be possible to develop – with the sponsor, the co-sponsor, the sponsee and the related intermediaries. This was accomplished through frequent communications, ‘selling’ the benefits of the evaluation and meeting deadlines. A key factor in this process was the strong support and high level of interest expressed by representatives from ATB (Rudan, 2006b).

6.2.1.1.3 Cost-benefit pre-test

Following the identification of the sponsorship and the establishment of solid relationship foundations, an informal cost-benefit pre-test was carried out by the author. This involved consideration of (i) the reach of the Mega-sponsee, (ii) the estimated size of the sponsorship that was communicated (Rudan, 2005a), and (iii) the potential impact of the general objectives expressed or forecasted from the discussions to that point (Rudan, 2005b; Rudan, 2006a). The results of the pre-test indicated that considerable costs were to be incurred and that considerable benefits were anticipated, thus making the sponsorship an ideal candidate for evaluation.

6.2.1.1.3 Decision

The fourth step was the GO/NO-GO decision which was made over a two day period of February 15, 2006 when the author proposed going ahead formally and February 16, 2006 when ATB Financial agreed to the evaluation, with final approvals of surveys and a non-disclosure agreement to be completed at a later date.

6.2.1.2 Step 2: Collect data concerning the sponsorship

Following the February 16 approval of the evaluation, data collection concerning the sponsorship (Step 2 of the Process Model) began. This process lasted for a total of 10 months. This length of time was required for four major reasons, including (i) achieving ATB internal approvals for the sharing of information including the signing of non-disclosure agreements (NDAs), (ii) awaiting completion of important documents related to the sponsorship (e.g. marketing plan), (iii) updating work due to consistently changing documentation (e.g. budgets), and (iv) the process of convincing other parties (beside ATB) of the value of the sponsorship evaluation.

6.2.1.2.1 Data gathering

The purpose of this step is to accumulate the necessary information related to the sponsorship, with the particular goal of identifying the objectives sought by the sponsorship. This process included obtaining and reviewing various documents, based on Process Model D2, which prescribes a review of the formal sponsorship contract, sponsor input, sponsee input and intermediary input. The documents accessed are presented in the following table in chronological order.

Table 32: Secondary data sources

<i>Document</i>	<i>Source & Date</i>	<i>Rationale for Retrieval</i>
A preliminary version of the sponsorship contract	Received February 28, 2006 from ATB Financial	Identification of objectives
ATB's marketing plan for the EGP sponsorship	Received February 28, 2006 from ATB Financial	Identification of objectives
EGP marketing plan (preliminary)	Received May 10, 2006 from EGP	Identification of objectives
2004 ATB market share data by branch	Received May 12, 2006 from ATB Financial	Development of Metrics
MasterCard preliminary budget for ATB-EGP sponsorship	Received June 14, 2006 from ATB-MasterCard	Identification of objectives and development of metrics
EGP marketing plan (final)	Received June 14, 2006 from EGP	Identification of objectives
EGP media plan	Received June 14, 2006 from EGP	Identification of objectives and development of metrics
Final, signed version of sponsorship contract	Received July 30, 2006 from ATB Financial	Confirmation of objectives
ATB sponsorship group internal review	Received July 30, 2006 from ATB Financial	Information for evaluation
ATB sponsorship budget EGP	Received July 30, 2006 from ATB Financial	Information for evaluation
ATB media plan budget EGP	Received July 30 2006 from EGP	Information for evaluation
ATB Internal Review of On-site Activity	Received August 1, 2006 from ATB Financial	Information for evaluation
MasterCard final budget for ATB-EGP sponsorship	Received August 14, 2006 from ATB MasterCard	Information for evaluation
ATB budget (final)	Received August 20, 2006 from ATB Financial	Information for evaluation
ATB legal sign-off on evaluation	Received August 28, 2006 from ATB Financial	Permission to continue
MasterCard Post-Mortem Report	Received September 1, 2006 from ATB Financial	Information for evaluation
Email testimonials from ATB staff and guests	Received September 5, 2006 from ATB Financial	Information for evaluation
ATB Alberta market share research information	Received: October 12, 2006 from ATB Financial	Information for evaluation

The contract noted on two occasions in Table 32 is of particular interest given that it serves as the unit of analysis for this evaluation. The approved version of the contract was 16 pages in length and very detailed.

The documents noted in Table 32 were supplemented with considerable personal communication (including emails and phone calls) and interviews, notably:

1. Extensive Feedback on Questions by Kelly Rudan (received: March 27, 2006)
2. Phone Conference Interview with ATB Marketing Team (Rudan and Arychuk) (completed: March 28, 2006)
3. Extensive Feedback on Questions by Kelly Rudan (received: April 25, 2006)
4. Extensive Feedback on Questions by Kelly Rudan (received: May 10, 2006)
5. Extensive Feedback on Questions by Kelly Rudan (received: May 12, 2006)
6. Extensive Feedback on Questions by Kelly Rudan (received: June 26, 2006)
7. Extensive Feedback on Questions by Kelly Rudan (received: July 10, 2006)
8. Extensive Feedback on Questions by Kelly Rudan (received: July 11, 2006)
9. Phone Interview with Kathy Arychuk (ATB) on July 27, 2006
10. Phone Interview with Candice Sperling (MasterCard) on July 27, 2006
11. Author 3-day visit to Edmonton and ATB offices (July 30th to Aug 1, 2006), which included in-depth interviews with 2 representatives of the sponsee and 5 representatives of the sponsor.

It should also be noted that ATB did considerable due diligence on the nature of this research and the researcher to protect ATB and validate the project; particularly with two initiatives:

1. Non-Disclosure Agreement

2. Interview with ATB's Vice-President of Marketing on August 1, 2006

Through the investigation, only one of the intermediaries was identified as having more interest in the ATB-EGP sponsorship than simply supplying services to either the sponsor or the sponsee. This was ATB MasterCard whose situation vis-à-vis the sponsorship is quite interesting. ATB's MasterCard Marketing Manager describes the relationship:

MasterCard International is sort of the governing body for MasterCard so they don't actually have a MasterCard but they own the brand. So that would be brand ownership and then we [MasterCard at ATB] are a MasterCard supplier...Let me just clarify the funding of the sponsorship a little bit. MasterCard International put in a little bit of money but we [MasterCard at ATB] put in the majority here. Because MasterCard International is always interested in branding and they do have funds set aside to help suppliers or – from their perspective – vendors. But, we put in the majority of the dollars. (Sperling, 2006)

Essentially, MasterCard is one of the products that ATB offers (Sperling, 2006; Rudan, 2006d), so ATB MasterCard and ATB Investor Services could be viewed as co-sponsors of the EGP. This was further supported by ATB's Manager of Community Relationships who indicated that "MasterCard is one of our products, our product lines and so this sponsorship was sort of a co-sponsorship" (Arychuk, 2006). Based on this, the ATB sponsorship was viewed as a co-sponsorship for the process model implementation.

6.2.1.2.2 *Attributes of the sponsor-sponsee relationship*

The following attributes of the sponsor-sponsee (ATB-EGP) relationship were observed as per Process Model D2:

- *Sponsorship Age*: This was the first year of a two-year agreement for ATB-EGP. For the EGP, it was the second year of its existence. This sponsorship took place in the

third year of ATB's enhanced marketing efforts and planning that included sponsorship (Rudan, 2006c). Thus, it was a new sponsorship as ATB had not sponsored a car race previously.

- *Sponsorship Size*: In considering sponsorship fees, leveraging investments and other costs, the ATB sponsorship of the EGP exceeds \$500,000/year, making it a medium-sized sponsorship³⁷.
- *Sponsee Type*: As supported above, this is an instance of a Mega-sponsee (see section 2.1.2.5 for definitions of mega-sponsee and typical sponsee).
- *Phase*: the research started during the contract negotiations phase of the sponsorship, eight months prior to the event and continued until two months post-event.
- *Type (industry)*: There are three industries of interest here:
 - Financial Services and Credit Card Services: these industries are both characterized by the following trends: (i) increased competition, (ii) satisfied customers, (iii) the high-growth economy in Alberta: new people, more investment dollars, etc., (iv) baby boomer inheritances to come, (v) increased confidence in credit/bank cards, and (vi) increased investments for retirement/education/etc. (Rudan, 2006c).
 - Car Races: comprised of a number of different sub-industries (Formula 1, NASCAR, Champ Car, etc.), this is a fast growing (spectator) sport in North America. Although much of its popularity is in the United States, it is gaining acceptance in Canada (Edmonton Grand Prix General Manager, 2006).

³⁷ The label of 'medium-sized' sponsorship is based on an author-created scale which views any sponsorship of under \$10,000 in value as *very small*; between \$10,000 and \$100,000 as *small*; from \$100,000 to \$1,000,000 as *medium*; from \$1,000,000 to \$10,000,000 as *large*; and greater than \$10,000,000 as *very large*.

- *Resources:* The ATB sponsorship of the EGP is cash only. No in-kind contributions are included. Both the sponsor and sponsee leveraged with additional funds:
 - *Sponsor (ATB)* – ATB (including MasterCard) invested an additional \$240,289.63 to leverage its \$200,000 sponsorship, ratio of 1.2:1.
 - *Sponsee (EGP)* – invested \$2.9 million in a promotional budget (TV, internet, radio, etc.) was put in place in Alberta (90%) and beyond. ATB had minor coverage as a gold sponsor in such promotions.
 - The media collateral (materials: posters, flyers, etc.) that accompanied the sponsorship went out in branches in early June, media shortly after with primary theme: “Win tickets by visiting www.atbgrandprix.com”.
 - Merchandising: ATB decided against any merchandising.
- *Level:* ATB is a gold sponsor of the EGP (see table 29 above), meaning that ATB is an important but secondary sponsor (i.e. not title) of the EGP.
- *Sponsor-Sponsee fit:* Representatives from both sides confirm that they feel there is a good strategic fit between ATB and the EGP due to their shared markets.
- *Pre-existing opinions:* No significant pre-existing opinions of the sponsor by the sponsee and vice-versa were observed; as expected with a first-time sponsorship.
- *Target Market:* Research conducted by the EGP at the 2005 event provides a general description of the target market who attends the event:
 - 93% attendees live in the province of Alberta
 - Average age: 36
 - Age range: 86% were between 18 and 54
 - More than 50% had post-secondary education
 - Average household income: \$75,000
 - 72% male
 - 67% married

6.2.1.3 Step 3: *Articulate Objectives*

The purpose of this sub-section is to review the contract, interview data and source documents with the purpose of harvesting and articulating all the objectives of the sponsorship. Following a review of the contract, marketing plans, organizational strategies, sponsor input (via interview), sponsee input (via interview) and intermediary input (via interview), the articulation of objectives chart was first drafted on May 4, 2006. This chart was then sent to the marketing group at ATB (4 individuals) requesting comments. Detailed feedback concerning the sponsorship was returned from ATB on May 10, 2006 by the marketing department in the form of comments for each objective. This type of communication continued until post-event as input and documentation continued to be received until October of 2006.

The final version of the 'articulation of objectives' table is outlined below in Table 33 and includes both the formal and the implicit objectives obtained from the data collection. Specifically, objectives and their targets (reach) were obtained following review of the following (i) the sponsorship contract, (ii) marketing plans for each of sponsor, sponsee and co-sponsor, and (iii) in-depth interviews (transcripts) with the leads on the sponsorship from each of the sponsor, sponsee and co-sponsor. Note that those objectives from the contract would be the formal/explicit ones while those from the interviews would be considered informal/implicit. It is important to note that objectives are presented as they were expressed in the contract, documentation or interview transcripts. This research did not involve the researcher constructing or altering the wording of any of the objectives.

Table 33: ATB-EGP Sponsorship: Articulation of Objectives

Data Source	Objective for ATB	Reach
Contract (signed June 6, 2006) – developed using the April 12, 2006 draft and updated with final version once received. Objectives were identified via thorough review of the contract.	Customer Acquisition	Edmonton residents who are not ATB customers
		Calgary residents who are not ATB customers
		Other residents of Alberta who are not ATB customers
	“Impact” key customers and prospects	Top 1% of customers (or prospects); both business and personal
	Increase awareness that ATB exists	All Albertans
	Increase awareness that ATB cares about Alberta	All Albertans
	Improve brand prestige in current customers	Current customers
	Internal marketing (increase employee motivation)	All Staff
Sponsor Interviews (Kelly Rudan and Kathy Arychuk – March 29, 2006; Kelly Rudan May 12, 2006; Kelly Rudan, June 26, 2006)	Achieve competitive advantage over other banks	All Albertans
	Establish ATB as a major player in the Alberta banking market	Residents of Alberta who currently utilize ATB banking products and services
		Residents of Alberta who currently utilize banking products and services of other banks
	Re-branding: continued effort to move from being viewed primarily as a ‘small town Alberta bank’ to a full-service province-wide bank	Residents of Alberta who currently utilize ATB banking products and services
		Residents of Alberta who currently utilize banking products and services of other banks
	Internal marketing: build employee pride in ATB	All Staff
Data Source Sponsee Interview (EGP Director and Sponsorship Consultant); both August 1, 2006)	Assess sponsorship effectiveness	Senior Management
	Objective for EGP	Reach
	Revenue Generation	Sponsors in Gold Category
	Develop long-term partnerships	ATB
	Build an affinity with Alberta market	All Albertans
Data Source Intermediary (Co-sponsor): ATB MasterCard: Documents and Candice Sperling Interview, July 26, 2006	Effectively service sponsors	ATB Sponsorship Management & Staff
	Objective for ATB MasterCard	Reach
	Customer acquisition	Attendees of EGP who did not previously have an ATB MasterCard
	Awareness of the ATB MasterCard	All Albertans

Table 33 lists the 21 objectives pursued by the sponsorship participants. Each ‘reach’ is considered a distinct objective. Of these 21 objectives, 9 were formal and 12 informal.

6.2.1.4 Step 4: Establish Metrics

The purpose of this step is to work with the relevant players involved in the sponsorship to collaboratively develop the evaluation metrics for each objective. Table 34 below outlines the metric developed for each of the 21 objectives. Eight data collection exercises (see Table 35) were designed to acquire the data necessary for evaluating the 21 objectives. It is important to note that the selection of metrics and methods to measure each objective was based on a collaborative decision-making process between the researcher, ATB, the EGP and ATB MasterCard vis-à-vis resources available and the relative importance of the objective.

Table 34: ATB – EGP Sponsorship: Metrics

Objective	#	Reach	Metrics	Method	Rationale for Selection
Customer Acquisition	1	Edmonton residents who are not ATB customers	<ul style="list-style-type: none"> •Macro-micro approach using both consumer survey data at the branch as well as internal company sales data to ascertain contribution of sponsorship to customers acquisition 	<ul style="list-style-type: none"> •In-branch surveys to sample (one Edmonton branch) •Overall changes in customer base and balances (from internal ATB data) 	<ul style="list-style-type: none"> •Access and cooperation possible •Supportive branch manager •One branch considered as a representative sample
	2	Calgary residents who are not ATB customers	<ul style="list-style-type: none"> •Macro-micro approach using both consumer survey data at the branch as well as internal company sales data to ascertain contribution of sponsorship to customers acquisition 	<ul style="list-style-type: none"> •In-branch surveys to sample (one Calgary branch) •Overall changes in customer base and balances (from internal ATB data) 	<ul style="list-style-type: none"> •Access and cooperation possible •Supportive branch manager •One branch considered sufficient
	3	Other residents of Alberta who are not ATB customers	<ul style="list-style-type: none"> •Proxy analysis from opinions expressed by micro-site visitors compared to overall changes in customer base and balances (non-Calgary/non-Edmonton residents) 	<ul style="list-style-type: none"> •www.atbgrandprix.com micro-site web-based survey •Overall changes in customer base and balances (from internal ATB data) 	<ul style="list-style-type: none"> •Branch access outside of Edmonton and Calgary not readily available & expensive •Best alternative option available
“Impact” key customers and prospects	4	Top 1% of customers (or prospects); both business and personal	<ul style="list-style-type: none"> •Combination qualitative and quantitative study using the hospitality suite for sampling. •Qualitative metric was post-event interviews with suite hosts. •Quantitative metric adopted survey of guests to determine satisfaction with suite based on internal ATB data. 	<ul style="list-style-type: none"> •Suite host interviews •Onsite hospitality survey •Invitee analysis to determine cost/hit •Review of aggregate ATB internal data for Top 1% 	<ul style="list-style-type: none"> •Best access to very specific target market •In-event situation •Supportive Suite Hosts and organizers (ATB) •Low cost/high return
Increase awareness ATB exists	5	Albertans	<ul style="list-style-type: none"> •Mass market survey of representative sample 	<ul style="list-style-type: none"> •Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> •Representative sample •Sufficient sample size •Expensive but resources available through ATB
Increase awareness that ATB cares	6	Albertans	<ul style="list-style-type: none"> •Mass market survey of representative sample 	<ul style="list-style-type: none"> •Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> •Representative sample •Sufficient sample size •Expensive but resources available through ATB

Improve brand prestige in current customers	7	Current customers	<ul style="list-style-type: none"> •Branch surveys of representative sample of ATB customers 	<ul style="list-style-type: none"> •Branch surveys in one Edmonton and one Calgary branch 	<ul style="list-style-type: none"> •Access and cooperation possible •Supportive branch manager •Two branches considered sufficient
Internal marketing (motivation)	8	Staff	<ul style="list-style-type: none"> •Survey staff on satisfaction with the sponsorship including an analysis of employee ticket program 	<ul style="list-style-type: none"> •Jan 2006 ATB-wide satisfaction survey •Employee interviews •Analysis of employee ticket program 	<ul style="list-style-type: none"> •Ideal metric (employee survey post-event) cancelled by ATB senior admin •Best alternative available
Achieve competitive advantage	9	Albertans	<ul style="list-style-type: none"> •Mass market survey of representative sample 	<ul style="list-style-type: none"> •Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> •Representative sample •Sufficient sample size •Expensive but resources available through ATB
Establish ATB as a major player in the Alberta banking market	10	Residents of Alberta who currently utilize ATB banking products and services	<ul style="list-style-type: none"> •Branch surveys of representative sample of ATB customers 	<ul style="list-style-type: none"> •Branch surveys in one Edmonton and one Calgary branch •Microsite survey 	<ul style="list-style-type: none"> •Access and cooperation possible •Supportive branch manager •Two branches considered sufficient
	11	Residents of Alberta who currently utilize banking products and services of other banks	<ul style="list-style-type: none"> •Mass market survey of representative sample 	<ul style="list-style-type: none"> •Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> •Representative sample •Sufficient sample size •Expensive but resources available through ATB
Re-branding: continued effort to move from being viewed primarily as a 'small town Alberta bank' to a full-service provide-wide bank	12	Residents of Alberta who currently utilize ATB banking products and services	<ul style="list-style-type: none"> •Branch surveys of representative sample of ATB customers 	<ul style="list-style-type: none"> •Branch surveys in one Edmonton and one Calgary branch •Microsite survey 	<ul style="list-style-type: none"> •Access and cooperation possible •Supportive branch manager •Two branches considered sufficient
	13	Residents of Alberta who currently utilize banking products and services of other banks	<ul style="list-style-type: none"> •Mass market survey of representative sample 	<ul style="list-style-type: none"> •Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> •Representative sample •Sufficient sample size •Expensive but resources available through ATB
Build employee pride in ATB	14	Staff	<ul style="list-style-type: none"> •Survey staff on pride including an analysis of employee ticket program 	<ul style="list-style-type: none"> •Employee interviews •Analysis of employee ticket program 	<ul style="list-style-type: none"> •Ideal metric (employee survey post-event) cancelled by ATB senior admin •Best alternative available

Assess sponsorship effectiveness	15	Senior Management	<ul style="list-style-type: none"> • This sponsorship evaluation 	<ul style="list-style-type: none"> • Sponsor, Sponsee, Co-sponsor interviews • Overall results of study 	<ul style="list-style-type: none"> • Reason for this research
Revenue Generation	16	Sponsors in Gold Category	<ul style="list-style-type: none"> • Amounts per category determined based on budget needs 	<ul style="list-style-type: none"> • Assessment versus objective achieved (\$410,000 for 2-years) (Edmonton Grand Prix General Manager, 2006) 	<ul style="list-style-type: none"> • Access to financial information available • Support from sponsor/sponsee
Develop long-term partnerships	17	ATB	<ul style="list-style-type: none"> • In-depth qualitative study sampling representatives from partner of interest 	<ul style="list-style-type: none"> • Post-event interviews with sponsor and sponsee representatives 	<ul style="list-style-type: none"> • Most appropriate way to evaluate difficult issue to measure • Access to both sponsor and sponsee key stakeholders possible
Build an affinity with Alberta market (through ATB association)	18	Albertans	<ul style="list-style-type: none"> • Mass market survey of representative sample 	<ul style="list-style-type: none"> • Mass market telephone survey of Albertans 	<ul style="list-style-type: none"> • Representative sample • Sufficient sample size • Expensive but resources available through ATB
Effectively service sponsors	19	ATB Sponsorship Management & Staff	<ul style="list-style-type: none"> • In-depth qualitative study sampling representatives from partner of interest 	<ul style="list-style-type: none"> • Post-event interviews with sponsor and sponsee representatives 	<ul style="list-style-type: none"> • Most appropriate way to evaluate touchy issue • Access to both sponsor and sponsee key stakeholders possible
Customer acquisition	20	Attendees of EGP who did not previously have an ATB MasterCard	<ul style="list-style-type: none"> • Assessment of effectiveness of related customer recruitment 	<ul style="list-style-type: none"> • Results of on-site recruitment efforts 	<ul style="list-style-type: none"> • Most appropriate way to measure customer acquisition is through sales data
Awareness of the ATB MasterCard	21	ATB Customers and Prospects	<ul style="list-style-type: none"> • Branch surveys of representative sample of ATB customers 	<ul style="list-style-type: none"> • Branch surveys in one Edmonton and one Calgary branch • Microsite survey 	<ul style="list-style-type: none"> • Access and cooperation possible • Supportive branch manager • Two branches considered sufficient

Table 34 above summarizes the metrics and methods for each of the 21 objectives. By omitting those metrics which can be obtained with a single communication from the sponsor, the sponsee or an intermediary (e.g. the results (# of sign-ups) of ATB MasterCard's onsite recruitment or attendance figures), the methods outlined in Table 34 above can be merged into 8 main data collection exercises, some of which were designed to gather data to assess more than one objective. These are outlined in Table 35 below and described in more detail in Section 6.2.1.6 where a short section is devoted to each data collection exercise.

Table 35: Data Collection Details

<i>Protocol</i>	<i>Description</i>	<i>Steps in Methodology</i>
Web Survey	Online survey on micro-site – live until one week prior to event	<ul style="list-style-type: none"> • Survey was part of online contest launched with ATB micro-site (www.atbgrandprix.com) • Researcher allowed to contribute questions to the survey • Alberta-wide promotional campaign to drive ATB customers and interested parties to the site
Internal Customer Activity Data	Report for <i>two branches only</i> for months of June, July, and August of 2006	<ul style="list-style-type: none"> • ATB to provide for each of the two branches: <ul style="list-style-type: none"> • Number of customers (Business Financial Services (BFS), Personal Financial Services (PFS) & Customer Financial Services (CFS)) • Number of new customers (BFS, PFS, & CFS) • Average bank balance (personal & business) • ATB, through CFS division, to provide aggregate data for top 1% clients for each brand (or overall): <ul style="list-style-type: none"> • Number of customers (personal & business) • Number of new customers (personal & business)
In-Branch customer survey	In-branch (two branches) intercept surveys to be completed by two UofA students working (one an ATB staff) with ATB branch staff	<ul style="list-style-type: none"> • ATB selected branches and achieved permission from senior admin and branch managers • Survey designed by researcher in collaboration with ATB research department • Survey approved by ATB research, marketing and legal departments and implemented in one Edmonton and one Calgary branch between August 28 and 31, 2006 with incentives (bottled water)
Hospitality Survey – Onsite & Suite host	Surveys completed during all 3 days of hospitality suite at EGP. Interviews	<ul style="list-style-type: none"> • ATB obtained permission to collect surveys during event in hospitality suites • Suite hosts administered surveys • Survey designed by researcher; approved by ATB research

interviews	with 2 of the hosts and feedback from other.	department <ul style="list-style-type: none"> • No incentives offered • Interviews with three (3) Suite Hosts carried out to supplement surveys
Mass market (Alberta) Intercept Survey	Mid-august telephone surveys...500 province-wide	<ul style="list-style-type: none"> • Researcher drafted questionnaire to accommodate all related objectives in collaboration with ATB research department • Approved by ATB marketing, legal and research and implemented by telephone August 2006
ATB Staff Survey & Interviews	Use of ATB company survey and interviews (August)	<ul style="list-style-type: none"> • Select results from the 2006 ATB internal survey were provided to researcher • Eight (8) post-event employee interviews completed by researcher in person (3) and by phone (5)
Employee ticket sales and discounts	Assessment of effectiveness of program	<ul style="list-style-type: none"> • Results of ticket sales program were provided to the researcher by ATB
Post-Event Interviews	In-person (3) and telephone (5) interviews to assess various objectives	<ul style="list-style-type: none"> • Eight post-event interviews completed by researcher with: <ol style="list-style-type: none"> 1. General Manager, EGP 2. Sponsorship Consultant, EGP 3. Marketing Manager, MasterCard, ATB 4. Marketing Manager, Investor Services, ATB 5. Marketing Manager, Financial Services, ATB 6. 6-8 ATB Employees 7. ATB Employee dedicated to sponsorship 8. 2-3 Hospitality Suite Hosts, ATB

6.2.1.5 Step 5: Determine Metrics for Resources and Shirking

The purpose of this section is two-fold. First, it seeks to identify the resources (inputs and activities) put in place by the sponsor, sponsee and co-sponsor to achieve their desired objectives. Second, it identifies the behaviours and activities taking place which detract from the effectiveness of the sponsorship (i.e., that undermine the 21 identified objectives). These are known as shirking behaviours. This section then develops metrics and methods to assess each of these shirking behaviours.

6.2.1.5.1 Resources and Activities

The sponsorship fees paid by ATB Financial and ATB MasterCard for the 2006 Gold sponsorship of the EGP totaled \$200,000 (\$115,000 ATB Financial and \$85,000 ATB MasterCard). Note that \$45,000 of the ATB MasterCard portion was paid by MasterCard International). For the 2007 sponsorship, the contract stipulates an increase in this fee to \$210,000 (\$120,750 ATB Financial and \$89,250 ATB MasterCard). As noted previously, in 2006, the \$200,000 fee was leveraged by a 1.75 to 1 ratio as described in the summary expense budget (see Table 36 below).

ATB committed the \$410,000 to be a two-year gold level sponsor of the EGP. The package included exclusivity as official financial institution, category exclusivity in Alberta Zone, Turner Show, and Alberta National Resources Show, a race car appearance at an ATB branch, rights to the grand prix logo/name, and an advertising/signage package. ATB leveraging activities included a variety of activities including a micro-website (www.atbgrandprix.com), online contest with prize packages, branch promotions, sponsorship of the Go-Kart track, a client hosting program, an employee discounted ticket program, a road show, ATB race week activities, a merchandising plan, a communications/media plan, and the participation of ATB associates as event volunteers. A number of these activities required additional resources, including the hospitality suite which was designed for 75 guests (3 days of 25 each) and included a variety of hosting related activities including the daily visit of a high profile race car driver, gift-bags, and the full serviced of a suite host/hostess.

The EGP also committed resources to the sponsorship in the form of a dedicated staff person to work with ATB (shared with all sponsors), tickets, paddock passes, the

hospitality suite, signage, volunteer opportunities, the overall management of a major international event, a \$2.9 million promotional campaign (TV, radio, print), website management, e-marketing, and print materials (brochures, posters, mail-outs, souvenir programs, tickets, etc.).

MasterCard, as an important co-sponsor, provided \$80,000/year of the sponsorship fee and received category exclusivity in credit cards, onsite signage, four onsite booths for customer sign-up, and tickets (a single all-access pass and 40 gold level passes). MasterCard also committed resources including hiring 3rd party sales teams to work the booths, signage and uniforms.

A budget break-down of the ATB Financial and ATB MasterCard fees and expenses reveals a considerable difference in their investment in leveraging (ratios³⁸ of 1.75:1 for ATB Financial and 0.46:1 for ATB MasterCard). Full budget details follow as Table 36.

Table 36: ATB Financial/ATB MasterCard Sponsorship Budget Expenses

<i>ITEM</i>	<i>AMOUNT</i>
Sponsorship Fees	
ATB-Financial	\$115,000.00
MasterCard	\$85,000.00
MasterCard Activation	
On-Site Signage	\$19,900
3 Party Sales Teams	\$8,567
Signage for MasterCard tents	\$1,772
Additional contest expenses	\$1,848
Insert cost	\$3,538
T-Shirts for Race Week in branches	\$1,951
Golf shirts for workers	\$1,263
Signage	
Suite signage	\$175.05
go-kart truss top/panels	\$582.15
go-kart fence	\$1,857.90

³⁸ Ratios are calculated by dividing the dollar amount invested beyond the sponsorship fee by the sponsorship fee. For example, \$200 spent on a \$100 fee would be a 2:1 ratio.

onsite signage	\$17,404.37
Surveys	\$7,000.00
Media	\$71,632.00
Microsite	
design and development	\$36,269.00
additional content work	\$276.25
Branch Collateral	
Floor stickers	\$4,723.18
contest inserts	\$950.60
floor stands	\$4,129.00
Counter displays	\$3,740.00
ATB Race Week T-Shirts	\$5,852.00
Volunteer Program	
polo shirts (75)	\$2,775.00
jackets (optional)	\$0.00
volunteer lunches	\$651.00
Water	\$113.90
Ticket Program	\$21,167.02
Suite Food/Entertainment	
chalet upgrade	\$1,874.35
food/refreshments	\$4,912.57
ear plugs	\$525.00
Invitations	\$198.77
in site chalet food/refreshments	\$2,180.47
Gift packages (suite/contest)	
Hats (75)	\$900.00
Pens	\$399.00
secondary prizes (10 x \$105)	\$1,050.00
gift bags for suite	\$189.60
Host Hotel	\$617.48
Road Show	\$500.00
grand prix inserts for Calgary	\$179.78
Race Car Driver Appearance Fee	\$4,500.00
Promotional Items	
Hats	\$900.00
sports bags	\$2,000.00
Window Painting	\$1,225.00
TOTAL	\$440,289.63

6.2.1.5.2 Shirking

The purpose of this section is to identify and then measure any shirking behaviours that may be detracting from the effectiveness of the sponsorship. The data recovered in Steps 1 and 2, taken in the context of the objectives identified in Step 3 and operationalized in Step 4, indicate that from an Agency Theory point of view, the ATB-EGP Sponsor-Sponsee relationship was a good one with the agent/sponsee (EGP) acting

mostly according to the contractual objectives of the principal/sponsor (ATB). However, analysis of the contract and interview transcripts revealed nine instances of potential shirking behaviour. These are assessed in Step 6 and outlined in Table 37 below.

Table 37: Sponsee Shirking in the ATB-EGP Sponsorship

<i>Incident of Shirking (Source)</i>	<i>Related Outputs, Activities & Issues</i>	<i>Metric for Measure</i>	<i>Methods</i>
Sponsor Conflict (Contract)	As per sponsorship contract (Clause 2.2), a pre-existing agreement with Capital City Savings – a direct competitor of ATB – for their sponsorship of the Pit Lane Club will be honoured and allowed to exist concurrently to ATB sponsorship.	Question a representative sample of Albertans to determine if confusion caused by the suggested shirk.	Questions on mass market survey to determine the extent of the confusion this causes in consumers' minds.
No On-Site Product Sales (Contract)	On-site ATMs were not ATB ATMs.	Forecast of on-site expenditures to estimate lost profit.	Use of industry data and internal data to estimate effect.
Signage Problem (Internal Review)	Scrim fencing that was promised was not ordered by the sponsor, banners used instead leading to lower quality signage and signage that was on front of fence only, not back...reducing visibility.	Combination qualitative (employee interviews) and quantitative (mass-market consumer surveys) to assess effect.	Mass market survey and post-event Interviews to understand situation and estimate – in the context of other results – the impact.
Service Efficiency (Internal Review)	Numerous incidents of frustration and delays expressed.	Qualitative study sampling those involved in service delivery	Post-event Interviews to estimate time lost and cost.
Celebrity Race Car Driver Investment (Internal Review)	A significant investment was made to bring the driver in to the hospitality booth on all 3 days. On all three days he was late and spent less time than contracted.	Qualitative study sampling the staff who had direct contact with the driver and the chance to observe the situation.	Post-event Suite Host Interviews to understand situation and estimate impact.
Go-Kart Track Location (Internal Review)	Contrary to promise, the Go-Kart track was located far from the family zone (rides, etc.) and near the beer tent and food vendors.	Combination qualitative (employee interviews) and quantitative (mass-market consumer surveys) to assess effect.	Mass market surveys and post-event Interviews to understand situation and estimate impact.
PA Announcements (Internal Review)	Messaging wasted as volume was insufficient over the event noise.	Qualitative study sampling those involved onsite.	Post-event Interviews to understand situation and estimate impact.

Allocation of tickets and hospitality suite	Feedback was provided that there were issues and perceived unfairness in this process.	Qualitative study of ATB employees and review of effectiveness of ticket allocation program.	Post-event interviews and assessment of ticket allocation
ATB MasterCard – ATB Relationship	Feedback revealed organization issues between the sponsor and co-sponsor	Qualitative study sampling those involved in the relationship.	Post-event Interviews to understand situation and estimate impact.

Each of these nine items will be measured and subtracted from the overall impacts of the sponsorship.

6.2.1.6 Step 6: Collect and Analyze the Data (Results)

The objective of this step is to run the metrics and calculate results. It involves implementing all of the metrics by first gathering the necessary data and, second, analyzing the generated results.

Each of the data collection exercises was executed as planned. Given the fact that 21 objectives and 9 shirking effects were measured using 8 data collection methods, the presentation of these results and analysis is lengthy and complex. In order to present the findings in a coherent way that outlines the process undertaken, 38 short sub-sections are presented comprised of (i) the methodological details of each of the 8 data collection exercises, (ii) the data analysis for each of the 21 objectives, and (iii) the data analysis for each of the 9 potential shirking behaviours. The data gathering exercises are presented first, as the analysis of the 21 objectives and 9 shirking behaviours are based in some part on those data. A description of how each objective, data collection exercise and metric is linked is provided in the 21 sub-sections on each objective and the 9 sub-sections on each shirking behaviour.

6.2.1.6.1 Data Collection Exercises

Data Collection Exercise #1: Web Survey: To provide the data necessary to measure the objectives targeted at residents of Alberta related to customer acquisition, building awareness and re-branding ATB (i.e., objectives #3, #10, #12, and #21 from Table 34), it was decided to utilize a pre-event web-based survey. In developing the final survey, the researcher worked with ATB's in-house research professional, who approved the final product. Questions were designed related to objectives #3, #10, #12 and #21, as well as (i) to shed light on how individuals came to visit the site, (ii) to ascertain their opinions of ATB Financial and (iii) to understand their views about the EGP sponsorship. The web survey, consisting of 10 questions designed to evaluate opinions of the site and the sponsorship (Appendix C), was posted on the ATB-EGP micro-site (www.atbgrandprix.com) which launched on June 1, 2006. Banner advertising on www.atb.com was launched concurrently using banner rotation to promote the microsite (i.e. the EGP banner was displayed to approximately 1 out of 5 visitors to the ATB website). On June 5, banner rotation stopped (i.e. all ATB website visitors see micro-site link), in branch promotions (e.g. signage) began and media campaign launched (e.g. radio and television advertising).

Designed as a pre-event promotional site, the micro-site was live for 43 days (June 1st to July 13th) closing at mid-night on July 13th, 2006. During that time, there were 28,934 total visits by 14,583 different users (unique visits) with a total of 81,915 page views. Traffic was consistent throughout the 43 days except for the days following the marketing launch (June 5 to 8, 2006) when traffic was approximately double. As a result, 3484 valid responses were obtained from individuals who came to the site in one

of three ways: (i) via learning about the site through collateral materials (tent cards, stand-up units) in branches in June 2006, (ii) via newspaper, print and radio advertisements in Edmonton (mainly) and Calgary in June, or (iii) via the atb.com home page banner that had a link to the micro-site (Rudan, 2006d). The demographics of the visitors show that the sample consisted of Albertan residents, 48.9% male, distributed evenly by age, of varied job backgrounds (21 career fields well represented), and from all geographic areas of Alberta (over 200 municipalities represented, most being from Edmonton (37.1% of the sample) and Calgary (11.2% of the sample). Thus, 51.7% of the respondents were from outside of Calgary and Edmonton.

Respondents were asked how they learned about the micro-website. One-third (32.3% (1158)) came to the micro-site from the banner advertisement at www.atb.com, 13.9% (498) from newspaper ads, 13.3% (478) via an email invitation, 12.2% (438) learned of the micro-site from an in-branch poster, 10.6% (382) via word-of-mouth, 1.8% (63) through a search engine, and 1.7% (61) as a result of a radio ad. They were also asked about their perceptions of ATB's quality with over 76% of respondents indicating that they viewed ATB as very high or high quality and an additional 20% indicating average quality. Many (82%) also noted that they knew ATB products and services very well. In terms of the EGP sponsorship itself, 53.7% of respondents believed that it is the best choice for ATB, 19.8% noted that it is a good choice while only 1.6% indicated that the event was not appropriate for an ATB sponsorship.

Interestingly, when asked if ATB's sponsorship of the Grand Prix had changed their opinion of ATB, results (see table 38 below) show some effect. Notably, 557

respondents (15.5%) indicated that the sponsorship significantly positively increased their opinion of ATB.

Table 38: Impact of EGP sponsorship on positive opinion of ATB

SPIMPACT					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Significantly increased	557	15.5	16.0	16.0
	Somewhat increased	1021	28.5	29.3	45.3
	No change	1896	52.8	54.4	99.7
	Somewhat decreased	8	.2	.2	99.9
	Significantly decreased	2	.1	.1	100.0
	Total	3484	97.1	100.0	
Missing	System	104	2.9		
Total		3588	100.0		

A question was asked to assess the potential effects of the sponsorship on behaviour (i.e., increased business measured by branch visits), where 24.2% indicate that they were very likely or likely to visit an ATB branch more in the near future due to the sponsorship, while 39% responded that they were very unlikely or unlikely to do so. This is perhaps as a result of the fact that the vast majority of respondents were already ATB Financial customers. This point is supported by the question related to switching financial institutions to ATB Financial where 84% of respondents indicated no change or that they were already ATB Financial customers. Of the remaining 16%, only 0.5% indicated that the EGP sponsorship decreased their chance of switching their business to ATB Financial.

Finally, respondents were asked to describe their perception of ATB Financial in the Alberta market. Ninety-one percent responded that they felt ATB Financial is a 'major player' in the Albertan market. Most respondents (82.9%) also knew that ATB is

a full-service Albertan bank, however there remains some confusion about the scope of the financial institution's operations with 5.6% thinking it operates coast-to-coast, 6.8% viewing it only as a small-town Albertan bank, and a single respondent supporting that it is a BC bank expanding into Alberta. Finally, when asked if the EGP sponsorship could potentially change their opinion of ATB Financial, only 28 of the 109 who incorrectly described ATB as "a Canadian bank from coast-to-coast" and 19 of the 226 who described it as "a small town Alberta bank" (the organization's past image which they are seeking to change) noted that they would consider changing their opinion of ATB.

Data Collection Exercise #2: ATB Internal Customer Data: Following the signing of the NDAs and considerable effort by ATB marketing personnel, ATB officials provided data (received October 24, 2006) for two Calgary and two Edmonton branches for each of the months of June, July, and August 2006 to support the measurement of objectives #1, #2, #3, and #4 (see Table 34). Branches were selected by ATB based on one urban/one suburban branch in each city. This data included (i) # of households, (ii) # of households lost from previous month, (iii) # of households gained from previous month, (iv) average deposit balance of households, (v) average loan balance of households, (vi) average deposit balance of households gained from previous month, and (vii) average loan balance of households gained from previous month. The data was requested in order to calculate metrics related to customer acquisition in Edmonton and Calgary. Reports were generated by assessing internal ATB reporting systems and are summarized below in Table 39.

*Table 39: ATB Internal Customer Data, 4 Branches***CALGARY BRANCH #1**

	30-Jun-06	31-Jul-06	31-Aug-06
# of households	5,944	5,932	5,936
# of households lost	52	51	63
# of households gained	73	60	65
Average deposit balance of households	\$77,116.77	\$73,607.91	\$82,581.30
Average loan balance of households	\$321,153.33	\$334,884.08	\$362,302.10
Average deposit balance of households gained	\$31,127.55	\$23,362.65	\$54,009.77
Average loan balance of households gained	\$495,201.75	\$207,120.17	\$727,538.63

CALGARY BRANCH #2

	30-Jun-06	31-Jul-06	31-Aug-06
# of households	5,973	5,962	5,983
# of households lost	38	49	56
# of households gained	46	45	65
Average deposit balance of households	\$19,077.11	\$18,821.57	\$19,333.13
Average loan balance of households	\$42,431.74	\$43,477.11	\$43,268.39
Average deposit balance of households gained	\$8,776.70	\$18,688.76	\$550.23
Average loan balance of households gained	\$25,046.43	\$79,478.36	\$2,886.52

EDMONTON BRANCH #1

	30-Jun-06	31-Jul-06	31-Aug-06
# of households	4,679	4,682	4,656
# of households lost	43	37	33
# of households gained	15	33	24
Average deposit balance of households	\$30,414.17	\$28,619.54	\$32,711.37
Average loan balance of households	\$48,766.81	\$48,473.17	\$47,477.92
Average deposit balance of households gained	\$524.33	\$9,410.52	\$8,657.38
Average loan balance of households gained	\$5,196.27	\$33,746.55	\$6,304.21

EDMONTON BRANCH #2

	30-Jun-06	31-Jul-06	31-Aug-06
# of households	4,362	4,361	4,361
# of households lost	60	34	30
# of households gained	34	30	29
Average deposit balance of households	\$29,984.75	\$29,726.24	\$24,158.66
Average loan balance of households	\$42,250.11	\$43,789.62	\$43,453.74
Average deposit balance of households gained	\$5,123.50	\$3,780.53	\$12,537.83
Average loan balance of households gained	\$35,613.50	\$85,400.37	\$3,670.97

Further, ATB aggregate data was provided and is provided in Table 40.

Table 40: ATB Internal Customer Data, Aggregate

ALL ATB	30-Jun-06	31-Jul-06	31-Aug-06
# of households	362,047	363,089	363,624
# of households lost	2,742	2542	2912
# of households gained	3,266	3294	3471
Average deposit balance of households	\$19,524.69	\$19,019.69	\$19,395.24
Average loan balance of households	\$42,469.58	\$42,940.70	\$43,747.69
Average deposit balance of households gained	\$4,897.62	\$5,854.11	\$6,645.49
Average loan balance of households gained	\$22,862.84	\$17,539.37	\$32,472.03

Data Collection Exercise #3: In-Branch Surveys: Metrics for six of the objectives identified in Table 34 (i.e., #1 and #2 (customer acquisition in Edmonton and Calgary), #7 (brand prestige in current customers), #10 (consumer knowledge of ATB), #12 (re-branding ATB as full service financial institution), and #21 (awareness of ATB MasterCard) required a survey of current customers. Based on permissions, resources and access, it was decided that in-branch surveys with ATB customers at one Calgary and one Edmonton branch would be the best method. The survey (attached as Appendix D) was developed in collaboration with ATB's internal research professional and approved by ATB.

Surveys were carried out at one Calgary branch and one Edmonton branch. These branches were chosen for their respective city locations and the fact that both branch managers were supportive of the evaluation. The decision was made by ATB in consultation with the researcher. Two research assistants (University of Alberta Commerce students; one of whom had worked with ATB previously) were recruited by the researcher to collect data from the Calgary branch over a three day period (August 28-30, 2006) and over a two day period in the Edmonton branch (August 31-September 1, 2006). The research assistants were provided training from August 23-25, 2006 by the

author and ATB's Marketing Manager, Investor Services. Researchers set up at a table in the branch and offered customers an incentive (cold bottled water and an energy bar) to complete the survey, which took three to five minutes to self-complete. Each customer in the bank was approached to participate.

One-hundred-eleven (111) and 106 surveys were collected from the Calgary and Edmonton branches, respectively. Approximately 20% of the surveys were collected on each of Monday, Tuesday, Wednesday, Thursday and Friday distributed throughout the banking day (Morning (39.5%), Noon-Hour (24.9%), and Afternoon (35.6%)).

Researchers reported that data collection was smooth and that most bank patrons completed the survey and that those who did not typically did not do so because there was already a line-up of people completing it. The support of the branch staff was noted.

In order to measure the objectives #1, #2, #7, #12 and #21 a number of questions were asked. Ten (or 4.6%) indicated that they had become ATB customers in the past two months while 22 (or 9.2%) noted that they had increased their business with ATB over the past two months. Characteristics of the sample measured included gender (50.6% male), age (18-24 (10.3%), 25-34 (15.9%), 35-44 (15.9%), 45-54 (25.8%), 55-64 (16.4%), 65+ (15.4%)), and household income (Refused/Don't Know (12.4%), Less than \$50k (34.5%), \$50k-\$100k (26.7%), \$100k-\$150k (11.9%), \$150k-\$250k (7.3%), \$250k+ (6.9%)). Table 41 below, provides a comparison between the Edmonton and Calgary results as some of these objectives (#1 and #2, particularly) are specific to each market.

Table 41: Edmonton Versus Calgary Branch Comparison, In-branch Surveys

<i>Item</i>	<i>Edmonton (n=111)</i>	<i>Calgary (n=106)</i>
ATB Customers	94 (or 84.6%)	66 (or 62.2%)
Likelihood of non-customers becoming customers	7 yes, 9 no, 1 don't know	19 yes, 20 no, 1 don't know
Current customer situation	41 (37.0%) bank only with ATB while 54 (48.6%) bank with ATB and other FIs	24 (22.6%) bank only with ATB while 42 (39.6%) bank with ATB and other FIs
Banking at home branch	30 (31.9%) were at home branch	29 (43.9%) were at home branch
New Customers (last 2 mos.)	4	6
Increased business (2 mos.)	11	11
ATB Brand Prestige Relative to Other Financial Institutions	Very High: 24 (21.6%) High: 42 (37.8%)	Very High: 16 (15.0%) High: 31 (28.9%)
ATB as important FI player	Yes: 70 (63.1%)	Yes: 38 (35.55)

Table 41 notes some differences in the Edmonton and Calgary samples which will be assessed in the assessment of specific objectives.

Data Collection Exercise #4: Hospitality Surveys and Suite-Host Interviews: High end customers (i.e. 'top 1%') are an important target of this sponsorship and ATB identified objectives (#4 and #10) to impact these key customers and prospects. In order to assess these objectives, metrics including aggregate data, tracking of attendees, a survey, and post-event interviews with suite hosts were developed. For the survey, it was decided that a survey during the event at the hospitality suite was the best method. The survey (Appendix E) was designed in collaboration with the ATB in-house research professional who gave final approval.

During the EGP, ATB Suite Hosts were instructed to administer surveys to each of the 25 attendees of the ATB Financial hospitality suite each day. ATB obtained permission to administer the surveys and no incentive was offered. The survey was administered by a different Suite Host each day. Attendees self-completed the surveys. Following the event, each suite host was approached for an interview (question template is attached as Appendix F). The three Suite Hosts provided valuable context to the survey

results. The question and discussion style interviews were taped and transcribed. Each was approximately 20 minutes in length. The interviewees had high knowledge of the event, sponsorship experience and previous experience working in hospitality and with ATB.

A total of 37 surveys were completed by the 75 (25 each day) hospitality suite attendees, of which 29 were valid and useable (response rate = 38.7%). The main reason surveys were discarded was for incompleteness, normally when only one side was completed. Nine (9) valid surveys were completed on Friday, sixteen (16) on Saturday and four (4) on Sunday. Twenty-two (76%) of the 29 hospitality suite attendees rated their overall Grand Prix experience as 'excellent', 6 (21%) indicated it was 'very good' and only 1 (3%) described their experience as 'fair'. Twenty-eight out of 29 (or 97%) said they would come back next year if invited again. A series of questions asking for their level of agreement (Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree) delved deeper into these opinions and results are outlined in Table 42 below.

Table 42: Consumer Opinion of Impacts on ATB

<i>Question</i>	<i>Strongly Agree or Agree</i>	<i>Neither Agree nor Disagree</i>	<i>Strongly Disagree or Disagree</i>
Will experience increase business with ATB?	21 (72%)	6 (21%)	2 (7%)
Will experience increase opinion of ATB?	29 (100%)	0	0
Will experience increase ATB word of mouth?	28 (97%)	1 (3%)	0
Will experience increase opinion of ATB as FI?	25 (86%)	4 (14%)	0
Will experience increase desire to deal with ATB?	23 (79%)	5 (17%)	1 (3%)

A number of additional points about the sample are important to this data collection exercise. First, 22 (76%) of the respondents were ATB clients while 7 (24%) were not. Second, 15 (52%) respondents indicated that ATB is their primary bank while 14 (28%) indicated that it is not (note that for the 14 for whom ATB is not their primary bank, 7 (24%) do bank at ATB and 7 (24%) do not bank at ATB at all). Third, 7 (24%) respondents only bank at ATB while 22 (76%) also use the services of other financial institutions. Fourth, within the sample of 22 who use other financial institutions, it was determined that they (a) use 1.8 (+/- .9) other FIs with a minimum of 1 and a maximum of 4, and (b) they do 47.0% +/- 38.0% of their banking with ATB; range of 0 to 95%. Fifth, of those attendees who were ATB clients, they have been clients for an average of 15.8 +/- 15 years with a range of 1 year to 50 years. Finally, household income was asked as a proxy for level of customer, where results showed that 21 (or 72%) had a household income greater than \$100,000, 6 (or 21%) had a household income between \$60,000 and \$100,000 and 2 (or 7%) had a household income under \$60,000.

The suite host interviewees described the suite as a success from both a hospitality and sponsorship point of view, and indicated that guests had a very good time while there (Suite_Host_1, 2006; Suite_Host_2, 2006). With respect to the benefit to ATB's sponsorship of the EGP, the hosts pointed out that the suite was a particular success in targeting and reaching the top end clients and showing that they are valued customers (Suite_Host_1, 2006; Suite_Host_2, 2006), however "there were some invitation logistics as perhaps too many executives were there and not enough clients" (Suite_Host_2, 2006). The interviewees were also asked to describe the suite attendees

demographically, noting that “executives were there...relationship managers, the COO³⁹ and two other executives, the COO with his guest...it was a mix of couples, friends, daughter, top end customers who had money” (Suite_Host_2, 2006) and that attendees were mostly “ATB’s top customers...all with guests. About 20 total, 10 groups of two, 50/50 men/women with a few kids” (Suite_Host_1, 2006).

The interviewees reported that (i) ATB signage and gift bags were well presented and distributed, (ii) that they, as hosts, took on many other roles during the day (barkeeper, ticket manager, event program distribution, gift bag assembly and distribution, and coordinating the race car driver suite visit), (iii) that attendees were very cooperative and willing to complete surveys although some never did, and (iv) that guests were treated very well (lobster and filet mignon lunch, taxi chits to get home, and classy service) (Suite_Host_1, 2006; Suite_Host_2, 2006). Finally, two specific suggestions were brought forth for improvement; (i) to invite fewer people or to rent a larger suite in order to reduce the congestion and to allow for all guests to sit down and (ii) to manage the ticket allocation to allow for more clients and fewer ATB employees and their spouses.

Data Collection Exercise #5: Mass Market (Alberta) Surveys: In order to assess the 5 objectives related to the impact of the sponsorship on the Albertan market (i.e., increased awareness (#5 and #6), achievement of competitive advantage (#9), consumer opinion of ATB (#11), re-branding ATB as full-service FI (#13), and the EGP’s ability to build an affinity with Albertans (#18)), 500 phone surveys (random) were completed province wide in August 2006 by a market research house (Trend Research Inc.) partner contracted by ATB. As with the previous questionnaires, the researcher developed the

³⁹ COO refers to the Chief Operating Officer of ATB.

draft, then collaborated with ATB's in-house research professional who, in turn, contributed to and approved the final version. The survey is attached at Appendix G. Data collection was done via the random calling of Alberta phone numbers until the target of 500 was reached. Initial screening questions were asked to rule out respondents under 18 years of age or employees of any financial institutions.

The demographic make-up of the sample (age and household income) was generally representative of the larger Albertan market, except for gender which was 38.4% male and 61.6% female compared to the Albertan population which is approximately 50/50 (the 2001 Census⁴⁰ reported that 1,486,590 men and 1,488,220 women lived in Alberta). One hundred and seventy-seven respondents (35.4%) were selected from the Metropolitan Calgary area, 162 (32.4%) from the Metropolitan Edmonton region, 110 (22.0%) from other Albertan cities, and 51 (10.2%) from largely rural areas of Alberta. Sample age distribution was representative of the Albertan population (Statistics Canada, 2007) as outlined in Table 43 below.

Table 43: Age of Mass Market Survey Respondents

AGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	48	9.6	9.6	9.6
	25-34	86	17.2	17.2	26.8
	35-44	110	22.0	22.0	48.8
	45-54	118	23.6	23.6	72.4
	55-64	65	13.0	13.0	85.4
	65+	73	14.6	14.6	100.0
	Total	500	100.0	100.0	

⁴⁰ Details on the 2001 Census can be found at www.statscan.ca

Sample household income was also found to be representative of the Albertan population (Statistics Canada, 2007) and is outlined in Table 44 below.

Table 44: Household Income of Mass Market Survey Respondents

INCOME					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than \$50k	127	25.4	25.4	25.4
	\$50K to \$100K	160	32.0	32.0	57.4
	\$100K to \$150k	78	15.6	15.6	73.0
	\$150k to \$250k	28	5.6	5.6	78.6
	more than \$250k	14	2.8	2.8	81.4
	Don't know/refused	93	18.6	18.6	100.0
	Total	500	100.0	100.0	

The next series of questions assessed respondents' past knowledge and interest in car racing: 11.8% (or 59 individuals) had attended and 23.6% (or 118 individuals) had watched an Indy, NASCAR or CHAMPCAR race previously. Of note, 17 respondents (3.4%) attended the 2006 EGP in person, 52 (10.4%) watched the race on television and 48 (9.6%) took in the event by radio or the internet. Respondents were then asked if they could identify (aided recall) the event title sponsor from a list of 7 options where one of the options was 'none of the above'. Table 45 below describes the responses, showing significant confusion as 39.4% indicated 'don't know' while the true title sponsor was the choice of only 21.0% of respondents.

Table 45: Title Sponsor Recognition

TITLE_SP		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Edmonton Tourims	10	2.0	2.0	2.0
	Molson	77	15.4	15.4	17.4
	Travel Alberta	13	2.6	2.6	20.0
	Ford	23	4.6	4.6	24.6
	The Brick	34	6.8	6.8	31.4
	West Edmonton Mall	105	21.0	21.0	52.4
	None of the Above	41	8.2	8.2	60.6
	Don't Know	197	39.4	39.4	100.0
	Total	500	100.0	100.0	

A similar question asked the respondents to identify the official Financial Institution sponsor of the 2006 Edmonton Grand prix. Table 46 below outlines these results.

Table 46: Financial Institution Sponsor Recognition

OFFFI_SP		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RBC	57	11.4	11.4	11.4
	ATB	71	14.2	14.2	25.6
	Alberta Credit Unions	5	1.0	1.0	26.6
	Capital City Savings	18	3.6	3.6	30.2
	Bank of Alberta	6	1.2	1.2	31.4
	None of the Above	54	10.8	10.8	42.2
	Don't Know	289	57.8	57.8	100.0
	Total	500	100.0	100.0	

Once again, 'Don't Know' was the most common choice while only 71 respondents (or 14.5%) said ATB, the correct answer. Widespread awareness is clearly not evident as RBC (55 respondents or 11.0%) and None of the Above (54 respondents of 10.8%) received similar scores and well over half the sample (289 or 57.8%) indicated that they didn't know. Of note, is that Capital City Savings (a direct competitor of ATB who were

also involved with the EGP as sponsor of the Capital City Savings Pit Lane Club) were noted by 18 respondents (3.6%).

The remainder of the survey occurred after each respondent was told that ATB was the official FI sponsor. Background questions revealed that 87 respondents (17.4%) are currently customers of ATB and that the majority (56.8% or 284) define ATB correctly as a 'full service, province-wide Albertan financial institution'. However, a significant portion (43.2%) of the sample still defines ATB incorrectly.

The next series of 8 questions assessed the effectiveness of the EGP sponsorship using 5-option (Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree) Likert scale type questions. In order to clearly present agreement/neither/disagreement, results are collapsed into 3 groups with the agreement and disagreement options joined and presented in Table 47.

Table 47: Frequency Responses, EGP Sponsorship Effectiveness

<i>Question</i>	<i>Strongly Agree or Agree</i>	<i>Neither Agree nor Disagree</i>	<i>Strongly Disagree or Disagree</i>
I am now more aware of the products and services of ATB Financial after their sponsorship of the Edmonton Grand Prix.	82 (16.4%)	71 (14.2%)	320 (64.0%)
After learning that ATB Financial was sponsoring the Edmonton Grand Prix, my belief that they care about Albertans increased.	217 (43.4%)	109 (21.8%)	146 (29.2%)
In my opinion, the ATB sponsorship of the Edmonton Grand Prix helps demonstrate that ATB is a major player in the Alberta banking market	324 (64.8%)	61 (12.2%)	90 (18.0%)
When I think of ATB Financial, I think of a full-service, province wide financial institution.	377 (75.4%)	40 (8.0%)	56 (11.2%)
ATB being one of the sponsors for Edmonton Grand Prix made me prouder that the event is hosted in Alberta.	244 (48.8%)	117 (23.4%)	114 (22.8%)
The fact that ATB Financial sponsored the Edmonton Grand Prix makes me more likely to [open an account at ATB OR use more of ATB's services].	69 (13.8%)	70 (14.0%)	339 (67.8%)

When I think of ATB Financial, I think of a rural Alberta financial institution.	223 (44.6%)	44 (8.8%)	209 (41.8%)
The fact that ATB Financial sponsored the Edmonton Grand Prix while other Albertan banks did not led me to view ATB as having an advantage over these other banks.	130 (26.0%)	83 (16.6%)	256 (51.2%)

The use of these results is described in detail under the objective sub-sections that follow.

However, two of the results noted in Table 47 are important to identify here. First, in response to the question 'After learning that ATB Financial was sponsoring the Edmonton Grand Prix, my belief that they care about Albertans increased', a strong positive response (43.4% of respondents agreed or strongly agreed) was received.

Second, it is important to note that a large portion of respondents (64.6%) agree that ATB is a major player in the Alberta banking market.

Data Collection Exercise #6: ATB Staff Survey & Interviews: This exercise was designed to assess internal marketing objectives of ATB (employee motivation (#8) and employee pride (#14) in ATB). The original data collection plan was to implement an ATB-wide employee survey (online) to determine the impact of the sponsorship on all staff. This option, however, was abandoned in August 2006 when ATB senior management and the ATB in-house research professional decided that one major employee survey a year (an employee satisfaction survey is done annually in January of each year) was enough for employees. They did not wish to overburden staff and employees with too many surveys. An alternate plan was developed that would meet the satisfaction of ATB management which included employee interviews (Appendix H) and select data from the annual employee satisfaction survey. The concept was that the opinions of a small sample of employees could be used to estimate the effects of the

sponsorship on employee pride and satisfaction in the context of the macro-level results from the annual survey.

The data shared from the January 2006 version of annual employee survey included the following from the 3520 returned surveys (a response rate of 88% of all ATB employees as of January 2006) which showed that 64% either 'strongly agree' or 'agree' that ATB overall is a good place to work and that 91% either 'agree' or 'strongly agree' that ATB acts as a good corporate citizen. In the context of this general level of employee satisfaction that exists at ATB, seven phone interviews were conducted with ATB employees to assess the impact of the EGP sponsorship. A suggested list of potential interviewees (approximately 20) was suggested by ATB and a random selection of seven of these individuals was actually interviewed. In an attempt to reduce selection bias and provide generalizeable results, ATB was asked to provide a roster of potential interviewees who were representative of the organization and connected to the marketing function. The names of the interviewees are not disclosed to protect the privacy of the individuals.

The sample of interviewees represented a wide range of functions at ATB (including Director, Customer Service Representative, Financial Advisor, and Mortgage Specialist) and included representation from head office and the branches. Interviews lasted between 3 and 15 minutes. They were recorded and transcribed. All interviews were completed by phone. It should be noted that the roster of interviewees was provided by ATB and may be biased to include those known to head office who are perhaps more satisfied with ATB than the general population of employees. The possibility of bias is recognized here and Table 48 below highlights the results.

Table 48: General Results – Post-Event Employee Interviews

Metric/Concept	Results
Number of interviews	7
Number who attended event	0
Gender breakdown	4 F / 3 M
Years worked @ ATB	8.2 +/- 4.9 years (range: 3-18)
ATB (Good place to work)	Yes – 6 / No – 1 (similar to survey results)
ATB (Satisfied with way you are treated)	Yes – 7 / No – 0 (similar to survey results)
ATB (Are most employees satisfied)	Variable answers including “for the most part”, “about 50/50”, “yes”, “I think so...actually, somewhat...some are not happy”
Performance of ATB marketing group over past year	Variable answers including: “Yes, wonderful job”, “Fun guys”, “I tend to deal with the marketing guys on the business side of the office...I’d probably give them a 5/10 and the reason I would do that is that they are very challenged in terms of the number of resources they have relative to priorities and I am always on the low end of priorities”, “Strong performance except on employee retention”
Identification of specific activities run by the marketing group	A number of positive activities pointed out including charity work, community events, sponsorship of big ticket items, “the razor stuff” (i.e., new razor cell phone), staff prizes and internal events
Did ATB-EGP sponsorship contribute to your pride in ATB?	Mixed comments. Bottom line: it may have helped other ATB branches in the Edmonton market but these particular individuals were not impacted directly, although some of their clients were. Here’s a sample: (i) “...our clients [6] were happy – all of them enjoyed it – they were wine and dined” (ii) “That is not a mickey mouse event and for us to be a gold sponsor, I think that that is money well spent but it is hard to quantify. But I think that it is important for ATB to have its name out there.” (iii) “I think so big time...because they are everywhere...all events.” (iv) “Yes, But I think more for the Edmonton market.”
Can you allocate a percentage as to how much the EGP sponsorship contributed to employee satisfaction/pride?	No one gave a numeric value. However, two respondents inferred a ‘fairly big impact’

Feeling when sponsorship announced?	All seven gave positive responses, including "I was proud", "I thought good for ATB", "it gets our name out there", "my reaction was wow", "it was good cause; I could get tickets myself".
Feeling around office when sponsorship was announced?	Mixed, including "I thought it was more for Edmonton branches", "I think they all thought it was good...but the only thing I find is that we don't get enough notice to get tickets to make arrangements for people", "overall feel was good but not everybody got to invite clients", "I never heard anything negative"
Were you aware that ATB had a staff discount ticket program?	Yes - 5 No - 2
Did you take advantage?	No one did (but two indicated they tried but were too late to get tickets)
Was it popular with employees?	Mixed, including "I think so", "I have no idea", "Many people went", "Unsure", "Didn't get feedback"
Post-event – do you feel it was a good marketing initiative?	Yes – 7 No – 0
Is this general consensus?	Yes – 6 No – 1 - although one said "most don't care but ya"
Did sponsorship make you proud?	Yes – 6 No – 1 – including: "Absolutely", "ya, I take great pride whenever I see the organization involved in important events, particularly events that put the city and the province. And that was a world class event, it was great.", "my friends know where I work so ya"
Did sponsorship raise employee morale around the office?	Most responses indicated that the sponsorship had little effect on raising employee morale around ATB offices, including: "No", "I don't know", "I don't think out in branch-land but in head office probably", "Really, it didn't make much of a difference, just another promotion", "Not where I work"

Data Collection Exercise #7: Employee Ticket Sales and Discounts: This exercise is a second protocol related to the internal marketing objectives of ATB (employee motivation (#8) and employee pride (#14) in ATB) and seeks to measure the effectiveness of the employee ticket program in this regard. In order to assess the effectiveness of this program, the results were tracked by ATB and provided to the researcher. One-hundred-fifty tickets were sold at a 20% reduction off the posted ticket price. The tickets were allocated (sold, used for prizing, given away) very quickly (three

days following announcement) and demand was “significantly” higher than supply (Rudan, 2006c). Tickets ordered included 47 Gold, 24 Silver, and 79 Bronze. Of those, 41 Gold, 18 Silver and 33 Bronze were purchased by employees; 40 Bronze were used for prizing (internal ATB) and 6 Gold, 6 Silver and 6 Bronze were given away (destination uncertain). In addition, the EGP provided seven paddock passes to ATB, two of which were given to employees. The paddock passes were “good ground seats for all three days but not a private suite pass” (Kelly Rudan, 2006a). As noted above, several of the post-event employee interviews (see data collection exercise #6 above) reported on how well this program worked.

Data Collection Exercise #8: Post-Event Expert Interviews/Reports: As part of the metrics to measure objectives related to the development of long-term partnerships and sponsor servicing (#15, #16, #17, and #19), a second set of post-event interviews were completed with key ‘experts’ from both the sponsor and the sponsee side of the sponsorship. The expert interviewees included:

1. Lisa McKillop (in-person), Marketing and Community Relations, ATB, worked directly on sponsorship
2. Candice Sperling (by phone), Marketing Manager, MasterCard, contact for sponsorship
3. General Manager (by phone), Edmonton Grand Prix
4. Kathie Arychuk (by phone), Manager of Community Relations, ATB
5. Kelly Rudan (in-person), Marketing Manager, ATB Investor Services, lead on sponsorship
6. Jade Tan (in-person), In-House Research Professional, ATB

7. Sponsorship Consultant (by phone), Edmonton Grand Prix

The interviews were carried out either in-person, on the phone or via email. Based on the responses to the questions, the interviews ranged from a short email or a 10 minute phone interview to interviews that lasted over an hour. All were recorded and transcribed.

Questions were scripted for each interview based on the individual's role.

Given the unique nature of each interview, details of the results are not presented here. Results will be reported under the analysis of each objective where the relevant interview fits.

6.2.1.6.1.1 Additional Information Gathered

In addition to the eight protocols described above, additional information was collected as follows:

- 1) EGP officials provided final and official attendance figures of: Friday: 47,932, Saturday: 59,538, Sunday: 63,921, and Total: 171,391.
- 2) Calgary Urban Strategy – Rudan (2006c) reported on ATB's successful strategy to increase market share through sponsorship of the Calgary Stampede and how this strategy spawned the idea of working with the EGP in Edmonton. Tactics included official sponsorship, large displays in 4 downtown branches, a Stampede breakfast with showpiece car, hand-out cards in downtown core over lunch hours, and regular displays/promotions in suburban branches.
- 3) Media Buy – ATB's media buy totaled approximately \$71,600 which included the following:

- a) \$27,500 for considerable newspaper coverage (ads, publicity and contest information from June 12 to July 20, 2006) in the Edmonton Journal and a few TV spots (60 second driver profiles presented by ATB) plus some pre-promotion on Global Edmonton.
 - b) \$15,600 for newspaper coverage in the Edmonton Sun, St. Albert Gazette, St. Albert Saint CityNews, Sherwood Park News, Leduc Representative, Spruce Grove Examiner and the Stony Plain Reporter.
 - c) \$2,700 for online coverage at www.EdmontonJournal.com and www.EdmontonSun.com.
 - d) \$18,000 for extensive radio coverage on 4 major Edmonton stations (CISN, CFBR, CKNG, CFCW)
- 4) ATB Race Week T-Shirts - \$5,852 was spent on T-shirts for ATB staff in Edmonton and area branches to wear the week before the race.
 - 5) Road Show - \$500 was spent to have a race car in Calgary to promote the sponsorship.
 - 6) Alberta National Resources Show – originally part of the sponsorship, this was cancelled pre-event because “not enough companies were interested” (Rudan, 2006a).
 - 7) “Money Can’t Buy Packages” were awarded through customer contests (three on the microsite and one by MasterCard) using an enter-to-win lottery. The package included a pace car ride and a gold level ticket package. The MasterCard package was awarded via a random draw where every person who signed up for or used their MasterCard was eligible (Rudan, 2006a).

- 8) In conjunction with Kelly Rudan (2006a; 2006n), a basic segmentation of ATB employees was carried out, identifying the following segments:
- a) 'Frontline staff' (approx. 1000 people) – those who deal with customers or seek new business
 - b) 'Support staff' (approx. 1650 people) – administrative, channel administration, technical and behind-the-scenes support in branches and central offices
 - c) 'Finance staff' (approx. 200 people) – those who advise on financial matters, carry out complex financial transactions or manage lending programs/accounts
 - d) 'Branch managers' (150) people) – individuals responsible for the overall direction and operation of individual branches
 - e) 'Head office staff' (approx. 500 people) – functional area employees (marketing, HR, operations, legal, etc.) who work out of head office
- 9) National TV spots – these were included in early versions of the sponsorship contract (pre-signing), however were removed prior to signing. About 2 weeks prior to the race, the EGP mentioned to ATB that some 'unsold' spots remained and they would run the ATB spot. However, formatting and delivery issues prevented it from ever being developed (Rudan, 2006c).

6.2.1.6.2 Data Analysis: Objectives

The following section is comprised of 21 sub-sections, one per objective, which describes the analysis of each objective and the method that was followed.

Objective 1: ATB Customer Acquisition – Edmonton Residents: The metric developed to assess Objective 1 was designed to estimate the effects of the EGP

sponsorship on customer acquisition for ATB, where customer acquisition includes both new customers and increased business from current customers (assumed to mean transfer of business from other FIs). The metric is a three-stage approach: (i) survey data of branch customers to ascertain the contribution of the sponsorship to changes (if any) in reported customer activity, (ii) analysis of ATB internal data to track customer growth and decline monthly, and (iii) any changes in the macro level data are multiplied by the calculated attribution of the sponsorship to those changes (from survey data) in order to estimate customer acquisition (or loss) due to the sponsorship.

A sample (n=111) of one Edmonton area branch is used to determine the effects of the EGP sponsorship on branch customer acquisition. Within this sample, it was determined that a smaller sub-sample of respondents (n=4, or 3.6%) had become ATB customers in the months of July or August, 2006 and 11 others (or 9.9%) had increased the amount of business with ATB in the same time frame. This total sub-sample of 15 respondents was considered to measure customer acquisition. Of the four new customers, only 1 indicated that the EGP sponsorship had 'at least some' impact on the decision to join ATB. Similarly, 2 of the 11 who indicated that they had increased their business with ATB said that the EGP sponsorship had 'at least some impact' on that decision.

These respondents also indicated that other factors had 'at least some' impact on their decisions to become ATB customers or increase their business with ATB. Table 49 (below) reports the frequency of these factors.

Table 49: Impacts on Decisions to Join or Increase Business with ATB

<i>ATB Customer Acquisition (last 2 months)</i>	<i>Factors with 'some impact' on Decision</i>
4 New Customers	Seen or heard ATB advertising (3) Wanted to switch to a local bank (3) Proximity of branch to home (3) Proximity of branch to work (2) ATB sponsorship of the Edmonton Grand Prix (1) ATB sponsorship of the Calgary stampede (0) The quality of products we offer (3) A specific product we offer (0) A friend or family member who works at ATB (1) A current sales promotion (1) ATB's customer service standards (3) ATB's hospitality suites at the EGP (0) The ATB Visa Card (0) The ATB Master Card (2) Other (3 responses provided)
11 Increased Business	Seen or heard ATB advertising (3) Wanted to switch to a local bank (1) Proximity of branch to home (3) Proximity of branch to work (4) ATB sponsorship of the Edmonton Grand Prix (2) ATB sponsorship of the Calgary stampede (1) The quality of products we offer (7) A specific product we offer (5) A friend or family member who works at ATB (1) A current sales promotion (0) ATB's customer service standards (8) ATB's hospitality suites at the EGP (1) The ATB Visa Card (0) The ATB Master Card (3) Other (6 responses provided)

The data in Table 49 demonstrates that attributing customer acquisition is difficult given the many influences expressed on consumer banking decisions. However, it may be reasonable to say that the sponsorship played some role and, if we explore the data deeper, we can estimate the level of impact that the EGP had on this decision.

Respondents who joined ATB with some influence from the EGP sponsorship also

indicated that 7 other factors affected that decision. Thus, if we assume that all factors influence equally, one could infer that one eighth of new customer activity was inspired by the EGP sponsorship. Similarly, the two respondents who increased their business with ATB with some influence from the EGP sponsorship indicated that 7 and 9 other factors, respectively, affected their decisions. Thus, one could infer that one ninth (average of one eighth and one tenth) of all customers who increased their business were inspired by the EGP sponsorship.

Examination or analysis of macro-level ATB internal data for the Edmonton branch reveals an increase of 33 and 24 customers in the months of July and August, respectively. Using the estimate calculated above, one could infer that 7 of these customers (4 in July and 3 in August) resulted from the EGP sponsorship. Given the average size of new accounts provided, it can be estimated that these customers bring \$63,614.22 in deposits and \$153,898.83 in loans to ATB in the first month as new clients. With respect to ATB customers who increased their business with ATB in the months of July and August, there is no support for any impact of the EGP sponsorship as both average deposits and average loan balances for the Edmonton branch did not show any significant increase.

In summary, the metric for Objective 1 estimates an acquisition of 7 new customers in the 2 months following the EGP sponsorship attributed to that sponsorship. It also notes no change in increased business from current customers in that 2 month period due to the sponsorship.

Objective 2: ATB Customer Acquisition – Calgary Residents: Objective 2 adopts the same metric as Objective 1 but using a Calgary branch instead. Here, a sample of one

Calgary area branch is used to estimate customer acquisition. As with Objective 1, the metric involves a branch-level intercept survey (n=106) and internal sales data for the branch. The sample assessed was comprised of those respondents (n=6, or 5.6%) who had become ATB customers in the months of July or August, 2006 and those (n=11, or 10.4%) who indicated that they had increased the amount of business with ATB in the same time frame. Of the six new customers, no one indicated that the EGP sponsorship had 'at least some' impact on the decision to join ATB. Similarly, no one of the 11 who indicated that they had increased their business with ATB said that the EGP sponsorship had 'at least some impact' on that decision. Thus, no effect on customer acquisition was found on the Calgary market. This finding lends credibility to the finding in Objective #1 related to customer acquisition in Edmonton.

Objective 3: ATB Customer Acquisition – Other Alberta Residents: Given that no empirical data was collected at branches outside of Metropolitan Edmonton and Metropolitan Calgary, an alternate metric for customer acquisition was developed for the sample of Albertan residents outside of Edmonton and Calgary. Here, the metric involved taking survey data from the micro-site web survey (for non-Edmonton, non-Calgary residents only) to ascertain contribution of sponsorship to changes (if any) in customer base and activity and estimating overall customer acquisition (or loss) due to the EGP sponsorship based on any changes to the macro level (internally generated) ATB customer data. A 3-month period is considered for this metric as the web survey was implemented in early June.

Results from the micro-site survey were taken over a 43-day period prior to the EGP but provide an estimate of the sponsorship's impact on customer acquisition since

respondents were attracted to the micro-site by promotions related to the sponsorship and asked questions about the sponsorship. Of the 1937 respondents who indicated that they were not ATB customers, 82 (4.2%) reported that the EGP sponsorship 'significantly increased' the probability that they would switch from their current financial institution to ATB. An additional 371 (19.2%) said the chances were 'somewhat increased' while the majority (1469 or 75.8%) indicated 'no change' and a very small number (15 or 0.8%) said that the chances were somewhat or significantly decreased. A related question that asked respondents who were not ATB customers of their interest in visiting an ATB branch in the near future provides supporting results. Of these 1937 respondents, 192 (9.9%) said 'very unlikely', 554 (28.6%) indicated 'unlikely', 799 (41.2%) said 'maybe', 272 (14.0%) indicated 'likely', and 120 (6.2%) said 'very likely'.

From the internal data, it is observed that ATB saw an increase in number of customers (+1577 customers) over the months of June, July and August 2006, with an accompanying growth in average loan balances (\$1278.11) and deposit balances that were constant throughout the 3-month period. Although previous data was not available for comparison, a senior ATB official noted that these increases were considerably higher than typical trends in recent years (Rudan, 2006e).

If we assume that those who indicated 'significantly increases' are largely motivated to switch to ATB due to the EGP sponsorship, we can infer that 66 new customers⁴¹ were generated in Alberta by the EGP sponsorship. We also know that 51.7% of the sample came from outside of Calgary and Edmonton (this is the geographical distribution of the overall survey population), suggesting that 34 new

⁴¹ The number 66 is calculated by considering that 82 respondents of the original sample of 1937 (or 4.2%) indicated 'strongly increases'. Considering that 1577 new customers were added, 4.2% is 66.

customers were generated outside Edmonton and Calgary. Using averages from the internal data, this would infer \$197,168.50 in first month household deposits and \$825,908.25 in first month household loans.

In summary, results for Objective 3 suggest that 34 new customers were acquired due to the sponsorship, however – given that the estimate is based on a pre-event web survey (as opposed to a direct, post-event survey of the target market), this result should be considered a weak estimate at best.

Objective 4: Impact Key ATB Customers and Prospects: The assessment of this objective involves a metric developed to calculate how the hospitality suite impacted key ATB customers and prospects. Given that ATB defines ‘key’ as the Top 1% of customers, the best sampling opportunity available was the ATB hospitality suite at the EGP. The metric involves the use of three sources of data: (i) surveys administered to hospitality suite guests (invite-only) over the 3-days of the EGP, (ii) post-event interviews with the suite hosts and (iii) a report, provided by ATB marketing, outlining the invitee list and hospitality suite budget. These sources are combined to make an assessment of cost per hit to impact key customers and prospects. Impact is measured as satisfaction with the hospitality experience.

The Suite Host interviewees offered their opinions that attendee satisfaction was very high with the event, the service, the food, the race car driver visit and the atmosphere provided by ATB. One host noted that “three of those that attended called me the next day and also sent thank you cards to me, it was very cool, they all had fun, it was very worthwhile” (Suite_Host_2, 2006). A relationship manager (who provided a client with tickets to the suite but was not there himself) reported: “I spoke to my client and he

was thrilled with the event. He said that he was looked after very well and he is a huge race car fan, so it went over very well...[he also said that] the quality of the event was truly stunning” (ATB relationship manager, personal communication, August 6, 2006).

The survey of hospitality suite attendees (response rate = 39%) supported these views with questions related to their satisfaction with the EGP experience. The majority (76%) of attendees rated their overall EGP experience as ‘excellent’ and 97% said they would come back next year if invited again. More importantly, 72% said they’d increase their business with ATB and 100% reported that their experience at the EGP had improved their overall opinion of ATB. Considering those respondents defined as prospects (i.e., non-ATB clients), 71% expressed agreement that their experience could lead to an increase in the amount of business they do with ATB. These findings may be biased as surveys were administered in the midst of an enjoyable ATB activity.

ATB top clients and prospects were defined as the Top 1% of ATB customers and a benchmark of household income greater than \$100,000/year was used to determine if guests were from the sought target. Results showed that 72% of attendees had a household income greater than \$100,000 while 21% between \$60,000 and \$100,000 and 7% under \$60,000. This means that there were some individuals present who did not fit the target market. ATB marketing personnel and the Suite Hosts led an assessment of the allocation of spots in hospitality. The analysis was based on the fact that 75 total guest places were available for the suite (25 places for each of three days). These 75 spots were taken as follows: (i) 12 by ATB executives and their guests, (ii) 10 by ATB staff (non-executive) and their spouses, (iii) 48 by Guests (Top Clients & Prospects) and their spouses, and (v) 5 by no-shows (all Friday). Given that the 48 guests were comprised of

26 clients/prospects and 22 spouses, one could infer that the hospitality suite was for 26 targets. The total cost of the suite was \$37,402.73, which included entertainment (suite upgrade, food, drinks, ear plugs, invitations, race car driver visit) and gift bags (hats, pens, cash giveaways, secondary prizing). If we divide this number by the 26 targets attending, we can estimate a cost per target of \$1,432.78. If we consider only those Guests who meet the definition of Top 1% (i.e. household income greater than \$100,000), which was 21 of the 26 guests, the cost per target ratio goes to \$1,781.08.

In summary, it is clear that the suite was a success in 'impacting' key targets and top customers who were present. Noting that the number of true Top 1% customers/prospects attending could have been higher, the cost per target to reach these high-end customers is still low considering the size of the accounts and loans that these individuals have or could have with ATB. The survey also found high levels of guest satisfaction and a strong intent to increase business with ATB.

Objective 5: Increase Awareness that ATB exists: Awareness levels of the ATB in Alberta were measured using questions included in the mass market survey of 500 Albertans. In measuring the effect of the EGP sponsorship on the awareness of ATB, results from the mass market survey revealed that 16.4% (87 out of 500) of Albertans' awareness of the products and services of ATB increased following the EGP sponsorship. Of note, increases in awareness were similar across most demographic variables: (i) no gender differences between male and female ($t=.012$), (ii) no difference between high and low household income (\$100,000 cut point for $t=.507$), and (iii) no difference between Edmonton and Calgary ($t=.456$). There were some notable differences: (i) those under 55 years of age experienced significantly higher increases in awareness than those 55 years

of age and older ($t=2.857$, $p<.005$), (ii) those who saw the EGP on television experienced significantly higher increases in awareness than those who did not ($t=2.094$, $p<.05$), and (iii) non-ATB customers experienced significantly higher increases in awareness than current ATB customers ($t=2.005$, $p<.005$). In summary, awareness that ATB exists increased in 16% of respondents, particularly with those respondents less than 55 years of age, those who watched the EGP on television, and non-ATB customers. A regression model ($F=4.085$, $p=.007$) with the dependent variable set to awareness increase and independent variables of age, TV, and customer status, resulted in a model where age ($t=4.166$, $p=.006$) is a strong predictor and television ($t=1.766$, $p=.078$) is a weak predictor on increases in awareness. See the summary presented in Table 50 below.

Table 50: Summary results, Objective 5 Regression Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.155 ^a	.024	.018	1.749

a. Predictors: (Constant), GP_TV, ATB_CUST, AGE

Objective 6: Increase Awareness that ATB Cares: Using the same metric as Objective 5, this objective measures the effect of the EGP sponsorship on the awareness⁴² that ATB cares about Albertans. Results from a question on the mass market survey revealed that 43.4% (217 out of 500) of Albertans' believe that ATB cares about Albertans. Interestingly, when asked if the sponsorship of the EGP increased their belief that ATB cares, the resulting increase in awareness that ATB cares was much higher than

⁴² Note that although 'awareness that ATB cares' was the objective that ATB sought to achieve, this measure could also be viewed as measuring respondents' 'belief' that ATB cares.

the increase in awareness that ATB exists (Objective 5); in fact the difference is highly significant ($t=8.542$, $p<.001$). In summary, there is strong evidence that the EGP sponsorship was effective in increasing levels of awareness that ATB cares about Albertans.

Objective 7: ATB – Improve Brand Prestige in Current Customers: ATB's objective to improve levels of brand prestige with current customers was measured using the in-branch surveys (one Calgary branch and one Edmonton branch). A series of questions sought to assess ATB's brand prestige relative to other FIs and then evaluate the impact of the EGP sponsorship on those levels. Of the 217 completed surveys, 160 respondents indicated that they were ATB customers, and as such they are the focus of this objective. When asked to rate ATB's brand prestige relative to other FIs, most (70.6%) reported that ATB had very high (25.0%) or high (45.6%) brand prestige relative to other FIs while 25% rated ATB as 'average' and only 1.8% expressed that ATB brand prestige relative to other FIs was low or very low.

The sample of 160 ATB customers was then asked if their assessment of the prestige of the ATB brand had increased in the past two months. Here, 20% (32) of ATB customer respondents indicated that it had. These 32 respondents were then asked about factors (aided recall but with 15 stated factors and ability to insert others) which led to this increased opinion of ATB brand prestige in the past two months. In total, the 32 respondents identified 157 different factors. This represents an average of 4.9 mentions per respondent with 'ATB's customer service standards' being the most mentioned (29) followed by the quality of ATB products with 22 mentions. ATB's sponsorship of the EGP was mentioned 12 times (tied for the 5th most mentioned factor), 3 more than the

number of mentions about ATB's sponsorship of the Calgary Stampede. Thus, for those customers who noted an increase in brand prestige in the past two months, 37.5% (12 of 32) noted that the EGP sponsorship played a role. It is important to note the role that branch location plays here, as analysis showed that Edmonton customers had a significantly higher assessment of both ATB brand prestige ($t=3.411$, $p<.005$) and the increase in ATB brand prestige the past two months ($t=3.627$, $p<.001$) than Calgary customers. These relationships may be due to the Edmonton location of the EGP.

Assuming an equal contribution of all 157 identified factors to the increased brand prestige, we can estimate that the EGP sponsorship provided 7.6% (12/157) of the rationale for the increased opinion of ATB brand prestige in those ATB consumers who indicated such. Considering the overall sample of 160 ATB customers, it could be said that the sponsorship of the EGP enabled an increase in brand equity opinion in 1 out of every 66 ATB customers⁴³. If we consider the differences between Calgary (Mean response = 1.10) and Edmonton (Mean response = 1.65), the ratio could be further divided to 1 out of every 44 Edmonton-based ATB customers and 1 out of every 99 Calgary-based ATB customers.

In summary, results of this metric provide support that the EGP sponsorship had an impact in improving ATB brand prestige in current customers, more so in Edmonton than in Calgary, however.

Objective 8: ATB Internal Marketing (Motivate Staff): The metric for Objective 8 was developed in response to ATB's interest in leveraging the EGP sponsorship to

⁴³ This figure was calculated by dividing the number of respondents who felt that ATB's brand prestige had improved over the past two months (32) by the total number of respondents (160). This figure was then multiplied by the ratio of ATB mentions to all mentions (12/157) to come up with the 1 in 66 figure (384/25120),

motivate staff (i.e., internal marketing). Here, satisfaction is used as a proxy for motivation. The metric was developed using three data sources: (i) the annual ATB employee survey (provided by ATB), (ii) employee interviews and (iii) the employee ticket program. It is noted that this metric is not ideal but given the realities of permissions, it allows for an estimate of the effectiveness of the sponsorship. In addition to the ticket program, ATB employees (20 in total) were also able to get involved by volunteering for the Go-Kart track or MasterCard booths.

First, ATB's annual employee survey (completed in January 2006) found that most (91%) ATB employees believe that ATB is a good corporate citizen and the majority (64%) considers it to be a good place to work. These results suggest that ATB employees are satisfied with their work environment and believe strongly that ATB is doing a good job as a corporate citizen. However, there remains a significant proportion of staff (36%) who do not consider ATB to be a good place to work.

Second, results from the post-event employee interviews (Data Collection #6) provide three important contributions. First, six of the seven interviewees believe that ATB is a good place to work and all seven are satisfied with their employer. Two of the interviewees, however, noted that they have colleagues who are not happy with ATB; again showing that there is room for improvement. Also, with respect to the ATB-EGP sponsorship, very mixed views were provided, ranging from high levels of support for the sponsorship (three mentions by interviewees) to concerns about how the sponsorship was leveraged with employees (five mentions by interviewees). Certainly, the expression of these concerns notes that frustration as opposed to motivation may be what was achieved in some employees. Finally, when asked to assess the impact of the sponsorship, no

employee was able to assign a quantitative value, although all interviewees (seven of seven) felt it was a good marketing idea and all but one (six of seven) indicated that they believe that most employees felt this way. In responding to this question, two of the interviewees reported that they believed that some employees felt it was an Edmonton-centric event.

Third, the ATB employee-ticket program was analyzed. ATB's Marketing Manager described the program:

we are communicating via email and the intranet to our staff about the sponsorship, we are recruiting volunteers, and we are allowing a limited number of staff (via open call) to purchase the discounted tickets...on the MasterCard side, they are giving away tickets to staff who sign up the most new M/C customers. And, of course, our in-branch collateral is meant to start conversations between customers and staff to go to the microsite and sign up for the customer contest (Rudan, 2006a).

Although two of the seven employee interviewees were not even aware the program existed, five of the interviewees knew of the program and responded that it was a resounding success. Three respondents even suggested that it should be expanded in 2007. As outlined in Data Collection Exercise #7, the ticket program was a success with demand far outreaching supply. The ticket program must also be considered from a budget point of view as well. A cost of \$21,167.02 was incurred by ATB to cover the discounts provided to employees. Without an employee survey, it is not possible to assess the cost/employee affected however, given the positive qualitative results generated, it is reasonable to consider this a success. A few notes from employee interviews may help with future sponsorships: (i) "I think they all thought it was good...but the only thing I find is that we don't get enough notice to get tickets to make arrangements for people" (Employee, personal communication, August 1, 2006) and (ii) "I thought I got in on it but

they didn't find my order...so then I would've had to get a regular one. I thought I had Sunday" (Employee, personal communication, July 30, 2006).

In summary, following the cancellation of the employee satisfaction survey, this alternative measure was implemented. Objective 8 was measured indirectly using three sources of data which provides support that the EGP sponsorship was generally effective in employee motivation (i.e., positive employee interviews and the sold-out ticket program), although the weakness of the measure must be noted.

Objective 9: ATB – Achieve Competitive Advantage: The ninth ATB objective was to create a competitive advantage in Alberta. In other words, they were seeking a way by which to differentiate themselves from their competition through reminding Albertans that they are a bank for Alberta only. The mass-market survey of 500 Albertans included a question to describe this. Specifically, respondents were asked if the fact that ATB sponsored the EGP while other Albertan banks did not led them to consider ATB as having an advantage over these other banks. Due to limits on the length of the questionnaire, only one question was asked. More than one-half of the respondents (51.2%) reported that they either strongly disagree or disagree that advantage was achieved, a few (6.2%) said 'do not know', and a small portion (16.6%) said 'neither agree nor disagree'. This suggests that the sponsorship was not effective in achieving competitive advantage for ATB. However, approximately one-quarter of respondents were influenced positively (3.6% of respondents strongly agreed and 22.4% agreed that advantage was achieved). Although these are relatively small percentages, some positive effect must be noted for the sponsorship.

Deeper analysis provides more insight into those who do believe advantage was achieved. First, Edmonton respondents ranked the ability of the EGP to provide competitive advantage significantly higher than did Calgary respondents ($t=2.122$, $p<.05$). Second, respondents who had previously watched an entire Indy or CHAMP car race on television (some level of fandom) ranked the ability of the EGP to provide competitive advantage significantly higher than respondents who had not ($t=2.008$, $p<.05$). Finally, and interestingly, respondents who were ATB customers ranked the ability of the EGP to provide a competitive advantage lower (with weak significance) than respondents who were not previously customers ($t=1.528$, $p<.1$). Thus, one could infer that people who were not ATB customers, who live in Edmonton, and who are fans of auto-racing were most influenced.

Objective 10: Establish ATB as major player in Alberta banking – with

Customers: An additional ATB objective stemmed from the organization's goal to become a major player in the Alberta banking industry. Although this is similar in nature to achieving competitive advantage, it was articulated as a distinct goal by ATB as they believe that achieving competitive advantage through the sponsorship and being viewed as a major player in the banking market with customers and non-customers are not the same (Rudan, 2005b). Thus, the metric for measuring this objective involved survey questions specific to this objective in order to assess any increase in the number of current ATB customers who believe that ATB is a major player in the market. This was implemented using questions on the in-branch customer surveys (Edmonton and Calgary) and the pre-event microsite online survey (Albertan customers outside of Edmonton and Calgary).

With respect to ATB customers outside of the two major Albertan cities, the pre-event survey of ATB customers showed that 1675 of the 1787 (or 93.7%) non-Calgary/non-Edmonton respondents believed (yes or no question) that ATB is a major player in the Alberta banking market. Further analysis showed that those ($n=1578$) who believed that ATB's sponsorship of the EGP significantly increased or somewhat increased their opinion of ATB were significantly more likely ($t=4.243$, $p<.001$) to note that ATB is a major player in the market than those who noted that the sponsorship had no effect ($n=1896$) or a decreasing effect ($n=10$) on their opinion of ATB. This suggests, albeit imperfectly, that the EGP sponsorship played a role here.

In terms of the Edmonton and Calgary customers who were queried via the in-branch surveys, the majority (65.5%) felt that ATB was already a major player in the Albertan banking market. Specific to the sponsorship, respondents were then asked if they believed that ATB's importance in Alberta's financial services industry had increased in the last two months. For the ATB customers ($n=162$) in the sample, 57 (35%) believed it had, 76 (47%) said no and 29 (18%) did not know. Consistent with previously reported results, respondents from Edmonton ranked ATB as a major player significantly more frequently (weak significance) than respondents from Calgary ($t=1.630$, $p<.1$); once again suggesting the importance of the EGP in Edmonton. In total, the 57 respondents (31 from Edmonton, 26 from Calgary) mentioned 304 factors that influenced the increase in their support of ATB's importance in the FI sector the past two months. Of these mentions, ATB's customer service standards (50), ATB being Alberta-only (49), and the opening of new branches (26) were the most frequent, while the sponsorship of the EGP was the 4th most mentioned factor with 23 mentions (15 from

Edmonton, 8 from Calgary). If the influence of the EGP sponsorship is considered in the context of the 304 overall factors, one can estimate that the EGP sponsorship was responsible for 7.5% of the increase in the importance of ATB in the Albertan market over the two month period following the EGP sponsorship. Cross-tabulations revealed that two individuals exist in the sample of 162 ATB customers who (i) originally reported that ATB was not a major player in the Albertan banking market, (ii) then indicated that ATB's importance had increased in the past two months and (iii) noted that the sponsorship of the EGP was one of the reasons for their increased view of ATB's importance. Although this is a small number, it does demonstrate some success here.

In summary, the analysis of Objective 10 shows that the EGP sponsorship was responsible for an estimated 7.5% of the increase in opinions of the importance of ATB in the customers from Edmonton and Calgary, although response in Edmonton was significantly higher. Results from outside of Edmonton and Calgary were also positive with over 93% indicating that they feel that ATB is a major player in the Albertan FI market, although the impact of the sponsorship on this figure is uncertain.

Objective 11: Establish ATB as major player in Alberta banking – with Non-Customers: ATB also sought to increase their position as a major player in the Albertan market with non-customers. This method looked at non-customers and their belief that ATB was a major player in the market. It was measured by asking Albertans (via questions on the mass market survey) if they believed if that the ATB sponsorship of the EGP helps demonstrate that ATB is a major player in the Alberta banking market. Of non-customers (n=413), 63.7% agreed (227) or strongly agreed (36) that the EGP sponsorship was a factor in establishing ATB as a major player in the Alberta banking

market. Further analysis of non-customers revealed that some groups were more likely than others to report that the EGP sponsorship helped demonstrate that ATB is a major player: (i) those under 45 years of age ($t=2.035$, $p<.05$), (ii) those who were unable to correctly identify ATB as 'a full-service province wide Albertan financial institution' ($t=3.963$, $p<.001$), (iii) those who had watched the EGP on TV ($t=1.848$, $p<.1$), and (iv) those who could be called fans (i.e., had previously watched an entire car race on TV) ($t=2.094$, $p<.05$). Notably, no difference in Edmonton versus Calgary ($t=.456$) is found here. The influence of the EGP sponsorship was greater in those young (under 45) non-customers who were fans of auto racing, who saw the event on TV, and who previously were uncertain of the scope of ATB's operations.

Objective 12: Re-Brand ATB as Full Service Financial Institution – with

Customers: ATB also sought to use the EGP sponsorship as a means to re-position from a rural bank to a full service financial institution with its customers. The metric uses data from both the pre-event online surveys (customers outside of Calgary and Edmonton) and in-branch, post-event questionnaires (Calgary and Edmonton based customers).

For customers in rural or small city Alberta, the pre-event online survey included a two part question. Respondents were first asked to select which of the following best describes ATB Financial: 'a full-service Albertan bank', 'a Canadian bank from coast-to-coast', 'a small town Albertan bank', 'an urban banking institution with branches in all major Canadian cities', 'a British Columbia bank expanding into Alberta', or 'none of the above'. The desired response 'a full-service Albertan bank' was provided by 82.9% of the sample demonstrating a high level of awareness of a key aspect of the ATB brand. The most undesirable response ('a small town Alberta bank') was the next most common

selection at 6.8%. The remaining 10.3% either expressed that they did not know or responded with an incorrect answer. Respondents were then asked if the fact that ATB had decided to sponsor the EGP had changed their response to the question. Here, the vast majority (94.1%) of ATB customers outside of Edmonton and Alberta believe that the EGP sponsorship had a limited effect in changing their reported opinions. Further analysis, however, reveals that the EGP sponsorship significantly influenced two groups of respondents to change their response to the question more than those who had provided the desirable response; namely those who previously defined ATB as a small town Albertan bank ($t=7.614$, $p<.001$) or those who described ATB as a Canadian bank from coast to coast ($t=2.014$, $p<.05$).

The in-branch surveys also enabled an analysis of Edmonton and Calgary based ATB customers. This metric involved a three stage question; one asking if the EGP sponsorship improved the prestige of the ATB brand, one asking if sponsoring the EGP helped demonstrate that ATB is a rural financial services institution and the other asking if sponsoring the EGP helped demonstrate that ATB is a financial services institution for all Albertans. Results here support the view that the EGP sponsorship was able to influence knowledge of the ATB brand. Analysis of the first question revealed that 72 (or 45%) of ATB customers either strongly agreed or agreed that the EGP sponsorship helped increase the ATB brand while only 16 (10%) disagreed or strongly disagreed. Descriptive results from the second question demonstrate that customers appear to view ATB as a rural financial services institution (which is opposite to what most non-customers thought in Objective 11), as 69 (43%) of ATB customers either strongly agree or agree that the EGP sponsorship helped demonstrate that ATB is a rural FI while 30

(19%) disagreed or strongly disagreed. Results from the third question show that 85 (53%) of respondents agree or strongly agree that the EGP sponsorship helped demonstrate that ATB is a FI for all Albertans, with only 19 (12%) in disagreement. A correlation matrix was run with all three questions and the relationships between each of the variables was found to be significant ($p < .01$) indicating a similarity of responses between the three questions. The details are presented in Table 51 below.

Table 51: Correlation Matrix: Objective 12 Questions

Correlations		EGP SP on ATB brand	EGP SP = rural FI	EGP SP = for all Albertans
EGP SP on ATB brand	Pearson Correlation	1	.484**	.531**
	Sig. (2-tailed)	.	.000	.000
	N	217	217	217
EGP SP = rural FI	Pearson Correlation	.484**	1	.687**
	Sig. (2-tailed)	.000	.	.000
	N	217	217	217
EGP SP = for all Albertans	Pearson Correlation	.531**	.687**	1
	Sig. (2-tailed)	.000	.000	.
	N	217	217	217

** . Correlation is significant at the 0.01 level (2-tailed).

A data reduction (principal component analysis) was then run on data related to the three questions with the first question (Eigen value = 2.259) found to explain 75.3% of the variance and thus being selected to represent the three questions for further analysis.

It is important to note two issues around the data generated by this group of questions. First, in all three cases, there were high numbers of respondents who indicated 'Don't Know' perhaps indicating difficulty in understanding the questions or the challenge of attributing a promotion to a brand. Second, there were a number of contradictory responses including 11 respondents who noted 'strongly agree' that ATB is

both a rural FI and a FI for all Albertans. This could be due to a lack of customer knowledge of the ATB brand or the wording of the questions where the first question may have been construed to mean that ATB provides services to rural Albertans but not necessarily only to rural Albertans.

In summary, all three (correlated) questions suggest that the EGP sponsorship played a role in re-branding ATB as a full service FI; particularly effective with non-customers outside of Edmonton and Calgary who previously lacked knowledge about the ATB brand and with 45% of customers in both Edmonton and Calgary.

Objective 13: Re-Brand ATB as Full Service Financial Institution – with non-Customers: The rationale for Objective 13 is the same as Objective 12 except that the target is non-ATB customers. This is measured primarily using data from the mass-market survey of 500 Albertans (n=413 non-customers), with supporting data from the non-ATB customers (n=57) who responded to the in-branch survey.

Respondents to the mass market survey were asked to respond to the following questions after being made aware (aided recall) that ATB was a sponsor of the EGP: “when I think of ATB Financial, I think of a rural Alberta financial institution” and “when I think of ATB Financial, I think of a full-service, province wide financial institution”. For the first question, a balanced distribution of opinions was found with 21 strongly disagreeing, 155 disagreeing, 156 agreeing and 17 strongly agreeing. However, for the second question, results for ATB as a full-service FI are very strong as 72.5% (298) of non-customers agree or strongly agree. A paired samples comparison of means between the two questions showed a strongly significant difference ($t=8.852$, $p<.001$)

between the two questions supporting that ATB's brand is recognized as they would like (i.e., as a full service FI) and not as a rural bank.

Further evidence of the effectiveness of the EGP sponsorship on the re-branding of ATB is provided by the 56 respondents of the in-branch surveys who indicated they were not customers of ATB. First, 26 (or 46%) noted that they are likely to open an ATB account in the near future where 19 of the 26 (73%) either agreed (11) or strongly agreed (8) that sponsoring the EGP improved the prestige of ATB's brand.

Objective 14: ATB Internal Marketing (Build Employee Pride): Following the cancellation of the employee survey by ATB, this objective was measured in the same way as Objective 8 (employee motivation). The identical metric and analysis is used (see Objective 8) which found that the EGP sponsorship was effective in increasing employee motivation (i.e., positive employee interviews and the sold-out ticket program).

Objective 15: ATB – Assess Sponsorship Effectiveness: An objective of this sponsorship for ATB (and one of the reasons it came to be a part of this dissertation) was to evaluate the sponsorship as a promotional activity to support future business decisions. The fact that this evaluation was undertaken responds to this objective.

Objective 16: EGP – Revenue Generation: The objective of revenue generation to support the operation of its event was of primary importance for the EGP. The metric adopted here is an analysis of the budget and EGP marketing plan. First, it is noted that ATB agreed to a 2-year contract at the set fee of \$410,000 to be a gold sponsor of the event in 2006 and 2007. This met the EGP's revenue generation objective for a gold sponsor (Edmonton Grand Prix General Manager, 2006). The fact that ATB spent considerable additional resources (approximately \$240,000) and energy leveraging the

sponsorship in 2006 considered by the Executive Director of the EGP to be “a very positive advantage” (Edmonton Grand Prix General Manager, 2006).

Objective 17: EGP – Develop Long-Term Partnerships: The EGP clearly articulated its desire to build long-term partnerships as a key objective in its sponsorships. In the case of the EGP-ATB sponsorship, this was assessed qualitatively using post-event interviews with key people in both organizations. A series of questions around the relationship were asked including satisfaction, objectives, issues, and servicing.

On the EGP (sponsee) side, interviews were conducted with the two individuals responsible for the sponsorship: (i) EGP General Manager, and (ii) EGP Sponsorship Consultant for the event, on August 1, 2006. The General Manager oversees all operations of the EGP including the contract negotiations with ATB (Edmonton Grand Prix General Manager, 2006) while the Sponsorship Consultant was contracted by the EGP to manage and service all EGP sponsorships, including ATB. She outlined her role: “I am the primary sponsorship liaison for all sponsors...I was the primary contact working on the deliverables promised [to ATB]” (Edmonton Grand Prix Sponsorship Consultant, 2006).

On the ATB (sponsor) side, interviews were carried out with all ATB staff involved with the sponsorship including five (5) marketing staff, three (3) suite hosts, seven (7) employees and two (2) MasterCard representatives. All were conducted in the two week period following the event (July 24 to August 7, 2006) by telephone. The details and questions posed are outlined in Data Collection Exercises #5 and #8. Given the sensitive nature of the comments, the identities of the interviewees are kept confidential and, thus, their comments are not referenced in the following paragraphs.

Interviewees from both sides reported satisfaction with the sponsor-sponsee relationship with some significant concerns expressed. The majority of the concerns were expressed by representatives of the sponsor, particularly with respect to EGP's attention to the deliverables promised in the contract and ATB's onsite needs. For example, one interviewee commented that "they [EGP] performed at 70-80% of my expectations" and another similarly acknowledged that "we [ATB] got about 70 or 80% of the attention that we should of" and when pressed to explain said:

They [EGP] were generally very disorganized. So, it took quite a while to get answers from them...it felt a little like babysitting. You know, signage was put up late, booth locations were not what we wanted, that kind of stuff. So, it took a lot of extra effort on our part to get what we needed. It wasn't really a well oiled machine...in the end we were generally happy but we had to work harder [than expected] to get what we needed.

Another ATB interviewee responded similarly: "...there were things that they [EGP] didn't come through with but overall they provided what we agreed upon and did a pretty good job, so I'd probably say about 85% [performance on EGP's role in the sponsorship]." One interviewee summarized "I think that there were probably two or three sort of gaps that could have been avoided." When pressed to identify the problems, some interviewees refused while others eventually explained the issues. First, "there was a problem with family zone...logistic problem that they ran in to". When asked to explain, the interviewee responded that:

we were informed before that the family fun zone would include the rides and be an alcohol free area with all family stuff BUT it turned out that there was a beer tent beside and all rides were far away...so, I think we lost a lot of traffic from the Go-Kart track. It ended up being kind of a Go-Kart track with a few people around drinking beer. And, they'd committed to us that'd we'd be part of family fun zone.

Second, three of the ATB interviewees mentioned signage; notably the lack of providing the committed signage, while another noted the lack of delivery on a promised television broadcast. Third, many stressed communication issues and the difficulty as the event approached in getting calls returned and deliverables acted upon. For example, one noted “I felt sometimes that we weren’t necessarily the top of the list....often what was agreed on, wasn’t happening or wasn’t happening as was planned” while another reported that “Our contact at the Grand Prix seemed to have a lot of other things on the go and until crunch time we got 75% attention from EGP but when it came to crunch time...it became more like 50% of that, if that high.”

When the EGP interviewees were asked by the researcher to respond about any problems with their relationship with ATB, the EGP General Manager (2006) reported no problems and the EGP Sponsorship Consultant (2006) responded:

...we had a great relationship. I do apologize for one thing...that being the broadcast tape...that is just a learning curve from my end dealing with computers and things like that until the race...working through webmail and getting messages. I think everything else went smoothly.

After indicating that she felt that the event was a success and that she felt that she had enough resources to deal effectively with 25 sponsors, the EGP Sponsorship Consultant (2006) provided her opinion on whether the ATB sponsorship was a success or not: “I hope it was. It is difficult for me to say as I wasn’t part of negotiation side as I don’t know what was promised and what was expected.” She felt that ATB signage was high-quality and well-displayed, that the Go-Kart track was very effective, and that ATB people onsite were well trained and friendly. Her only recommendation was that ATB needed to do more onsite promotion of the sponsorship to get the message out more to the

people on site. When asked about the EGP side of the relationship and what could have been done differently, she indicated that:

I found that everything was delayed – especially from our end – due to the temporary site...I think that having a year under their belts and having more time to work through the program and take advantage of it should be better. Trying to rush a program through in 4 months was tough” (Edmonton Grand Prix Sponsorship Consultant, 2006).

When asked for specific recommendations, she provided a few: (i) “I would comment that they should include something with ticket mailers (gets recognition upfront)”, (ii) “[they should be] having more people roaming the site and reinforcing the brand”, and (iii) [they need] more 1 on 1 interaction with customers (Edmonton Grand Prix Sponsorship Consultant, 2006). Finally, she was asked about how the EGP Board of Directors felt about the current relationship with ATB. She indicated that “they are happy with ATB as a sponsor and the sponsorship programs that they [implemented]...they are happy with any sponsor who does activate and co-promote and they definitely feel that the ATB brand is a good fit” (Edmonton Grand Prix Sponsorship Consultant, 2006).

In summary, it is obvious that both sides view the relationship with concern and identified a number of issues (communication, delivery of promises, leveraging, etc.) which need to be resolved. However, it certainly appears that both sides are committed to improving the relationship in the future. Many of these concerns were viewed to be relatively minor in nature. Also, the Sponsorship Consultant (2006) pointed to the fact that ATB is one of many EGP sponsors. Further, the EGP representatives (Edmonton Grand Prix General Manager, 2006; Edmonton Grand Prix Sponsorship Consultant, 2006) commented that ATB was not a title or presenting sponsor which meant they were

not top priority, however they reported that they would improve the sponsor servicing in the future towards building a long-term relationship with ATB.

Objective 18: EGP – Build an affinity⁴⁴ with Alberta Market (through ATB association): One of the key reasons why the EGP was interested in the ATB as a sponsor was its ability to provide an Alberta-focused message through the sponsorship (Edmonton Grand Prix General Manager, 2006). This was then translated into an objective for the EGP and was measured via two questions on the mass market survey. The first question asked if the respondent believed that the fact that ATB was a sponsor of the EGP made them prouder that the event is hosted in Alberta, while the second asked respondents if learning that ATB was sponsoring the EGP increased their belief that ATB cares about Albertans. On the first query, 48.8% either agreed or strongly agreed, while 22.8% disagreed or strongly disagreed. For the second question, a similar result was achieved with 43.4% either agreeing or strongly agreeing, while 29.2% disagreed or strongly disagreed. In fact, responses to the two questions were significantly correlated ($r=.517$, $p<.01$). In both cases, evidence is provided that the sponsorship had some effect on the EGP objective of building an affinity with the Alberta market.

Deeper analysis provides limited additional insight into Albertans' affinity with the event as no influencing variables had an significant impact other than the fact that fans (those who had watched an entire car race previously on TV) believed more than non-fans ($t=1.939$, $p=.053$) that the sponsorship increased their pride that the EGP is held in Alberta. A similar difference ($t=2.047$, $p<.05$) occurred with the 'care' question. Thus, in summary, there is support that the sponsorship had an influence on increasing

⁴⁴ 'affinity' here refers to attachment between the EGP and Albertans

Albertans' affinity with the event (via pride and care constructs) with an enhanced effect on those who were already fans of auto racing.

Objective 19: Effectively Service Sponsors: This objective is measured in a similar fashion to Objective 17 where, post-event, representatives of both the sponsor and the sponsee were interviewed to assess the relationship between ATB and the EGP. One aspect of this relationship is the servicing provided by the sponsor (EGP) to the sponsee (ATB). As noted in Objective 17, interviewees from ATB noted some problems with communication and service; which was also supported by one EGP interviewee. One particular question in those interviews asked respondents to evaluate the service provided by EGP to ATB, where three ATB interviewees responded that service was 70-80% of expectations.

Objective 20: Customer Acquisition (MasterCard Onsite Sign-up): During the event, there were 4 MasterCard booths with volunteers (ATB associates) circulating around the event grounds seeking to sign people up for ATB MasterCard. Provided they completed a form, the respondents received a giveaway t-shirt. Maximizing the number of complete sign-ups was an important objective for ATB MasterCard.

ATB MasterCard officials provided the results of the sign-up campaign at the event. Over the course of the 3-day event, 699 people had signed up for a MasterCard, 52% of who were eventually approved for a card (i.e. 364 individuals). If we consider this in the context of their budget, we can calculate the cost per sign-up and the cost per sign-up leading to approved cardholder (i.e., potential new customer). The total cost to MasterCard for the sponsorship was \$123,839 (or \$85,000 fee plus \$38,839 leveraging). Dividing by the number of sign-ups (699) and approved cards (364) gives a cost per sign-

up of \$177.17 and cost per approved cards of \$340.22. MasterCard representatives noted that this is an acceptable figure for them (Sperling, 2006).

ATB MasterCard also sought to acquire customers through the promotions launched on the pre-event microsite where it was noted that 869 visitors to the microsite did click on the link to the ATB MasterCard webpage. No tracking was done to determine if any of the 869 became cardholders. Further, MasterCard representatives verified that two additional EGP-related promotional contests led to 320 new approved cardholders; 195 from a regional branch contest and 125 from a call centre contest. No further details on these promotions were provided, although no additional costs were incurred (Sperling, 2006; Rudan, 2006b).

In summary, 684 new cardholders (approved) were acquired by MasterCard from the EGP sponsorship at a cost of \$181.05 each. This is considered to be a very good cost per approved cardholder sign-up by MasterCard officials (Sperling 2006).

Objective 21: MasterCard – Build Awareness: The co-sponsor ATB MasterCard had one promotional objective in addition to its goal of customer acquisition. This resulted from the fact that MasterCard International committed \$45,000 in resources to ATB MasterCard towards the EGP sponsorship in return for the inclusion of its logo in all related ATB promotions (Rudan, 2006b). The ability of the sponsorship to build awareness of ATB MasterCard with ATB customers and prospects was, thus, a further objective of the sponsorship. This was measured through questions on the in-branch surveys where respondents were asked whether sponsorship of the EGP increased their awareness of the ATB MasterCard product. Results indicate that the sponsorship had limited effect in building awareness of the ATB MasterCard as nearly half (49.6%) of the

responds either disagreed or strongly disagreed that the EGP sponsorship increased their awareness of MasterCard. However, almost one quarter of the respondents (22.7%) agreed or strongly agreed, which may be considered significant considering the high pre-existing levels of awareness that MasterCard has globally. A high level of awareness of MasterCard was demonstrated in the in-branch survey population in the metrics of each of Objectives 1, 2, and 3. An 'ATB Visa Card' (which does not exist) was used as an option as an influencing factor but was never chosen by a respondent. Further analysis found no significant differences between Calgary and Edmonton or between customers and non-customers.

6.2.1.6.3 Data Analysis: Shirking Behaviours

Concurrent to gathering the data for the objectives to be measured, the process of identifying potential shirking behaviours or activities was also undertaken. Note that in many cases, metrics for shirking could not be planned until the researcher became aware of the potential shirk and related information became available. The same combined format of presenting methods concurrent with results is adopted here for the nine potential shirking effects assessed.

Shirking Effect #1: The contract between ATB and the EGP included a clause (2.2) allowing for a previous agreement with Capital City Savings (a direct ATB competitor) to sponsor the Pit Lane Club at the EGP. Given the importance of exclusivity in sponsorship, the fact that ATB was given exclusivity in the FI category, and the Capital City Savings sponsorship of the Pit Lane Club, this was classified as a shirking behaviour. The metric developed to determine its impact was a question on the mass

market survey to determine the level of confusion created by the Capital City Savings sponsorship of Pit Lane. The question asked respondents (n=500) to select the official FI sponsor of the EGP from a list of 5 options with an additional choice to select 'none of the above'. Results clearly show that some confusion was generated in both ATB customers and non-ATB customers. The vast majority, 343 (68.6%), either did not know or reported 'none of the above'. After that, ATB was the most mentioned (n=71 or 14.2%), followed by RBC (n=57 or 11.4%), Capital City Savings (n=18 or 3.6%), Bank of Alberta (fictional) (n=6 or 1.2%), and Alberta Credit Unions (n=5 or 1.0%). In the context of these various levels of confusion (market, shirk, clutter) and noting the difficulty involved in attributing the lack of awareness to this particular shirk, this analysis suggests that some negative effect of the Capital City Savings Pit Row sponsorship is evident. If we analyze further the 18 respondents who selected Capital City Savings as the official FI sponsor of the EGP, it is observed (i) that being outside of Edmonton did not lead to more confusion as 11 of the 18 were Edmonton based (with 6 from Calgary and 1 from outside), (ii) that one of them attended the race in person, (iii) that 4 watched the EGP on television, (iv) that 11 of the 18 had household incomes under \$100k, and (v) that 13 of the 18 were female.

In addition to the overall finding that 3.6% of respondents selected Capital City Savings as official EGP FI sponsor, additional support that negative effects resulted is evident through the 87 respondents in the sample who were already ATB customers. Of these 87 ATB customers, 3 selected Capital City Savings as the official FI sponsor of the EGP.

Shirking Effect #2: Similar to Shirking Effect #1, Shirking Effect #2 was discovered following a detailed review of the sponsorship contract. It involves another contracted issue where ATB was not provided the option to supply the onsite ATM machines during the event. It is considered a potential shirk as it is a behaviour potentially counter to ATB's interests. Given the 'white label' (i.e. generic, non-branded) style of machines typically used at such events, it is estimated that ATB could have made approximately \$2 per transaction had the machines been onsite. Expenses are unknown but would include the transport, delivery, maintenance and service of the machines. If we estimate (conservatively) that each attendee (total attendance was 171,391), on average, would use an onsite ATM machine 0.5 times/day during the event and that expenses are \$1 per transaction, lost revenue is estimated to be \$42,848.

Shirking Effect #3: As noted previously, a potential shirking behaviour was identified during one of the post-event interviews where it was noted that ATB had been promised "signs at Go-Kart track but did not get half of them" (Rudan, 2006b). Qualitative feedback was sought from the various post-event interviews. ATB interviewees reported frustration with the lack of signage, although they did not express much concern about the potential marketing impact of the lack of signage, other than noting that any detraction would be most noticeable for the television audience. EGP interviewees expressed that they were not aware of the problem. Given the point that the television audience would be most affected (Rudan, 2006a), the sample of 52 Albertans who responded to the mass market survey who indicated that they had watched the EGP on television was looked at further. Of the 52, 12 (23%) were current ATB customers. Interestingly, not one member of this group was able (unaided) to identify ATB as the

official FI sponsor of the EGP, with 3 respondents selecting RBC and 9 reporting 'I do not know'. Similarly, the non-ATB customers who had watched the EGP on television (40) were also confused about the identity of the official FI of the EGP, although 6 (15%) were able to correctly identify ATB.

The summary point of this analysis is that, among television viewers, considerable confusion exists about sponsorship of the EGP. Although attributing a portion of this confusion to the loss of signage is impossible to show empirically in this research, it is likely that the lack of signage issue had some role in this confusion.

Shirking Effect #4: Throughout the post-event interviews, a number of issues around the service efficiency provided by the EGP were identified by a number of ATB interviewees. Given that these were related to activities of the EGP or its suppliers, they were considered as potential shirks of ATB and included: (i) communication challenges for ATB personnel with EGP contacts, (ii) delayed delivery and slow servicing with the truss structure for the ATB sponsored Go-Kart track, (iii) production error on flags for the event, (iv) late delivery of signage and challenges with signage sub-contractor Stratotech, (v) late delivery of prizes for ATB retail contest, (vi) failure to finalize promised television commercial spot for ATB in time, and (vii) failure by the EGP to deliver post-event report to ATB (as of December 2006). Other than lost promotional benefits for ATB from the lost television commercial spot/signage errors and planning challenges for 2007 from the late report, these activities did not result in any significant detraction from the sponsorship although they did result in considerable aggravation, frustration and a loss of time for ATB employees.

Shirking Effect #5: As noted in Objective #4, ATB had a goal to impact its high-end customers and prospects with the EGP sponsorship. One particular aspect of that objective involved a significant investment to contract a high profile professional race car driver to visit the ATB hospitality booths on all three days of the EGP. Two ATB interviewees and the suite hosts all indicated that there may have been shirking behaviour (lateness, less time committed than contract, difficulty to find, etc.) on the part of the driver's team, which is assessed here. In addition to the \$10,515 invested in food, drinks, upgrades, invitations and giveaways for the hospitality suite, a fee of \$5,500 was paid to the driver for the visits. The assessment of the potential shirk is analyzed using qualitative data from the post-event interviews with the three Suite Hosts as the metric.

The Suite Host for one of the days described how the visit worked out on that day: "he [the driver] got there about 1:00 and was there for a good 35 minutes. He did a great job and spent time signing autographs as much as we wanted and also reviewed the track details and more about the cars...people were happy" (Suite Host_1, 2006). An attendee at the hospitality suite the same day echoes these positive comments: "he [the race car driver] was the best part of the sponsorship...very good" (Relationship Manager, personal communication, July 27, 2006).

The Suite Host of another day had a much different experience. Similar to the day described above, it was planned (per the contract) that the driver would come to the hospitality booth about 30 minutes after the race (arrive around 1:30pm). However, "today he came at 3[pm]" (Suite Host, personal communication, July 30th, 2006), which – as the Suite Host explains – was not ideal for the guests at the suite:

...it was planned that he would come after the race which finished at 1pm so we expected him at 1:30 or 2...but he came at 3. Clients were excited.

We had to eventually go and get him. It was frustrating from a client perspective. They [clients] were fine with it. It was no big deal, you know. Some of them waited and some of them left. Most of the clients actually left at that point. I told them that he'd be there in 20 minutes but we couldn't force them to stay. It was hot. Now, that was my biggest let down as the host as I had to explain why he wasn't there. You know, they were excited to meet him and things were designed for him. Now, we gave some pictures/signatures to those who'd left but it wasn't the same. (Suite Host_2, 2006)

This Suite Host also pointed out that continued calling to the driver and his agent was required to find him and encourage him to come right away, although she noted that the main negative was her frustration as it appeared that the lateness and short visit "had limited, if any, affect on the effectiveness of the sponsorship" (Suite Host_2, 2006).

The Suite Host on the third and final day of the EGP also had only positive things to say about the driver and his contribution to the sponsorship:

I think there is huge value in having the driver come to the suite. He was paid by ATB to come for an hour or so on all 3 days. He let customers know that we'd [ATB] paid for him when he was there. It is very valuable...his manager also came in before the driver to set up his visit which was nice. Food and drink was quality and great and we didn't run out. Taxi chits worked well and were appreciated [by attendees]. One lesson learned was on food...after the race, there was no one left [in the suite] to eat food so we lost some money. (Suite Host, personal communication, July 30th, 2006)

In summary, 2 out of the 3 Suite Hosts reported that the driver fulfilled and exceeded the tenets of his contract while the 3 noted he was late but otherwise did what he was asked and that the negative effects were very limited. As such, it is reasonable to conclude that no shirking behaviour took place here.

Shirking Effect #6: A sixth potential shirking effect related to the ATB-sponsored Go-Kart Track at the EGP was reported to the researcher in two of the post-event interviews. This promotion was included in the ATB-EGP sponsorship contract because

of (i) its high profile and (ii) its planned location in the family zone (i.e. near rides, kids' events, etc.). The shirk resulted when the Go-Kart track ended up being located near the beer garden and far from the other kids' rides (Rudan, 2006b). Given the lateness of this change and the challenge of forecasting what benefits would have resulted from a location, as planned, near the kid's zone and away from the beer garden, the effects are estimated using the post-event interview transcripts. One of the ATB interviewees summarized:

We were informed before that the family fun zone would include the rides and be an alcohol free area with all family stuff but it turned out that there was a beer tent beside and all rides were far away and signage was weak. So, I think we lost a lot of traffic from the Go-Kart track. It ended up being kind of a Go-Kart track with a few people around drinking beer. And, they'd committed to us that'd we'd be part of family fun zone....and there is no question that this impacted the effectiveness of the Go-Kart track.

During one of the post-event interviews, an ATB staff member used a map to show where the Go-Kart track was supposed to have been and where it actually ended up being and commented "I am positive that the location change was a negative issue for our promotions". Another interviewee referred specifically to the potential loss of promotional benefit for ATB: "personally, I think the Go-Kart thing was great...they should continue it...but in a better location...where it was, was not good for promotion". Although the actual impact could not be specifically measured, the results of the post-event interviews demonstrate that a loss of promotional capacity did occur to some degree.

Shirking Effect #7: The seventh potential shirking effect was identified in a post-event interview with one of the Suite Hosts, who noted that the ATB announcements that were played over the public address system on site were incomprehensible (as were all

announcements). Given the post-event timing of this shirk being identified; it was not possible to put a specific metric in place, although data from the Suite Host post-event interviews provide some input. Notably, two of the Suite Hosts commented specifically on the loss of promotional value: “they were a waste of time”, and “one thing they should change is the public announcing system. We could never hear a word of what was being said”.

Shirking Effect #8: Two ATB employees raised sensitive internal ATB issues as potential shirks in the post-event employee interviews. First, they pointed out that the allocation of tickets in the employee ticket program likely detracted from ATB’s internal marketing objectives (Objective 8 to motivate staff and Objective 14 to build employee pride). Second, they noted that the selection of guests in the ATB hospitality suite had likely detracted from the effectiveness of the hospitality suite (Objective 4 – Impact Top 1% of customers). Based on these suggestions, both are considered potential shirking behaviours and their impact is assessed separately.

Results from the post-event ATB employee interviews were used to assess the employee ticket program, where three interviewees noted that communications from ATB to its staff failed to reach everyone. Specifically, two of the seven interviewees had not heard of the program, another believed it was an Edmonton-only offer, and 3 noted that they knew of colleagues who had wanted to attend but were unable to as tickets were sold out before they knew about the ticket program. This issue around communication must be taken in the context of an otherwise very successful program which sold-out quickly and got ATB staff widely excited about the sponsorship.

Analysis of the employee interviews was used to review the potential shirking behaviour with respect to access to the hospitality suite. This is considered a potential shirk as the activities involved could undermine the sponsorship and one of its objectives. Suite_Host_1 (2006) described the issue: “we had some tactical struggles over who was invited” and another ATB official explained in detail that:

The original plan for the hospitality suite was to have 25 guests per day which were to include 8/day who were top customers with over \$2,000,000 in loans, 15/day from investor services clients and prospects and 2/day to be a single ATB executive and his or her spouse. However, jealousy and politics came into play and the number of ATB executives and spouse grew to 6/day and some other ATB staff used some of the other ticket places for themselves or friends instead of for clients and prospects.

Some employees were disappointed that their clients were invited but they were not; and one noted “it is tough but we were not invited. We were allowed to send clients. So, we could buy tickets but we weren’t invited.” The same interviewee, however, noted that “my clients were happy – all of them enjoyed it – they were wine and dined. I sent 6 but would have liked to have been there myself”. In addition to the issue around ATB executives and staff attending, determining how many spots would be provided to guests became an issue, as noted by one of the Suite Hosts:

...the goal was to invite top-end clients to [allow ATB to] interact with top-end clients...that was very much achieved. I mean there were some invitation logistics. I thought that there were too many executive types there...maybe more relationship managers would have been ideal: the people who clients deal with on day to day. There may have been too many ATB employees as well. On my day, there was myself and there was 4 executive types and their guests...so 8 spots of 25 taken up by ATB employees. And that has to be looked at for sure.

There was also some concern expressed around the invitation of spouses to the event as expressed by one of the Suite Hosts:

There is also debate about [inviting] spouses for each ATB person. For clients, I think it is necessary to invite a guest but for an ATB executive, there is good and bad...it is business so you don't need the guest but then again if you bring your spouse/guest, they can relate to the client's spouse/guest and talk while others are doing business. In general, I'd say yes but a small suite limits this and we need more clients there.

These four potential shirks – whether from actions of specific individuals or from ATB policy around the event – are amplified since only 48 (26 clients/prospects with 22 guests) of the 75 spots were taken by clients or prospects is an issue. This means that 36% (27) of the places were taken by ATB employees and their guests, for a ratio of less than 2:1 (1.78:1 to be exact) of Clients/Prospects:ATB representatives. If we reduce the sample to include only clients/prospects who meet the Top 1% definition (i.e., household income > \$100,000), the ratio drops to 1.28:1. From all accounts, these ratios are low and likely led to some hurt feelings and disappointed employees, clients and prospects.

Overall, the hospitality suite places are reported by interviewees to be a significantly more impactful issue detracting from the sponsorship than the employee ticketing program. In fact, the employee ticket program suffered only from the issues around any normal popular program so it is not deemed shirking behaviour. Considering the fact that a low percentage of places in the hospitality suite were occupied by ATB clients and prospects (not all of whom met the Top 1% criteria), it is reasonable to suggest that activities around hospitality suite

invitations undermined the effectiveness of the sponsorship and Objective 4 in particular.

Shirking Effect #9: A review of the transcripts of the post-event interviews with ATB MasterCard and ATB staff suggested that there may have been some cooperation issues between the sponsor and co-sponsor that potentially detracted from the effectiveness of the sponsorship. It was deemed a potential shirk as both sponsor and co-sponsor were contractually linked to the sponsorship and an undermining of the deliverables on the contract would fit the definition of shirking behaviour. A deeper assessment of the interview transcripts and further communication with both ATB and MasterCard representatives revealed that there is not a specific shirk here but a larger organizational issue of how the ATB MasterCard unit fits in at ATB. One interviewee summarized the situation: “3 years ago, we had more marketers at MasterCard – 6 on our floor – than we have in ATB marketing and they only work on MasterCard and there is no collaboration between the units which makes no sense”. When asked if this issue needed addressing, the interviewee articulated that “I’m pretty confident that in 5 years that won’t look the same...things are changing...all sponsorships small and large should come through 1 unit who have linkages with everybody [both MasterCard and ATB]”.

Many additional comments were made by interviewees on the specific issues and challenges of the ATB – ATB MasterCard relationship. The comments can be grouped based on how they affect the sponsorship: (i) inefficient budgeting, (ii) mutually exclusive strategies, (iii) strained communications, and (iv) distinct and uncoordinated leveraging plans. In summary, no shirking behaviour specific to sponsorship is identified, however the larger issue of inefficient activity and competing interests between ATB

marketing and ATB MasterCard is noted, as is the effect it had on the sponsorship.

Results clearly point out the pressing need for ATB and ATB MasterCard to deal with this issue.

6.2.1.7 Step 7: Generate and Interpret Outcomes and Impacts

The process of developing and implementing this evaluation revealed a number of challenges in sponsorship evaluation research, with particular challenges stemming from decisions, resource and permission issues which are discussed in this section.

The process of making strategic decisions around the evaluation turned out to be considerably more complex than originally thought. In fact, seven individuals influenced how the evaluation developed. These individuals were representatives from ATB marketing, ATB legal, ATB research, EGP management, ATB MasterCard, the doctoral researcher and the doctoral research supervisor. Of particular note, approvals were necessary from lawyers and research experts on behalf of ATB in order for the evaluation to proceed.

With respect to permissions, ATB required the signing of NDAs by the researcher, the PhD supervisor and the PhD committee with versions of the NDA designed specifically for each by the ATB legal department. ATB's Vice-President of Marketing also interviewed the researcher in person on the research. Following these two steps, the researcher was allowed full disclosure and support. The EGP was more reluctant. Interviews came only after the event and following considerable communication from ATB and the researcher. Information from co-sponsor ATB MasterCard was full and complete.

The process revealed that significant time and financial resources are needed to complete an evaluation. The researcher invested approximately 250 hours and the key ATB contact (Marketing Manager, Investor Services) put over 80 hours into the analysis, while at least another 10 ATB staff members allocated at least 1 hour and up to 25 hours in some cases to the evaluation. It is estimated that the researcher and representatives from ATB, MasterCard and EGP dedicated a total of 430 hours of their time specifically to the evaluation. Budget costs were also significant and were shared by ATB, the author and the PhD supervisor with the total cost coming to \$11,773.86 as outlined in Table 52 below.

Table 52: Evaluation Research Expenses

<i>Expense</i>	<i>Amount</i>	<i>Paid By</i>
Researcher Visit to Edmonton – Hotel	\$300	ATB
Researcher Visit to Edmonton – Flight/Meals/Transportation	\$1525.50	NOR
Researcher Expenses for Interviews (long distance, tape, etc.)	\$148.36	NOR
In-Branch Surveys – Data Collection Salaries (80 hours @ \$15)	\$1200	NOR
In-Branch Surveys – Hotel, Travel and Incentives	\$1100	ATB
Mass Market Surveys (Alberta) – Research House Fee	\$5000	ATB
Mass Market Surveys (Alberta) – Research House Fee	\$2000	JM
Miscellaneous Costs – Research	\$500	NOR
TOTAL COST	\$11,773.86	*

In summary, the process model was run successfully. The final step of the process model involves generating the outcomes and impacts of the sponsorship vis-à-vis the 21 objectives and 9 shirking behaviours. It is a summary of the previous 30 sub-sections and is presented in Table 53 below. The summary includes a brief description of each

objective/shirking behaviour, a researcher ranking⁴⁵ on the level of attainment of the objective (or 'detraction' in the case of shirking) and the results that support that ranking.

Table 53: Summary Results

Objective		Results	
#	Description	Objective Obtained	Results of Analysis
1	ATB Customer Acquisition – Edmonton	Limited	+ 7 new customers
2	ATB Customer Acquisition – Calgary	No	No effect
3	ATB Customer Acquisition – Other	Partial	+ 34 new customers
4	ATB Impact Top 1% customers/prospects	Yes	+ 26 Top Customers & Prospects 'impacted' @ \$1780 each
5	Increase Awareness (that ATB exists)	Yes	+ 16.4% increase
6	Increase Awareness (that ATB cares)	Yes	+ 43.4% increase
7	Improve ATB Brand Prestige (customers)	Partial	+ 1 in 66 customers (1 in 44 EDM/ 1 in 99 CAL) influenced
8	ATB Internal Marketing (motivate staff)	Yes	+ Sold-out ticket program + Positive employee interviews
9	ATB Achieve competitive advantage	Limited	+ 3.6% of respondents impacted + Significantly greater impact on non-customers, fans and Edmonton
10	Establish ATB as major player in Alberta banking market – with customers	Partial	+ Over 90% believe so already, 3.5% of 57 non-believers impacted
11	Establish ATB as major player in Alberta banking market – with non-customers	Yes	+ 64.8% of Albertans (strongly) agree that EGP sponsorship helped + Significantly greater impact on young, fans of sport and TV viewers
12	Re-brand ATB to full-service operation from small town rural bank – customers	Yes	+ 45% of customers noted that EGP sponsorship aided re-positioning
13	Re-brand ATB to full-service operation from rural bank – non-customers	Yes	+ 72.5% agree or strongly agree that ATB is full-service FI + Significant difference b/w those who correctly chose and those who did not
14	Internal marketing ATB – build pride	Yes	+ Sold-out ticket program + Positive employee interviews
15	ATB: assess sponsorship effectiveness	Yes	+ The occurrence of this evaluation
16	EGP – revenue generation	Yes	+ Target price achieved (\$410k) + ATB leveraging investment (\$240k)
17	EGP – develop long-term partnerships	No	Numerous concerns to overcome, but commitment to improve in 2007
18	EGP – build affinity with Alberta market through association with ATB	Yes	+ Strong effect (50%) in building pride in Alberta-based event

⁴⁵ Given the varied nature of the 21 objectives and 9 shirking behaviours, coupled with the fact that many of the objectives were not constructed by ATB, MasterCard or EGP with measurable components, a 4-level ranking system (yes, partial, limited, and no) was used with ranking based on researcher assessment. The 4-levels were defined as follows: yes (objective achieved as desired), partial (considerable but incomplete evidence of successful achievement of the objective), limited (low levels of success, often uncertain), no (no evidence of success).

19	EGP – effectively service sponsors	Limited	+ 70-80% performance
20	MasterCard – customer acquisition	Yes	+ 684 new clients via booths/contests
21	Awareness of ATB MasterCard	Yes	+ 22% increase due to sponsorship
Shirk		Results	
#	Description	Detraction	Results of Analysis
1	Sponsor Conflict w/ Capital City Savings	Yes	- 3.6% of consumers confused
2	No On-Site Product Sales	Partial	- Approx. \$85,695 in lost revenue
3	Signage Problem	Yes	- Loss of TV promotional value
4	Service Efficiency	Limited	- Inconvenience and minor loss of promotional benefits
5	Race Car Driver Investment	No	No shirking behaviour evident
6	Go-Kart Track Location	Yes	- High loss of promotion capacity
7	PA Announcements	Limited	- Minor loss of promotion capacity
8	Implementation of Ticket Program Hospitality Suite invitations	No Yes	No shirking behaviours evident - Poor ratio of clients/prospects to ATB reps (1.7:1)
9	MasterCard/ATB Cooperation	No	No shirking behaviour evident, although some larger issues identified

Methodologically, a number of recommendations were developed for future research from this sponsorship evaluation case study. First, in intimate data collection environments such as the hospitality suite survey, it is important to use a one-sided survey (some respondents missed the reverse side) and to include significant training of suite hosts on the survey given that they have many responsibilities during the day including the survey. Second, with respect to shirking behaviours, the need to include a round of pre-event interviews to determine potential sources of shirking would enable more quantitative assessments. This could be accomplished through qualitative forecasting techniques such as expert opinion or a focus group with people who were involved in a previous similar sponsorship. Third, when interviewing representatives of sponsors, sponsees, and intermediaries, it became evident that the need to do so in a private, comfortable setting with extra time to discuss ‘key’ issues should be included in the process model. Finally, the resource-intensive nature of evaluation was again highlighted; both in terms of financial cost (\$11,600 or 2.6% of the ATB sponsorship fee)

and time commitment. The demands are considerable and may not be well understood when embarking on an evaluation.

6.2.1.7.1 Recommendations to Participating Organizations

Throughout the implementation of the process model in the ATB-EGP sponsorship evaluation case study, a number of recommendations specific to the sponsor (ATB), sponsee (EGP) and co-sponsor (ATB MasterCard) were developed. They are presented here for the benefit of the participating organizations and for the improvement of the process model.

Recommendations to ATB: A number of specific recommendations are provided to ATB from the sponsorship evaluation case study. First, it is suggested that the relationship between ATB marketing and ATB MasterCard marketing be clarified and re-organized. The specific recommendation is to accelerate the previously discussed idea (Rudan, 2006a) of merging of the two units into one cohesive entity. Concurrent to accelerating the merger, it is further recommended (i) to balance the leveraging ratios of ATB Financial and ATB MasterCard to the EGP sponsorship to ensure an equal contribution towards maximizing the value of the sponsorship and (ii) to develop a coordinated plan for the 2007 EGP. Second, it is recommended that ATB implement a second evaluation exercise for the customer acquisition objectives in 12-18 months time to determine if longer-term impacts were generated where short-term outcomes were weak. Third, ATB should prioritize sponsorship for future awareness and branding objectives but NOT for future customer acquisition or competitive advantage objectives since results here show sponsorship to be effective in awareness/branding but not

customer acquisition. Fourth, for the Hospitality Suite at the 2007 EGP, ATB should consider the following suggestions for action: (i) repeat the high profile race car driver visit but with a different star driver, (ii) reserve a larger suite and consider alternative suite layouts to increase numbers and improve the experience, (iii) review invitation policy to increase the ratio of customers and prospects to ATB representatives, (iv) reconsider the option for ATB executives and relationship managers to bring a guest with them, (v) ask EGP for better suite signage, (vi) ask EGP for improved bathroom facilities (both quality and location), (vii) ask EGP for more visitors passes (i.e. 4 for every 25 person suite) which are valid all day (not just after 2:30pm), and (viii) address a number of other minor issues identified in the post-event employee interviews (i.e., (a) improve delivery and inventory of food including no food on Sunday afternoon, (b) order less alcohol or lower prices in the booth, (c) eliminate or reduce gift bag, and (d) ask EGP if younger bands could be included for younger crowds). Fifth, considering the employee discount ticket program, the following three suggestions are offered for the 2007 EGP: (i) improving communication program so all ATB staff are aware of the program, (ii) implement a strategic ticket allocation system, and (iii) allocate more budget to expanding the number of tickets available in the program. Sixth, it is suggested that ATB (i) meet immediately with the EGP to express strong concern over the Capital City Savings sponsorship, (ii) demonstrate (using results from this evaluation) that such a conflicting sponsorship is detracting from the benefits of the ATB sponsorship, and (iii) negotiate for exclusivity or price reduction or position ATB for better negotiations if sponsorship is to continue beyond 2007. Seventh, it is recommended that ATB try to meet immediately with the EGP to discuss the on-site ATM machines as both a marketing and

revenue-generation function for ATB. Eighth, ATB should meet immediately with the EGP to make sure the location of the Go-Kart track in 2007 is in the fan zone, near rides and away from beer tents. This effort should also include improved training (potentially in collaboration with Stratotech) of ATB Go-Kart track volunteers on (i) Go-Kart track operations, (ii) equipment needs and storage, (iii) accreditation, and (iv) volunteer operations (recruitment, breaks, nutrition, etc.). Ninth, it is suggested that ATB meet immediately with the EGP to discuss the 2007 signage plan for the Go-Kart track and put a monitoring plan in place to ensure compliance. Tenth, it is recommended that ATB meet immediately with the EGP and request a dedicated EGP staff contact during the event who will be reachable in 'crunch time'. Finally, ATB must deal with the service efficiency items identified under Shirking Element #4, including (i) requesting an improved PA system for 2007, and (ii) researching and developing marketing tactics to work towards overcoming confusion with RBC as official FI sponsor.

Recommendations to EGP: Six recommendations for the EGP were identified from the sponsorship evaluation case study. First, it is suggested that the EGP implement a strategy to develop long-term partnerships with secondary level sponsors such as ATB that includes increased attention to the sponsor's needs and increased human resources allocated towards sponsor servicing. Second, the EGP should consider increasing the prices of sponsorship and then using these additional funds to help sponsors leverage the association by providing additional promotional value (signage, TV, radio, etc.), investing in co-promotions, and increasing its sponsor servicing capacity. Third, it is recommended that the EGP consider selecting a minimum number of sponsors with a provincial geographic focus (e.g. ATB and Alberta) to continue to build affinity between

the event and Albertans. Fourth, it is suggested that the EGP revamp sponsor servicing during the event with improved communications and increased human resources. Fifth, it is recommended that EGP management review the drop in attendance over the past two years (there has been a decrease of 27,000 spectators from 2005 to 2006) in order to understand why this happened and to avoid it from happening again in 2007. Finally, it is recommended that the EGP respond positively to the many requests that will come their way from ATB as per recommendations to ATB above.

Recommendations to ATB-MasterCard: The sponsorship evaluation case study also provides five specific recommendations to ATB MasterCard (the co-sponsor). It is suggested that they (i) increase their presence on the ground to 6 or 8 smaller-sized booths with an increased number of volunteers to increase sign-ups, (ii) identify and locate sign-up volunteers in more strategic 'roaming locations' such as inside a beer tent or near lineups, (iii) develop a more cost-effective and appealing sign-up premium (in lieu of a t-shirt), (iv) consider more activities targeted at under-30 target markets, and (v) recognize the role that ATB played in building awareness of MasterCard and accelerate the process of merging their marketing functions with ATB.

6.2.2 Sponsorship Evaluation 2: Kanatek – Mount Everest Expedition Sponsorship

The second sponsorship evaluation case study implemented as part of this dissertation is the 2005 Kanatek Expedition to Mount Everest. Like the ATB-EGP sponsorship, the presentation of this sponsorship evaluation case study follows the steps in Process Model D2. Note that Step 1, as presented here, is more detailed than for the ATB-EGP sponsorship evaluation case study due to the fact that the evaluation developed over a five year period of time and that an unexpected tragedy took place that drastically altered the nature of the evaluation. Although this tragedy limited the ability to fully evaluate the sponsorship, much learning around the evaluation process occurred and the risks inherent in implementing the process model were clarified.

6.2.2.1 Step 1: Setting the Stage

The Sponsee: In the summer of 2000, following his second major research expedition to the base camp of Mount Everest, Dr. Sean Egan, a University of Ottawa health sciences professor, decided that he wanted to summit the world's highest mountain. However, by the fall of 2001, his dream was in doubt due to his inability to acquire the necessary resources to finance his trek. Although he had approached numerous potential sources, including corporate sponsors, granting agencies, foundations, and his own University, the significant resources necessary to support such an endeavour were not readily available. It was at this point that Dr. Egan asked the author of this thesis (a former research assistant of his) to become involved in the project. In the fall of 2003, Harold Mah – event support manager for the city of Toronto – also joined the core organizing team, followed by Dr. Dave Valliere, Ryerson University Professor in

Entrepreneurship and Strategy, in the fall of 2004 as Research Director for the expedition.

During the period from early 2000 to early 2004, a number of sponsors (approximately 125 (Egan, 2005a)) had been approached. Considerable interest was generated, however no deals were signed and the expedition date was delayed from spring 2004 (Dr. Egan's original goal (Egan, 2003a)) to spring 2005 with hopes that the extra year would enable the necessary resource generation. Dr. Egan noted (Egan, 2005a) that some positive energy had been created in late 2003 and early 2004 that kept him motivated. First, following a meeting with senior administration at the University of Ottawa, the University had allocated one of its Development Officers (Ric Cuthbertson) to help raise resources for the expedition. In the winter of 2004, Irving, Home Depot and Honda Canada were all sent detailed sponsorship proposals following an initial expression of interest by these organizations (Cuthbertson, 2004). Nothing materialized and Ric left the University shortly thereafter and was replaced by Tony Giampietro a few months later (Egan, 2005b). Second, Dr. Egan and his core organizing team had developed a number of resource-generating strategies that he felt could be successful (Egan, 2005b) although only limited success was ever achieved. These strategies included seeking internal and external research grants and opening up the expedition to other climbers, researchers and trekkers who would pay a premium towards supporting the expedition. As part of the efforts to attract researchers and trekkers, Dr. Egan spent considerable time attending related academic conferences on hypoxia, sport psychology, and mountaineering spreading the word about the expedition (Egan, 2005a). He received over 50 written expressions of interest from researchers from 12 different countries and 6

would end up joining the trek (Egan, 2005a). Third, Ryerson University in Toronto had come on board as a partner institution on the research aspects of the expedition, with initial plans involving one (1) senior administrator, five (5) professors and two (2) research assistants to join the trek (Luk, 2004). Fourth, a colleague of Dr. Egan's who had been to Everest with him in 1998, Dr. Roger Broughton of the Medical School at the University of Ottawa, joined the team. As one of the world's top sleep researchers, Dr. Broughton immediately took an active planning and fundraising role, particularly with granting agencies (Egan, 2005b), although health reasons forced him to withdraw from the expedition in the fall of 2004 (Broughton, 2004b). Finally, Dr. Egan had successfully ridden his bicycle across Canada in the summer of 2004 generating media attention and building his fitness level.

The Sponsor: Founded in 1981, Kanatek is an Ottawa-based independent systems integrator specializing in data availability, networked storage, and backup and recovery solutions (www.kanatek.ca). Kanatek does business in the private sector, the public sector, and academic marketplaces and its customers include Nortel, Rogers, Government of Canada, Provincial Governments (Ontario and Quebec), Bank of Nova Scotia, CIBC, Bank of Canada, Siemens, Alcatel, Via Rail, and McGill University (Kell, 2004a). In the early 2000s, Kanatek was seeking a way to (i) increase sales, (ii) send a positive message to its partners and (iii) increase employee satisfaction (Gardner, 2004a; Kell, 2004a) since things were starting to 'turn around' in their market after the crash of the high technology market in the late 1990's when Kanatek's "core industry was failing", the company had decreased in size by 50% and employee morale was low (Kell, 2005a).

Throughout 2003 and 2004, Kanatek's President Terry Kell, who lived in the same town (Almonte, Ontario) as Dr. Egan, had heard of the expedition and had discussed it in-person with Dr. Egan who had proposed Kanatek sponsoring the expedition. He brought this idea to Kanatek's management team in late 2003 and, following a review of the potential business impacts, they decided *not* to pursue the opportunity (Kell, 2004b). However, they also decided to keep 'a close eye' on the development of the expedition and, following a second review of the opportunity in the spring of 2004, the Kanatek senior management team decided to sponsor the expedition (Kell, 2004b). It was noted that the decision to sponsor was "100% a business decision" (Kell, 2004b). Following some additional discussion amongst the expedition and Kanatek, the contract was agreed to via email on June 10, 2004 and the 2005 Kanatek Expedition to Mount Everest (KEME) was born.

6.2.2.1.1 Identify Sponsorship

This sub-section is presented in 4 parts; (i) Sponsorship Investigation, (ii) The Sponsorship, (iii) The Expedition, and (iv) Post-Expedition.

Sponsorship Investigation: Following the agreement in June of 2004 on the sponsorship contract, the sponsorship itself was investigated. This involved a review of the contract and regular communication with the President of Kanatek, the Leader of KEME and other expedition members (by email, by phone and in person). From these communications, it was observed that both the sponsor and the sponsee had specific articulated objectives (Egan, 2004a; Kell, 2004a). Both parties were willing to contribute to the evaluation (Egan, 2004a; Egan, 2004b; Kell, 2004a). This sponsorship is an

example of a typical-sponsee sponsorship situation, where the sponsee sought out many sponsors (with limited success) and where the sponsor had many investment alternatives to achieve their objectives and selected this sponsee. Finally, it was determined that the KEME sponsorship meets all the dimensions of the working definition of sponsorship, as documented in Table 54 below.

Table 54: KEME Sponsorship and Working Definition

<i>Dimensions of Operational Definition</i>	<i>How met by KEME Sponsorship</i>
One party (the sponsor) invests resources in another party (the sponsee), where: a. the sponsee provides promotional value in return, and b. the sponsor makes the investment in order to achieve image-based, brand-based and/or media-based objectives.	Kanatek is investing significant resources (cash and in-kind support) to become the title sponsor of KEME where the expedition is providing Kanatek with the opportunity for promotional value in return. Kanatek has a variety of internal and external marketing objectives it is seeking to achieve.
The relationship between the sponsor and the sponsee is a principal-agent relationship, where the sponsee provides a service to the sponsor.	Kanatek is taking the role of principal and has contracted the Expedition as its agent to achieve a variety of marketing objectives.
Joint sponsor-sponsee activities are part of the sponsorship.	The relationship between Kanatek and the Expedition is such that most KEME activities are joint activities.
Consumers (or members of the target market of the promotion) are exposed to three specific entities: the sponsor's brand, the sponsee's brand and the sponsor-sponsee association.	In addition to Kanatek and the Expedition (Dr. Egan), the sponsorship focuses its promotions on KEME via a variety of activities (e.g., blog, conferences, media).
Consumers (or members of the target market of the promotion) consider the sponsor of a given sponsee to be a partner of that sponsee, and this consideration lasts longer than the sponsorship due to the goodwill or emotional ties that consumers build over time.	KEME promotes all of its sponsors as partners in enabling Dr. Egan's summit quest and in supporting the international research team. Kanatek's technology support is particularly noted.
The sponsor-sponsee association is exploited or leveraged by one or both parties.	Both the Expedition and Kanatek have extensive plans to leverage the sponsorship.
The transfer of elements of the sponsee's image to the sponsor is of interest to the sponsor.	Kanatek seeks to demonstrate its ability to function in an extreme environment, an element of the Expedition.
The exclusivity of the sponsorship is of interest to the sponsor.	As per the sponsorship contract.
Congruency (fit) between the sponsor and the sponsee is important to both parties.	Given that this is a typical-sponsee situation, Kanatek had many options before determining that this was best (fit) option.
Philanthropy is not the primary objective of the sponsor (i.e. the investor has non-philanthropic expectations from the sponsorship).	Kanatek's decision to sponsor is "100% a business decision".

The Sponsorship: Following the contract signing and leading up to the event, the association between Kanatek and KEME took form mainly through a variety of associated events. First, on July 22 and 23, 2004, an important planning session was held in Toronto, Ontario involving all major stakeholders. Second, on September 14, 2004, Terry Kell chaired a sponsorship meeting in Toronto where the related activities of KEME were discussed. Third, the 2004 Kanatek Annual General Meeting (AGM) was held on October 1, 2004. The entire AGM (both content and organization) was organized around an Everest theme. Dr. Egan and the author of this dissertation attended and presented to 75 Kanatek staff, technology partners (i.e., Sun Microsystems, Hewlett Packard, StorageTek, Veritas Software, GE Access, Aventi, Quantum) and suppliers. The Everest-themed AGM was dubbed a success (Kell, 2004d; Gardner, 2004b). Finally, on March 1 and March 3, 2005, Kanatek ran two technology conferences related to the expedition (one in Toronto and one in Ottawa) around the Everest theme that targeted technology industry professionals.

Kanatek took a lead role in recruiting additional sponsors and supporting partners for KEME. These partners are listed in Table 55 below:

Table 55: 2005 KEME Sponsors

<i>Type of Sponsor</i>	<i>Sponsor</i>
Title Sponsor	Kanatek
Supporting Sponsors and Partners (in-kind and product contributions only)	HP, SkyWave Mobile Communications, Energizer, CV Technologies (Product: Cold FX), Rogers Television, Urban Voyageur (equipment and clothing), Usana Health Sciences (vitamins), 1972 Team Canada Hockey, University of Ottawa, Ryerson University, Carleton University, Brown University (Rhode Island, USA), Peninsulat Private Sleep Laboratory, Sydney, Australia

Following the contract agreement, an aggressive media campaign was launched by Kanatek and the Expedition that included (i) media spots (TV, radio, newspaper), (ii) a blog managed by Kanatek that eventually hit an estimated 100,000 readers (Kell, 2005a; Kell, 2005b), (iii) industry conferences, (iv) a special hockey game played at Base Camp (“The World’s Highest Hockey Game”) that achieved considerable media attention (including a mention on the CBC evening news with Peter Mansbridge), (v) sponsorship from the famed ‘1972 Team Canada’ hockey team, (vi) calls to elementary schools from the mountain by Dr. Egan, satellite feeds to the blog from the mountain, and (vi) the filming of a documentary (yet to be released as of December 2006).

The Expedition: The date for the trek was finalized and the team was developed after the sponsorship contract was signed. Following the final deadline for enrollment fees on November 30th, 2004, the team was finalized at 21 members, including one climber, 8 trekkers, and 12 researchers. The sole climber and expedition leader was Dr. Egan. He was also the only one to have previously been to Everest. The 12 researchers, included the author of this dissertation, as well as people from Carleton University, Ryerson University, the University of Ottawa, the University of Sydney Sleep Institute (Australia) and Brown University (USA). The trekkers included a camera crew (Rogers), sponsors, and hikers of varying abilities.

The multi-project, multi-party, multi-research expedition of 21 left for Everest in March and April of 2005. A support team of 48 people accompanied the trek; including 2 cooks, 8 kitchen helpers, 25 porters, 5 yak drivers, 7 Sherpa, 1 manager and 16 yaks. The three month agenda for KEME involved a general schedule, with some customizations organized for the various groups (researcher, climber, trekker, and media crew) based on

their roles and the details of their work. An outline of the general schedule is provided in table 56 below

Table 56: 2005 KEME Planned Itinerary

<i>Date</i>	<i>Description</i>
March 24, 2005	Depart Canada for Nepal
March 26 – 29, 2005	Katmandu – sport tourism research trek preparation, media stuff, etc.
March 30 th , 2005	Main expedition fly to Lukla, begin trek
March 30 th to April 4	Sport tourism research continues in Katmandu
April 1 – 8, 2005	Trek to Base Camp
April 8 – 12, 2005	Research activity at base camp, summit preparations
April 12 – 16, 2005	Researchers trek back to Katmandu
April 12 to April 30 th	Preparation, planning, ascents to various camps and summit attempt of Everest (weather dependant)
May 30 th , 2005	Sean Egan's return from Everest
June, 2005 – June, 2007	Leveraging plan to promote the sponsors and the expedition

From a business point of view (organization, fund-raising, marketing, etc.) and from a research/trekker point of view (all trekkers achieve their climbing goals, all research complete), the expedition was a resounding success that exceeded expectations (Kell, 2005b) until the tragic loss of Dr. Egan's life during his summit attempt on April 29, 2005. This tragedy significantly altered the sponsorship and its evaluation.

Post-Expedition: The loss of Dr. Egan was difficult emotionally for many of the team members (Kell, 2005b) and led to the cancellation of most of the planned marketing activities to leverage an expected summit attempt and the research output (Kell, 2005b). In fact, a series of post-event conferences, speaking engagements and other promotional activities (all outlined in the contract) were cancelled (Kell, 2005b). Furthermore, the tragedy and experience had a profound effect on Kanatek President Terry Kell leading him to drastically change his personal lifestyle (Gardner, 2005a), which reduced the ability to evaluate the sponsorship. This was principally driven by the fact that Terry Kell

embraced Dr. Egan's messages of healthy living and removed himself from the day-to-day operations of Kanatek to focus on other aspects of his life (Gardner, 2006a; Kell, 2006b).

However, some of the objectives of the sponsorship were still addressed and new charitable efforts resulting from the tragedy were also developed; largely to honour Dr. Egan and extend his legacy (Gardner, 2006a). As of January 2007, a major ongoing fund-raising effort to build a school at the 'Child Haven' Canadian orphanage just outside of Katmandu in Dr. Egan's name was approximately a year from completion. The effort was developed by the 'Ad-Astra' group ('ad astra' was an often-heard Dr. Egan quote meaning 'aim high'). The mission of Ad-Astra, which was started and managed by expedition team members, was to build the school to honour Dr. Egan and to promote many of the ideas that Dr. Egan believed in (www.adastra-aimhigh.com). As of December 1, 2006, approximately \$140,000 of the \$150,000 required had been raised from a variety of fund-raising and message-sharing activities, including (i) two annual charity golf tournaments in Ottawa that raised \$70,000 combined, (ii) an art show called "A Show of Love" in February 2006 held in Dr. Egan's hometown of Almonte which donated 50% of its proceeds, (iii) presentations and tributes at the 'Green Door Restaurant Evening' held in Ottawa on January 30th, 2006, (iv) a tribute to Dr. Egan in January 2006 in Sherbrooke, Quebec by Gabriel Filippi, who successfully climbed Everest in 2005, where all proceeds were donated to Ad Astra, (v) a unique fundraiser organized by Dr. Egan's nephew, Gordon Hassett, in Ireland where he grew his hair for 15 months and organized a 'shaveathon' where people sponsored him to shave it off, (vi) two Nepalese nights jointly organized by Expedition members and the Nepalese-

Canadian community were held at a Nepalese restaurant in Toronto in the fall of 2005, (vi) an Ad-Astra Christmas Card drive in December 2005, (vii) a photography exhibit in Almonte, (viii) seminars given by expedition members to organizations around the Everest theme, (ix) a 40th birthday party turned into a \$4,000 fundraiser by one expedition member, and (x) a campaign kick-off for Ad-Astra on June 2005 that included an auction of 250 items of expedition paraphernalia which generated over \$20,000.

6.2.2.1.2 Build Relationships

Prior to committing to the evaluation, it was confirmed that relationships were in place with the sponsor (Kanatek) and the sponsee (KEME). No intermediaries were identified as having significant influence on the sponsorship. The relationship on the sponsee side was considered very strong as the researcher was a core team member. On the sponsor side, Kanatek noted strong interest in the evaluation and the relationship developed over time. Full disclosure of information and support from both sides was strong between June 2004 and July 2006. However, a change in management structure at Kanatek in 2006 included Terry Kell reducing his role in the day-to-day operations at Kanatek and the hiring of a new managing director to take over that responsibility. This, in turn, rendered the evaluation a low priority.

6.2.2.1.3 Cost-Benefit Pre-Test

An informal cost-benefit pre-test was carried out by the author following the signing of the sponsorship contract. This involved (i) consideration of the reach of KEME, (ii) estimation of the size of the sponsorship (Kell, 2004b) and (iii) assessment of the potential impacts of the general objectives expressed or forecasted from the discussions to that point (Kell, 2004c; Egan 2004b). The results of this pre-test indicated that sufficient costs would be incurred and that benefit to both the sponsor and the sponsee was possible, supporting an evaluation.

6.2.2.1.4 Decision

Recorded officially in emails between the researcher and Kell (2004c) on September 24, 2004, the 'Go' decision for the evaluation was jointly made during a September 2004 visit to Kanatek headquarters by the researcher. As the Process Model prescribes, a number of steps had been carried out prior to the decision point to determine whether or not to evaluate the sponsorship. These steps were implemented in the spring and summer of 2004 in order to be certain that the process model was worth implementing. Given the relatively small size of the sponsorship and the close proximity of the researcher to the sponsorship, this was done on an ad-hoc basis (i.e., a less formal approach was sufficient given strong relationships and high levels of knowledge).

The decision to evaluate was revisited on four future occasions by both the researcher and the sponsor: (i) following the death of Dr. Egan, (ii) in March 2006 (Kell, 2006b) due to the slow process of dissertation research, (iii) in August 2006 following a change in management structure at Kanatek which put the evaluation process in doubt

(Kell, 2006a), and (iv) in December 2006 by the researcher following 14 weeks of no response from Kanatek, at which point the decision was made to shelve the evaluation. On each of the four occasions, Kanatek representatives expressed interest in continuing with and completing the evaluation, however it became evident over time that the evaluation was becoming less and less of a priority.

6.2.2.2 Step 2: Collect Data Concerning the Sponsorship

The collection of data for this case study was a lengthy process that was impacted by a few unforeseen events, including (i) the length of dissertation research, (ii) the death of Dr. Egan and (iii) changes in management at Kanatek.

6.2.2.2.1 Data Gathering

Following the 'GO' decision of September 2004, background data collection began in an organized fashion as per Step 2 of the Process Model D2. In anticipation of the potential evaluation, however, data had been collected since June 2004. Data was gathered from both the sponsor and the sponsee only. Although no intermediaries (other sponsors, minor partners, suppliers) were determined to be significantly enough involved to be included in the evaluation, at the request of the sponsor (Kell, 2004c) Kanatek's relationship with one of the co-sponsors, HP, was included in the evaluation plan. The data collection process continued until the fall of 2006 and included obtaining and reviewing the documents as described in the following table.

Table 57: Secondary Data Sources

<i>Document</i>	<i>Source & Date</i>	<i>Rationale for Retrieval</i>
Expedition Business Plan	Received February 10, 2001 from Expedition Management	Identification of objectives
Expedition Budget	Received February 10, 2001 from Expedition Management	Identification of objectives
Expedition Business Plan (revised)	Received July 30, 2003 from Expedition Management	Identification of objectives
Expedition Toronto 2-Day Retreat Minutes	Received September 14, 2003 from Expedition Management	Identification of objectives
Expedition Business Plan Revised	Received September 29, 2003 from Expedition Management	Identification of objectives
Expedition 2-Day Retreat (Kingston, ON) Minutes	Received May 20, 2004 from Expedition Management	Identification of objectives
Expedition Budget Revised	Received March 30, 2004 from Expedition Management	Identification of objectives
Expedition Business Plan Revised	Received May 6, 2004 from Expedition Management	Identification of objectives
Email contract agreement drafted by Terry Kell	Received June 10, 2004 from Kanatek	Identification of objectives
Expedition Research Plan	Received June 15, 2004 from KEME	Identification of objectives
Expedition Toronto 2-Day Meetings Minutes	Received July 23, 2004 from KEME	Identification of objectives
Kanatek Expedition Objectives Document	Received September 4, 2004 from KEME	Identification of objectives
Email response on evaluation based questions	Received September 24, 2004 from Kanatek	Identification of objectives
Everest Conference Call Minutes	Received November 12, 2004 from KEME	Identification of objectives
Expedition Team Documents	Received January 29, 2005	Identification of objectives
Everest Blog Postings from March 2005 to December 2005	Retrieved as posted	Information for evaluation

The documents noted in Table 57 were supplemented with considerable personal communication (including over 500 emails and approximately 100 phone calls/conference calls), notably:

1. Various meetings, lunches, calls and emails with expedition leader Dr. Sean Egan (March 2000 to March 2005).
2. Various meetings, lunches, calls and emails with expedition Base Camp manager Harold Mah (Sep 2004 to Aug 2006).
3. Meeting with Sean Egan and Terry Kell, Ottawa, September 8, 2004.
4. Meetings with various Kanatek employees and partners at the 2004 Kanatek AGM.
5. Meeting at Kanatek Headquarters with Terry Kell (President) and Carol Gardner (Project Manager), June 7, 2005.
6. Various discussions during the expedition (March/April, 2005).
7. Meeting with Terry Kell in Ottawa, October 1, 2005.
8. Ryerson presentation on Everest on November 9, 2005; which included discussions with sponsors, researchers and expedition members.
9. Meetings with Terry Kell and Carol Gardner on February 10, 2006 at Kanatek Headquarters and over breakfast; which included two separate in-depth interviews and the sharing of various internal documents.
10. Meeting with Terry Kell in Ottawa on August 28, 2006.

It should also be noted that Kanatek did its due diligence on the evaluation in order to make sure that the process would meet their needs. This was evident via detailed discussions and follow-up in the spring and summer of 2004 leading up to the formal decision to evaluate in September 2004. Further, following the management change at Kanatek in 2006, the decision to evaluate was re-visited by the new management team where it was not identified as a top priority (Kell, 2006c). This led to the eventual

decision to stop the data collection process in December 2006 due to a lack of response from the new management team.

6.2.2.2.2 *Attributes of the Sponsor-Sponsee Relationship*

The following attributes of the sponsor-sponsee relationship were observed as per the process model:

- *Sponsorship Age*: conceived in 2004, the researcher was involved at all stages of this sponsorship; pre-sponsorship, during the contract phase and following the expedition.
- *Sponsee Type*: this is an instance of a typical-sponsee (see section 2.1.2.5 for definitions of mega-sponsee and typical sponsee).
- *Industry Effects*: the industries of both sponsor and sponsee are described here:
 - Systems Integrators: since the mid-1990's, this industry has been under considerable pressure with all players shrinking in size, including Kanatek and with a large number having exited the business altogether (Kell, 2005b). More precisely, Kell estimated that in the early 1990's, they had 25 direct competitors and that, today, there are about 8 (Kell, 2005b). The fact that the market was beginning to turn around in the early 2000's was an impetus for this sponsorship.
 - Everest Expeditions: over 2300 people have reached the summit of Mount Everest over the past 30 years (BBC News, 2005), making the achievement of financial support (sponsorship or otherwise) for an expedition increasingly difficult as the novelty effect has worn off.
- *Sponsorship Size*: At \$50,000 (sponsorship fee), this is a small sponsorship⁴⁶.

⁴⁶ The label of 'medium-sized' sponsorship is based on an author-created scale which views any sponsorship of under \$10,000 in value as *very small*; between \$10,000 and \$100,000 as *small*; from

- *Phase*: At the date of writing (January, 2007), we are 21 months post-expedition.
- *Resources*: The Kanatek sponsorship is a combination of cash contribution, in-kind investments and related charity and other activities that will benefit both the sponsor and the sponsee. Approximately a quarter million Canadian dollars were invested.
- *Level*: Kanatek is the title sponsor of the expedition.
- *Sponsor-Sponsee fit*: Representatives from the sponsor and the sponsee confirm that there is a good strategic fit between Kanatek and KEME (Egan, 2004a, Kell, 2004b; 2004c) because Kanatek would be able to leverage KEME to achieve its objectives and KEME received the resources it needed from a quality sponsor.
- *Leveraging*: Both the sponsor and sponsee invested additional funds:
 - *Sponsor (Kanatek)* – A review of sponsorship budgets and reports of senior staff (Gardner, 2005a; Kell, 2005b) supports that Kanatek leveraged the sponsorship significantly but strategically. In addition to the sponsorship fee of \$50,000, Kanatek estimates that it invested \$250,000 of cash and in-kind resources (including a \$20,000 contribution from co-sponsor HP) towards the sponsorship (Kell, 2005c) for a leveraging ratio of 5:1. An example of the strategic leveraging of KEME is the two related ‘data-assault’ industry conferences built around the expedition. These events had a total budget of \$94,750 but also generated \$73,000 in sponsorship from industry partners which reduced Kanatek’s overall cost to \$21,750.
 - *Sponsee (KEME)* – By virtue of research funding, self-investment, and other activities, the sponsee (i.e. climbers, researchers and non-sponsor-related trekkers

\$100,000 to \$1,000,000 as *medium*; from \$1,000,000 to \$10,000,000 as *large*; and greater than \$10,000,000 as *very large*.

on the expedition) invested approximately \$300,000 in additional resources. The composition of the \$300,000 is varied and from many sources, including individual researcher, trekker and climber fees.

- *Pre-existing opinions:* No significant pre-existing opinions were observed as expected with a first-time sponsorship (Egan, 2004a; Kell, 2004a).
- *Target Market:* The Expedition plan outlined seven stakeholders: climbers, researchers on the expedition, researchers for whom the expedition collects data, trekkers, sponsors, charities and media partners. These targets were identified as potential sources of funding, promotional value and/or a cause in need of support (Egan, 2004b). Kanatek's plan outlined 5 target markets: industry, staff, key partners and clients, key prospects and charity. These targets were identified as potential sources of business, promotional value and/or a cause in need of support (Kell, 2004b).

6.2.2.3 Step 3: Articulate Objectives

The third stage of the process model involves articulating the objectives to be evaluated. Following a review of the contract, sponsor input, and sponsee input, the articulation of objectives chart was first drafted in September 2004. The chart was then sent to Kanatek and Dr. Egan and, following the receipt of their continued feedback over the life of the sponsorship, the final version (August 29, 2006) is provided below in Table 58 and includes the formal and the implicit objectives obtained from the data collection. Specifically, objectives and their reach were obtained following review of (i) the sponsorship contract, (ii) marketing plans for each of sponsor, sponsee and co-sponsor,

and (iii) in-depth interviews (transcripts) with the leaders of the sponsor and the sponsee. It is important to note that objectives are presented as they were expressed in the contract, documentation or interview transcripts. This research did not involve the construction of the objectives.

Table 58: KEME: Articulation of Objectives, Reach, Activities and Outputs

<i>Data Source</i>	<i>Objective</i>	<i>Reach</i>
Contract (emailed on June 10, 2004 and agreed to by sponsee same day).	To leverage the sponsorship into business for Kanatek	Existing Customers
	To raise Kanatek's profile in its market	New Customers
Kanatek Expedition Plan (received September 4, 2004)	To support Dr. Egan successfully summiting Mount Everest	Kanatek's target markets ⁴⁷
	To demonstrate the successful use of technology in a hostile environment	Expedition
	To support important scientific research by Canadian Universities	Blog readers
	To organize the world's highest hockey game	Expedition researchers
	To raise money for the Child Haven International orphanage	Expedition
Sponsor Interviews (Terry Kell on February 7, 2005 and Carol Gardner on February 10, 2006)	To increase employee morale	Child Haven International
		CEO
		Technology employees
		Administrative staff
Sponsee Interviews (Sean Egan, October 22, 2000) & Business Plan	To raise the resources necessary	Sales team
	To provide a great and safe experience	Contractors/Sub-contractors
	To promote the benefits of active living	Sponsors, Granting Agencies, Universities, Foundations
	To conduct applied academic research	Trekkers, Climbers, Researchers
		Mass market
		Researchers

6.2.2.4 Step 4: Establish Metrics

Metrics and methods for each of the objectives in Table 58 were established and developed. Subsequently some were implemented and many cancelled due to the developments reported in the description of this case. Table 59 below outlines the metrics

⁴⁷ Kanatek (Kell, 2004c) defines its target market: "any organization that is managing large amounts of data so government (prov/fed), communications (service providers and tech developers), finance (schedule A banks, tier 2 financials, brokerage firms), and commercials (manufacturers, Pharma, insurance)"

developed for each of the objectives. Due to the fact that several of the metrics were cancelled or altered during the evaluation, the objectives and their metrics are numbered 1 through 11 with reach only being considered for metrics or methods that were being assessed. A further table (Table 60) delves deeper into such metrics and combines them as certain methods are used to respond to more than one objective. It is important to note that the selection of metrics and methods to measure each objective was based on a collaborative decision-making process between the researcher, Kanatek and KEME vis-à-vis resources available and the relative importance of the objective.

Table 59: KEME Sponsorship Evaluation: Metrics and Methods

Objective	#	Reach	Metric and Methods	Rationale for Selection
To leverage the sponsorship into business for Kanatek	1	Existing Customers	•Internal sales and market data from Kanatek •Survey of Kanatek sales staff	•Sales data is best way to measure increases in current business while opinions of sales staff best way to forecast new business potential
		New Customers		
To raise Kanatek's profile	2	Kanatek's target market	•Industry survey	•Access to sample
To support Dr. Egan successfully summiting Mount Everest	3	Expedition	•Success of summit attempt	•Clear objective
To demonstrate the use of Kanatek technology in a hostile environment.	4	Blog readers	•Online survey of blog readers •Survey/testimonials of Expedition members	•Access to blog •Low cost •Sample of interested individuals
To organize the world's highest hockey game	5	Expedition	•Occurrence of hockey game •Media output	•Clear objective
To raise money for the Child Haven International orphanage	6	Child Haven International	•Dollars raised	•Access to financial data available
To increase employee morale at Kanatek	7	CEO	•CEO interview	•Willingness to give interview •Support of Kanatek senior management •Low cost •Researcher connection
		Technology employees	•Employee survey (online)	
		Administrative staff		
		Sales team		
		Contractors/Sub-contractors		
Expedition: to raise the resources necessary	8	Sponsors, Granting Agencies, Universities, Foundations	•Achievement of sponsorship revenue targets	•Access to financial data available
Expedition: to provide a great and safe experience	9	Trekkers, Climbers, Researchers	•Survey/testimonials of Expedition members	•Access to sample •Willingness to participate high
Expedition: to promote the benefits of active living	10	Mass market	•Mass market survey	•Resources available •Reach representative market
Expedition: to support applied academic research	11	Researchers	•Research output survey •Survey/testimonials of Expedition members	•Access to research output •Willingness of researchers to participate high

Each of the metrics identified above is listed or merged with similar metrics into the list of data collection details below in Table 60 below. Note the status column where a number of the metrics were cancelled or altered due to the death of Dr. Egan or the management changes at Kanatek.

Table 60: Data Collection Details

Metric	Description	Steps in Methodology	Status
•Internal sales data	Sales figures from the year preceding expedition to the year following	• Metric cancelled due to change in management structure at Kanatek (i.e. data not made available)	CANCELLED
•Survey Sales Staff	Determination of support of expedition in building business	• Metric cancelled due to change in management structure at Kanatek.	CANCELLED
•Industry survey	Random survey of industry firms to assess Kanatek image changes	• Metric cancelled due to death of Dr. Sean Egan.	CANCELLED
•Summit	Success of summit attempt	• Progression of expedition	COMPLETED
•Survey of blog readers	To assess technology demonstration impact	• Metric cancelled due to death of Dr. Sean Egan • Replaced with testimonials of expedition members	COMPLETED
•Research output survey	Assessment of research output generated	• Survey of researchers on expedition to ascertain publications completed, in-progress or planned	COMPLETED
•Survey of researchers on expedition	Assessment of research environment and sponsor/sponsee support	• Survey of researchers on expedition to ascertain publications completed, in-progress or planned	COMPLETED
•Hockey game occurrence	Did hockey game happen as planned?	• Testimonials of expedition members	COMPLETED
•Hockey Game Media Generated	Assessment of promotional value of hockey game	• Metric cancelled due to change in management structure at Kanatek.	CANCELLED
•Child Haven: dollars raised	Assessment of impact on charity	• Metric changed drastically following death of Dr. Egan as it become the prime focus of the team around the building of a school at the orphanage in his honour • Metric now is the proportion of funds raised to complete school	COMPLETED
•CEO interview	Assessment of CEO's (Peter K.) opinion of the sponsorship	• Metric cancelled due to change in management structure at Kanatek.	CANCELLED
•Employee survey (online)	Assessment of impact on employee morale	• Metric cancelled due to change in management structure at Kanatek.	CANCELLED
•Achievement of sponsorship targets	Did sponsee achieve targets	• Comparison of dollars raised to budget goals	COMPLETED

• Survey of Expedition members	Satisfaction with experience a year after the fact	• Survey of expedition members	COMPLETED
• Mass market survey	To determine the benefits of promoting Sean's summit of Everest at 63	• Metric cancelled due to death of Dr. Sean Egan.	CANCELLED

6.2.2.4.1 Observations on research process

The process of developing and implementing this evaluation revealed a number of challenges in sponsorship evaluation, with particular challenges stemming from unexpected external events and permission issues. As seen in Table 60, a number of these research challenges emerged following the death of Dr. Egan on the mountain, as well as via management changes that occurred at Kanatek. Although all parties were aware of the risk, few planned for it, except for the marketing consultant working on the expedition who had a plan in place in case tragedy struck (Gardner, 2006). From a permission point of view, full access to all information and cooperation was provided by both the sponsor and the sponsee until the management changes were implemented at Kanatek and the sponsorship evaluation was dropped as a priority. In terms of budget, expenses for the evaluation were not high for a number of reasons: (i) Kanatek absorbed many of the costs as part of the expedition budget, (ii) the researcher was also an expedition member, (iii) the absence of any mass market based objectives, and (iv) the fact that some data collection exercises were cancelled.

6.2.2.5 Step 5: Determine Metrics for Resources and Shirking

Step 5 involves identifying the resources (inputs and activities) put in place by the sponsor and the sponsee.

6.2.2.5.1 Resources and Activities

The sponsorship fees paid by Kanatek for title sponsorship of the 2005 Everest Expedition were \$50,000. As noted previously, the \$50,000 fee was leveraged by a five to one ratio (i.e., approximately \$250,000 of cash and in-kind contributions). Kanatek's two-year plan for leveraging the KEME sponsorship was termed 'The Kanatek Trek to Base Camp' and involved a number of coordinated activities including: (i) an invitation to key customers, partners and potential customers to come along as trekkers and partake in the experience, (ii) a technology demonstration at base camp over satellite link, (iii) a co-sponsorship program which sought to involve key suppliers and customers in KEME, (iv) technology conferences in Toronto and Ottawa (March 2005), (v) an event kick-off and launch (March 2005), (vi) technology conferences and dinners in Toronto, Ottawa and Montreal (November 2004), (vii) an expedition preparation meeting with trekkers, climbers and researchers (February 2005), (viii) an expedition send-off at the Ottawa and Toronto airports (March 2005), (ix) a welcome back reception for the expedition team (changed to a celebration of Dr. Egan around his funeral in May 2005), and (x) a minimum of four one-day Technology Conferences and Dinners in Ottawa, Montreal, and Toronto (planned for the fall 2005 but later cancelled). Kanatek also leveraged its activities strategically with co-sponsors generating \$73,000 in sponsorship from industry partners for the conferences and \$20,000 from HP for co-sponsorship of the expedition.

Kanatek, as title sponsor, also provided significant support to KEME, including (i) providing financial and in-kind support to the expedition, (ii) supporting the various

research projects⁴⁸, (iii) managing public relations and media events for KEME, (iv) developing and managing the KEME website, (iv) hiring of a base camp manager to support the summit bid, (v) supporting the participation of the Kanatek CEO on the trek, (vi) providing the necessary technology equipment for the trek including satellite links, (vii) providing data back-up services and equipment to the researchers, and (viii) organizing a hockey game at Base Camp, including providing and transporting the necessary equipment. In return, Kanatek required (i) the naming rights to the expedition, (ii) photos of the Kanatek flag (and that of co-sponsor HP) on the summit and at base camp, (iii) the right of refusal on any other sponsor, (iv) the right to bring in other sponsors, (v) the placement of the Kanatek logo (and that of HP) embroidered on clothing of all expedition team members, and (vi) the right to use the expedition to raise money for the charity of Kanatek's choice.

6.2.2.5.2 *Shirking*

The second aspect of Step 5 involves identifying the potential shirking behaviours. In this sponsorship evaluation case study, no evidence of shirking was observed or found. In fact, the opposite occurred, where the sponsor was more supportive, engaged and involved than expected. Their additional involvement included investing additional resources as the process went on, and driving the activities of the charity that was formed following the tragedy on the mountain.

⁴⁸ Note that Kanatek requested it be acknowledged on all resulting research papers.

6.2.2.6 Step 6: Collect and Analyze the Data (Results)

This step involves implementing all of the metrics by first gathering the necessary data and, second, analyzing the generated results. Given that the effects of 11 objectives were measured using 14 data collection methods, the presentation of these results and analysis is lengthy and complex. In order to present the findings in a coherent way that outlines the process undertaken, 14 short sub-sections are presented comprised of (i) the methodological details of each of the 14 data collection exercises, and (ii) a summary results section and table of the data analysis for each of the 11 objectives.

6.2.1.6.1 Data Collection Exercises

The data gathering phase of Step 6 in Process Model D2 is described here with the presentation of the methodological details of each of the 14 data collection exercises.

Data Collection Exercise #1: Internal Sales Data: In order to assess Objective #1, Kanatek internal sales and market data, both pre- and post-expedition, was to be provided to the researcher. This was cancelled following the change in management structure at Kanatek. A memo outlining the data requested is attached at Appendix I.

Data Collection Exercise #2: Survey Sales Staff: The survey was prepared as part of the metric for Objectives #1 and #7, but its implementation was cancelled following the change in management structure at Kanatek. A copy of the survey is attached as Appendix J.

Data Collection Exercise #3: Industry Survey: Kanatek had agreed to provide the researcher with its database of clients and potential clients in its markets. A phone survey was planned to address Objective #3 with each organization to assess if the KEME

sponsorship had an effect on Kanatek's profile in these markets. This data collection exercise was cancelled following the tragedy.

Data Collection Exercise #4: Summit: With respect to supporting the summit attempt (Objective #4), Kanatek provided all resources requested by the sponsee (\$50,000 cash, media support, equipment, clothing and communications). In terms of climbing progress, the expedition was a success at all levels until the tragedy which saw the expedition leader die during his preparations to summit the mountain. At the time, Dr. Egan was 3 weeks into the acclimatization phase and was going back and forth between base camp, camp 1 and camp 2. The objective of attaining the summit was not achieved.

Data Collection Exercise #5: Survey of Blog Readers: One of Kanatek's objectives, the purpose of objective 4 was to demonstrate the ability of technology to support the expedition both in its research and as part of its communications function. The plan was to create an online survey to query blog readers about Kanatek's ability to use technology on Everest and the effects (if any) of that ability on Kanatek's brand and market positioning. This data collection exercise was cancelled following the tragedy.

Data Collection Exercise #6: Survey of Expedition Members: The survey of expedition members (Appendix K) was planned to assess Objectives 9 and 11. Following the cancellation of the anticipated survey of blog readers, it was adapted to also assess Objective 4.

For Objective 4, expedition members were asked to comment on Kanatek's ability to demonstrate the use of technology in a 'hostile' environment via an open-ended question in the survey of expedition members. Of 21 expedition members, 8 responded to the optional open-ended question to provide detailed comments about the technology

demonstration. Results are mixed, perhaps revealing the group's varied levels of technology knowledge or interest in the technology demonstration. One member summarized the situation:

Objectives of the IT demos were unclear. The technology was unreliable, and inadequate backup plans were in place. Protocol for access to the technology (who can use it, and for what purposes) was unclear. Kanatek spun the "recovery of iPaq data" situation into a version that was somewhat misleading. The VHF radio technology worked fine, but suffered from unclear communications protocols and roles/responsibilities during ascents.

This view was summarized by a few others. One responded: "from what I know (very little), technology did not seem to work well (less than expected)", while another said "the video uplinks did not work, from that perspective I was not thoroughly impressed". A fourth critical viewpoint (tempered with some positive comments) was also provided:

The technology was implemented to get sponsors signed up (\$\$) and was really an afterthought. It was obvious that Kanatek's management thought it was important, but the people working at Kanatek were not directly tasked with helping the effort. Only one or two really cared, and it showed. Had Sean not passed away, it would have been difficult to spin the technology to promote the effort and make the investment worthwhile. Having a backup satellite system (or cables) would have been a good idea. The sat phones, however, worked wonderfully and really gave a feeling of comfort and security. Calling my family from Everest Base camp was one of the highlights of the trip.

Interestingly, these four (4) critical viewpoints were offset by four (4) mostly positive comments, including "good setup of equipment, temperamental due to field condition", "very interesting and impressive", "overall I found the research and experiments fascinating", and "very good but we should have had a communication technologist on the trek".

The majority of the survey was designed to measure the satisfaction of expedition members with their experience (Objective 9). Of the 20 expedition members remaining

alive, 15 responded to the questionnaire for a 75% response rate. They were asked a variety of Likert scale and open-ended questions, of which some address specifically the issues of safety and satisfaction. The 5-point Likert scales were structured with responses of very satisfied (1), satisfied (2), neither satisfied nor dissatisfied (3), dissatisfied (4), and very dissatisfied (5). When asked to describe their level of satisfaction with the safety provided, the mean response was a very positive 1.76 with no respondent indicating either dissatisfied or very dissatisfied. Overall satisfaction was asked at two points in time (post-expedition and at the date of completion). The effect of the tragedy on satisfaction was also measured. Levels of satisfaction both post-expedition and 'today' were exceptionally high with means of 1.31 and 1.38, respectively. In both cases over 50% of the respondents indicated "very satisfied". When assessing the impact of Dr. Egan's death on their satisfaction, a different 5-point scale was used with a mean of 3.00 resulting (where 3 is 'no change'). It should be noted that 3 individuals noted that they were more dissatisfied or much more dissatisfied following the tragedy. An additional open-ended question allowed respondents to further elaborate on their ideas around the expedition and how it might have been a better experience. Twelve responses were provided. Those with particular direction to the sponsorship are presented here. One respondent pointed out that "the role and specific expectations of the main sponsor could have been clearer. We did not know if the sponsor was satisfied or not, during and after the expedition". A second expedition member underlines their high level of satisfaction: "it was a wonderful, life-altering experience for which I will be eternally grateful". A third identifies the lack of medical support as a key issue:

Without the involvement of Dr. Keith [a researcher on the expedition who also happened to be a medical doctor], we would have had NO Medical

personnel on this trip. This would have been a serious oversight. Given the doctor's contributions to the health and safety of several people, both on our expedition and outsiders, I consider medical personnel essential to this kind of travel.

One of the sponsors on the trek also pointed out a concern they had:

As a sponsor, it would be important on future trips to establish who gets the best spots for banners and promotional photos. Several times flags and banner of small sponsors and non-sponsors found their way into prominent positions early at key photographic sites with no recourse for removal. When a major sponsor pays thousands of dollars to be involved and cannot obtain the same visibility as a non-sponsor, there is an issue. These "visibility" issues should be taken care of up front.

An interesting dichotomy also emerged from two contradictory points. While one expedition member noted that "there was a very interesting dichotomy of science/researcher vs. adventure trekkers in the expedition and the camaraderie that was fostered between interest groups was simply fantastic", another critiqued that there were "too many agendas involved with the expedition... various research projects, technology and sports...should have just focused on three for the entire group".

An important objective of both the sponsor and the sponsee, Objective 11, was to create an environment that was conducive to research. Five of nine researchers responded to the open-ended question about the research environment. Four of them reported a very positive environment and one respondent suggested that the conditions were not ideal for the researcher's work. One respondent noted emphatically that "the expedition was an extraordinary opportunity to test theory under unique conditions", while another said that "doing high-altitude research in this way is very effective. Linking with other researchers provides a very supportive environment of people and equipment, and shared logistics" and added that the experience was "highly recommended!" The only negative respondent

reported that “support wasn’t really provided for my research, it was more of an afterthought, which was disappointing”.

Data Collection Exercise #7: Research Productivity: A survey of researchers on the expedition provided the following assessment of research output (as of October 2006). Results for eight of the nine researchers on the expedition (all except for Dr. Egan) are very impressive as outlined in Table 61 below.

Table 61: Research Output To Date and Forecasted

<i>Output</i>	<i>Already Produced</i>	<i>Forecasted (Expected) in Future</i>
Publications (books/journal articles)	4	14
Conference Proceedings	12	4
Conference Presentations	20	4
Projects Ongoing	N/A	8

Data Collection Exercise #8: Hockey Game Occurrence: The ‘World’s Highest Hockey Game’, Objective 5, was a major undertaking by expedition team members. It was used both to improve the experience for expedition members and as a motivator for media attention. The Hockey Game was evaluated on two levels. First, ‘did the event happen?’ This was a key assessment given the considerable time and financial investment incurred to setup the hockey game, (design, build and bring the necessary equipment such as sticks, jerseys, nets, pucks up the mountain). This was achieved and the game took place on ice. Players from 6 countries were represented, referees managed the game, and significant media attention was generated (television, newspapers and radio). The second level of evaluation was to survey the expedition members on the success of the game. Based on their testimonials (9 provided), expedition members were very satisfied with the game and the benefits it provided. A sample of these views is

provided here. Expedition members noted that the “hockey game was an amazing concept, executed well. High enjoyment factor and media value”, “it was fun”, and that it was “a great idea, a superb story”. Another went into more detail:

The game was great. Professionally managed with fantastic equipment and rink, given the circumstances. Congratulations to the organizers. It had a huge impression on the other expeditions on the mountain. But the media impact back home was very minimal (it served only as a story hook for newspapers before we left). It should have been televised live, or at least the highlights and score reported. This fantastic opportunity was underleveraged.

A third expedition member’s testimonial reveals an incredible personal experience:

Another highlight of the trip!!! The hockey game was a blast and a really needed diversion from the technology and politics...of base camp. So glad that Terry suggested it and really happy to have played in the highest game ever played. Considering that skating was not an option, and pucks would not have worked, I can’t imagine how it could have been better. To play in the bright sunshine, under the khumbu glacier, with a Sherpa for a ref, and yaks walking through, was worth all the effort.

A few others, while still demonstrating satisfaction, pointed out some issues with having a game such as this as part of an expedition. One noted that “the link between the hockey game and the expedition was not clear for me (probably not also for media). However, it was well organized and I enjoyed the experience.” Another cautioned that “playing any sport activity could have led to injury. Yes we received some media coverage because of the NHL strike so we received some media but the fact jerseys and sticks were sold for charity was very good. Unfortunately not for Child Haven”. Finally, another expressed frustration that the event was not leveraged as it could have been: “hockey was outstanding, too bad nothing further was done with it. The momentum was lost and opportunities were not seized and the moment passed. This is a huge post expedition mistake especially when extensive amounts of money were invested”.

Data Collection Exercise #9: Hockey Game Media Generated: Kanatek

articulated an objective (Objective 5) that was put on hold following the tragedy and cancelled following the change in management structure at Kanatek. However, an informal assessment of this objective is significant. For example, the game was mentioned by Peter Mansbridge on the CBC evening news, the Hockey Hall of Fame wanted a puck and various Ottawa media outlets provided coverage (Kell, 2005c).

Data Collection Exercise #10: Funds Raised for Charity: From the beginning of the sponsorship (Egan, 2005a; Kell, 2005c), raising money for charity was an important goal of the expedition (Objective 6). As of December 1, 2006, 90% of the money required to build the school in Dr. Egan's honour at the Child Haven orphanage in Katmandu, Nepal had been raised. A variety of activities (golf tournaments, theme nights, buy a brick, etc.) had been successful and plans to complete the fundraising were expected. In addition to the school, it is important to note that money was raised for Teen Ranch via the World's Highest Hockey Game (approximately \$25,000) and for Child Haven (pre-tragedy; approximately \$10,000).

Data Collection Exercise #11: CEO Opinion: As part of Kanatek's objective to increase employee morale (Objective 7), an interview with the CEO of the organization was planned to acquire his opinion. This was cancelled following the change in management structure at Kanatek.

Data Collection Exercise #12: Employee Online Survey: Employee opinion was also an important component of Kanatek's objective to increase employee morale through the expedition (also Objective 7). The survey was planned for distribution to management, sales staff, contractors, sub-contractors, administrative staff, and

technology employees. This was cancelled following the change in management structure at Kanatek.

Data Collection Exercise #13: Achievement of Sponsorship Revenue Targets: The sponsorship deal with Kanatek provided the resources sought by the expedition in its sponsorship plan. This was an important objective of the Expedition (Objective 8) and a necessary one to make the expedition a reality. This included \$50,000 in cash and \$30,000 in in-kind services.

Data Collection Exercise #14: Mass Market Survey: One of the drivers of Dr. Egan's desire to summit Mount Everest was his hope to promote the benefits of active living to people of all ages. The data gathering plan called for an assessment of Objective 10 through a mass market survey (Ontario) of randomly selected respondents. This data collection exercise was cancelled following the tragedy.

6.2.2.7 Step 7: Generate and Interpret Outcomes and Impacts

The final step of the process model involves assessing the outcomes and impacts of this sponsorship evaluation case study on each of the 11 identified objectives. Given the major challenges facing this sponsorship (tragedy and sponsor management changes), the results of the evaluation were not completed as originally planned. However, as table 62 below summarizes, they provide significant insight into the importance of risk management in sponsorship and the importance of senior management support in sponsorship evaluation.

Table 62: Summary Results: Outcomes per Objectives

Objective		Results	
#	Description	Objective Obtained ⁴⁹	Results of Analysis
1	To leverage the sponsorship into business	N/A	NOT EVALUATED
2	To raise Kanatek's profile in its market	N/A	NOT EVALUATED
3	To support Dr. Egan successfully summiting Mount Everest	Support: Partial Summit: No	+ Strong support of effort provided - Tragedy (summit not achieved)
4	To demonstrate the successful use of technology in a hostile environment.	Limited	+ 4 positive testimonials - 4 negative testimonials
5	To play the world's highest hockey game	Yes	+ Game played & media generated + Very positive testimonials
6	To raise money for Charity (pre-tragedy plans for Child Haven and Teen Ranch + post-tragedy plan for school in Dr. Egan's name)	Yes	+ \$'s for Teen Ranch & Child Haven + Post-tragedy: 90% of funds for Egan school at Child Haven (as of Dec 06)
7	To increase employee morale	N/A	NOT EVALUATED
8	To raise the resources necessary	Yes	+ Kanatek provided full request
9	To provide a great and safe experience on trek	Partial	+ Very satisfied with safety and trek - Tragedy (Dr. Egan's death)
10	To promote the benefits of active living	N/A	NOT EVALUATED
11	To support applied academic research	Yes	+ 36 outputs produced already (Oct/06) + 22 future outputs expected + 4 of 5 testimonials positive
Shirk: NO SHIRKING BEHAVIOURS WERE IDENTIFIED			

In summary, the results of the KEME case – although not complete – provide a number of important findings for this dissertation. These are discussed in detail in the conclusion (Chapter 7).

6.2.3 Summary of Sponsorship Evaluation Case Studies

Chapter 6 presented two sponsorship evaluation case studies. Each case study included a detailed report on the process of implementing the sponsorship evaluation and provided an evaluation of the sponsorship. The first example, the ATB-EGP sponsorship evaluation case study, was an example of a mega-sponsee situation and involved a complete evaluation of a very complex sponsorship. Extensive results are provided

⁴⁹ Adopting the same ranking system as developed for the ATB-EGP sponsorship evaluation (see Table 53), the achievement of each objective is measured using a 4-level ranking system (yes, partial, limited, and no) where the levels were defined as follows: yes (objective achieved as desired), partial (considerable but incomplete evidence of successful achievement of the objective), limited (low levels of success, often uncertain), no (no evidence of success). N/A is used to refer to objectives not measured.

including recommendations for model implementation, for sponsorship evaluation and for each of the participating organizations (ATB, EGP and ATB MasterCard). The second example, the KEME sponsorship evaluation case study, was an example of a typical-sponsee situation that was plagued by uncontrollable external events, namely a tragedy on the expedition and a major change in management at the sponsor post-event. Although the sponsor adapted the sponsorship following the impact of the external events, it greatly reduced the value of the sponsorship evaluation to the participating organizations. The learning achieved from both case studies is discussed in Chapter 7.

7.0 Summary, Discussion and Conclusion

The purpose of this dissertation was to apply Agency Theory to sponsorship evaluation and develop a way to conduct sponsorship evaluations in a meaningful, legitimate and reliable fashion. This involved constructing and validating a process model for sponsorship evaluation. The inspiration for the work came from the expressed need of practitioners and an identified gap in the sponsorship literature. Based on these motivations, the dissertation set out to accomplish its major objective of constructing the process model, as well as to address its four specific sub-objectives around the evaluation of sponsorships to support the development of the process model. In this regard, the dissertation reviewed the literature on sponsorship, evaluation, sponsorship evaluation and Agency Theory (i) to improve understanding of the sponsor-sponsee relationship, (ii) to take inventory of current practice, (iii) to articulate the barriers preventing good evaluation, and (iv) to outline the benefits of evaluation.

In pursuing the major objective and the four sub-objectives of this dissertation, a number of contributions to sponsorship theory, Agency Theory and evaluation theory were made, including contributions to practice (e.g., providing a validated, step-wise process model that addresses a specific need) and improvements to our understanding of theory and its application (e.g., the adoption of an Agency Theory framework for sponsorship evaluation).

A draft process model (version D1) was crafted based on the literature review on the topics of sponsorship, evaluation, Agency Theory, performance measurement and sponsorship evaluation. The draft model was then vetted through an iterative testing process that included two phases of extensive empirical work. First, the opinions of 14

experts representing sponsors, sponsees and agencies were garnered through in-depth interviews to improve the process model (version D2) and to enhance the understanding of the sponsorship relationship and sponsorship evaluation. Second, two sponsorship evaluation case studies were undertaken to test Process Model version D2 and to further improve the Process Model (see version D3).

In an effort to articulate the contributions of this dissertation succinctly, this final chapter is organized in 6 sub-sections that provide a detailed summary of the research. These sections are (i) research conclusions from the sponsorship evaluation case studies, including an updated version of the process model, (ii) contributions to practice, (iii) contributions to theory and the literature, (iv) limitations of the research, (v) suggestions for future research and (vi) a conclusion.

7.1 Research Conclusions: Sponsorship Evaluation Case Studies

Building on the literature and on the opinions of expert interviewees, the results and analysis of the sponsorship evaluation case studies serve as a test of the process model. The case studies lead to learning about the implementation of the process model and to the identification of necessary changes. As such, this section of the dissertation is organized in three parts: (i) the summary findings from the two sponsorship evaluation case studies, (ii) the updated process model and (iii) the learning vis-à-vis the methods of implementing the process model.

7.1.1 Summary Findings

The ATB-EGP sponsorship evaluation case study is an example of a successful implementation of the process model. All seven stages of the model were run to completion, final results were generated and recommendations were provided to the participating organizations. This sponsorship evaluation case study was an example of a mega-sponsee scenario where intermediaries were included in the evaluation. In total, 21 objectives and 9 shirking behaviours were assessed. These 30 measurement exercises provided feedback for an improved process model (as will be noted in section 7.1.2), methodological improvements (see section 7.1.3), and a better understanding of the array of objectives available in sponsorship (see section 7.3.4).

The KEME sponsorship evaluation case study is an example of a process model implementation that was successful in some regards but very unsuccessful in others. Most notably, two uncontrollable external factors (a tragedy and a change in management structure at the sponsor) led to the cancellation of a number of the planned data collection exercises, metrics and methods. Although this led to an incomplete evaluation of the 11 objectives of the sponsorship, a number of important contributions to the development of the process model were generated. For example, the need to consider the 'riskiness' of the sponsee was evident as was the importance of having a senior champion within the sponsor or sponsee to ensure that the evaluation is completed. These contributions are noted in sections 7.1.2 (updated process model), 7.1.3 (methodological improvements), and 7.3.4 (better understanding of objectives in sponsorship).

These conflicting case outcomes make for an important discussion point. On one hand, the ATB-EGP case was an example of a near-perfect implementation of the process

model (funding, legal approval, organizational support, etc.) while the KEME case outlines how the implementation of a well-planned evaluation can be irreconcilably compromised due to uncontrollable factors. Although the compromised outcome of the KEME case could be viewed as a failure from an evaluation viewpoint, from a research point of view it provided for important learning about the process model and identified a number of improvements to the model (see section 7.1.2). Similarly, the near-ideal implementation of the ATB-EGP case provides future researchers with an example of the potential effectiveness of the process model and identifies specific details which require special attention or improvement (also as noted in section 7.1.2).

7.1.2 Updated Process Model

The final version of the process model (D3) is presented in Figure 12. It includes the changes made from version D2 coming directly from the results of the two sponsorship evaluation case studies. These changes are outlined in Table 63 below.

Table 63: Changes Made to Process Model Version D3 from Version D2

#	<i>Change</i>	<i>Rationale/Source</i>
1	Include ambush tactics by the sponsor's competitors in Step 5 (Assess Shirking)	ATB case, non-exclusivity issue with Capital City
2	Emphasize the importance of senior management buy-in added to Step 1, Part 2 (Build Relationship)	KEME case, Kanatek management change
3	Emphasize the importance of legal aspects (e.g. signing NDA upfront, getting approval of internal legal departments) in Step 1, Part 2 (Build Relationship)	ATB case, the diligence of the sponsor's legal department to ensure the company was protected must be respected and considered early on to prevent problems later in evaluation
4	Include time to complete the evaluation as part of the Preliminary Assessment (Step 1, Part 3)	Both cases revealed the need to broaden this early assessment of the sponsorship to reduce risk

5	Change the title of Step 1, Part 1 to 'Pre-Screen Sponsorship' from 'Identify Sponsorship' to recognize the detailed nature of the step	Both cases revealed the importance of fully understanding the sponsorship and its attributes as early as possible. This also reflects the fact that Step 1 is primarily about setting up the evaluation and determining if the process model is worth implementing
6	Reword the sub-point about objectives in Step 1, Part 1 to 'identify measurable sponsor/ Sponsee objectives'	Both cases underlined the need to have measurable objectives to work with
7	Add a 'forecast potential shirks' box to Steps 2 and 3	ATB case, highlighted the importance of pre-event research to forecast potential shirking behaviours
8	Recognize sponsor, sponsee or intermediary in-house research professionals as potential external influences in Steps 5, 6, and 7; and note that these external influencers impact all 7 Steps	ATB case, the role of the ATB research department underlined the importance of engaging these groups early on
9	Reword the inputs/activities box in Step 5 to indicate that inputs and activities are reported on and not measured in Step 5	Both cases noted a wording problem in D2 where resources are identified and shirks are measured in Step 5
10	Add a sub-point on the attribution issue to the Step 4 box that links to 'reach' including a note that metrics and methods will be designed to best deal with the issue	Both cases, particularly ATB, noted the importance of reach in the articulation of objectives
11	Extend the reach box to demonstrate that the concept is part of Steps 3, 4 and 5	Both cases revealed that reach is an important consideration in these Steps
12	Move the attributes of the sponsor-sponsee relationship from Step 2 and Step 3 to be included in Step 1	Both cases noted that such information should be obtained as early as possible
13	Add the word 'collaborative' in front of selection in Box 2 of Step 4	Both cases revealed the importance of working with sponsors, sponsees and intermediaries to develop and implement metrics
14	Change the title of Step 5 from 'determine metrics for resources and shirking' to 'identify resources and determine metrics for shirking'	Both cases noted a wording problem in D2 where resources are identified and shirks measured in Step 5
15	Replace the word 'generate' with the word 'summarize' in the title box of Step 7 to better capture the essence of what the step accomplishes	Both cases demonstrated that this is the case in Step 7

The changes noted in Table 63 are substantive in nature. They are based directly on experiences from the sponsorship evaluation case studies and improve the process model. Following the implementation of these suggested changes, the final version (D3) of the process model represents the core contribution of this dissertation. It contributes to both the literature and to practice. For the literature, it represents the first theory-based process model for the evaluation of sponsorship that is openly shared. It is hoped that this should lead to further testing of sponsorships, to the development of extensions of the process model (e.g. a model specific to Mega-events, a simplified version for implementation with small sponsorships, or a model designed for social marketing sponsorships), and to discussions on its validity both in its operation and its agency theory-based design. Theoretically, this work on the process model supports the distinction of sponsorship from advertising in the promotional mix, which will undoubtedly foster further discussion. For practitioners, the process model will provide both sponsors and sponsees with a tool for the assessment of their sponsorship-related activities. Further, the process model could be used to improve or to collaborate with the developers of other sponsorship evaluation models. As one practitioner noted: "I would like to vet the process model through my own [model for sponsorship evaluation]" (Sp_Exp_1). In addition, the adaptability of the process model to a wide variety of sponsorship situations benefits both academics and practitioners. One of the expert interviewees noted that the model's range goes from "a simple sponsorship... [that] starts with saying 'Joe, what would be important to you?' when Joe is the owner of a local convenience store asked by a group running a local event in the park to be a sponsor...to major sponsorships" (Int_2, 2006).

Figure 12: Process Model of Sponsorship Evaluation: Process Model D3

Process Model: Sponsorship Evaluation

7.1.3 *Methods and Implementation*

Methodologically, the implementation of the model in both sponsorship evaluation case studies was shown to be a risky, lengthy and resource-intensive research procedure. The changes suggested in process model version D3 (Figure 12) will help mitigate this risk. A number of additional recommendations are provided here to improve the implementation of the process model. For example, results from the sponsorship evaluation case studies support the recommendations (i) that evaluations be included in sponsorship contracts so that sufficient budgets for evaluation are allocated at the onset of a sponsorship, (ii) that researchers doing an evaluation prioritize the objectives to be measured in order to efficiently allocate metrics and methods to maximize the value of the evaluation, and (iii) that the necessary thought and planning goes into determining who collects the data for each objective to minimize any bias that may exist.

The results of the sponsorship evaluation case studies also highlight the learning about the implementation of the process model in addition to the ‘how-to’ description provided earlier with version D1. Specifically, seven directions for the future use of the process model were identified and each is explained briefly here. First, sponsorship evaluation researchers are directed to get a copy of the final version of the sponsorship contract(s) early and prior to making a decision on whether to proceed. In the ATB-EGP sponsorship evaluation case, a final version of the sponsorship contract was not received until the days prior to the event which resulted in the occurrence of two ‘potentially-avoidable’ shirking behaviours due to the contract. Second, the important role of MasterCard in the ATB-EGP sponsorship demonstrates that a sponsorship evaluation researcher must make a concerted effort (as the process model notes) to determine and

include all intermediaries and their objectives. Third, the definition of ‘shirk’ must be broadened to include behaviours that ambush the sponsorship or any of the objectives sought by any sponsor, sponsee or intermediary. Fourth, sponsorship evaluation researchers are encouraged to plan for the long-term nature of evaluation, both in terms of measurement and implementation. In the ATB-EGP case, the need to measure a number of the objectives (e.g., customer acquisition) again in 12-18 months demonstrates the long-term nature of some measurements, while results from the KEME case emphasize the long-term nature of implementation and the accompanying risks. Fifth, results from both sponsorship evaluation case studies support the need to have established senior contacts in all involved organizations. Sixth, particularly when researchers are not well versed in the dynamics of the sponsor’s industry and the sponsee’s industry, they must dedicate time to learn such. This point was evident with Kanatek, a B2B company, whose industry was a challenge to define and understand. Finally, the importance of accessing confidential qualitative data from all sides (sponsor, sponsee, intermediary) as early as possible was learned in the ATB-EGP case, where the lack of confidential input from the sponsee (i.e., not via the sponsor) until post-event limited the effectiveness of the evaluation.

The determination of metrics and methods to measure identified objectives is also noted as an important aspect of implementing the process model. The ATB-EGP and KEME case studies both included data collection instruments with weaknesses (e.g. retrospective questions in expert interviews and on surveys, alternate methods adopted for resource reasons) that are acknowledged. As noted in Version D3 of the process

model, researchers need to prioritize objectives, metrics and methods vis-à-vis the resources (human, financial and time) available.

7.2 *Contributions to Practice*

As noted above, results from the sponsorship evaluation case studies support the decision making of sponsors, sponsees and intermediaries. Most importantly, these practitioners are provided with a process model for sponsorship evaluation. By providing a validated, 7-stage process model, this research addresses a need that was expressed by both practitioners (e.g., Mark Harrison, personal communication, October 27, 2002) and in the literature (Crompton, 2004a; Mullin, Hardy & Sutton, 2000; Milne & McDonald, 1999; Berrett, 1993). In this regard, it is of particular importance to note that the process model demonstrates that evaluation methods specific to sponsorship (i.e., distinct from those designed to evaluate advertising) are required as suggested by a variety of previous studies (e.g., Cornwell, Pruitt & Clark, 2005; Belch & Belch, 2001; Tripodi, 2001; Shimp, 1997; Cornwell, 1995). The fact that advertising and sponsorship function differently (Bloxam, 1998) is at the heart of this distinction and is supported in a number of ways by the process model which (i) considers the objectives of all parties (sponsors, sponsees, and intermediaries) in the evaluation, (ii) views the sponsorship relationship from the point of view of the consumer who typically is exposed to three distinct images – the sponsor, the sponsee and the association between them – where the sponsorship can support the transfer of images between the three, (iii) prioritizes objective specificity in its design, and (iv) has adopted Agency Theory as a framework that allows for clear understanding of the evaluation process.

For practitioners, the process model will provide sponsors and sponsees, as well as agencies providing evaluation services, with a tool for the assessment of their sponsorships. The inclusion of the 'how-to' guide, the detailed steps with GO/NO GO decision points, and a graphical depiction of the model will facilitate and, ideally, encourage its use in practice. The fact that the model is also adaptable to any sponsorship situation should also be attractive to potential users as it distinguishes it from previous models in the literature (e.g., Cornwell, Pruitt & Clark, 2005; Cornwell, 1995; Pope & Voges, 1994; Irwin & Asimakopoulos, 1992). It was also noted in the expert interviews, that the process model could be used to improve or collaborate with other models currently in use.

7.3 *Contributions to Theory and the Literature*

This dissertation involves applied research. As such, it is more about applying and understanding theory than it is about building theory. However, it does take some important steps in developing theory in sponsorship evaluation as insight is provided towards responding to the various challenges facing sponsorship (Weick, 1995) through the construction and testing of the process model for sponsorship evaluation (Swenson, 2001; Sutton & Staw, 1995).

The research adopted an Agency Theory perspective to sponsorship evaluation and it developed a process model that was then tested through (i) expert interviews and (ii) two sponsorship evaluation case studies. Contributions were made to the literatures of Agency Theory, sponsorship, sponsorship evaluation and objectives. Each of these areas is discussed separately in the following four sub-sections.

7.3.1 Contributions to Agency Theory

Agency Theory was adopted to provide the theoretical foundation for the dissertation where the sponsor-sponsee relationship is viewed as an instance of cooperative effort in a principal-agent relationship, where the sponsee/agent acts on behalf of the interests of the sponsor/principal (Bahli & Rivard, 2003). As noted throughout this dissertation, contributions in this regard from Agency Theory to theory development are tri-directional as (i) the use of Agency Theory provided focus, structure and clarity to sponsorship evaluation, (ii) Agency Theory provided the framework for the Process Model supporting its development, and (iii) viewing sponsorship evaluation through an Agency Theory lens further developed the theory and its applicability to marketing practice.

Based on the direction of scholars (Bergen, Dutta, & Walker, 1992; Eisenhardt, 1989), Agency Theory was selected from a set of relationship theories as the theoretical framework for this dissertation. The fact that Agency Theory was selected supports the work of Bergen, Dutta and Walker (1992) who noted that Agency Theory has a role to play in the marketing literature. In addition, the use of Agency Theory in an evaluation setting widens its range of its applicability beyond viewing relationships to evaluating the effectiveness of relationships. Adopting Agency Theory's unit of analysis – the contract – as the basis of measurement within the evaluation is critical to this point. This is a significant contribution and one which fits with calls from the Agency Theory literature to expand the scope of its application (Eisenhardt, 1989) and could lead to additional research in the area. The finding that Agency Theory works well in the sponsor-sponsee

relationship is also a contribution as it demonstrates that Agency Theory can work in complex, B2B relationships as well as its typical purview of employer-employee and Board-CEO relationships (Bergen, Dutta, & Walker, 1992; Jensen, 1983; Jensen & Fama, 1983; Jensen & Meckling, 1976).

Agency Theory provided a lens by which to evaluate a sponsor's investment in a sponsee and the resulting relationship's ability to achieve both the sponsor's and the sponsee's specific objectives. As outlined in Chapter 4, this fills a gap in sponsorship evaluation by providing the theoretical framework sought by both academics and practitioners that will enable the effective and efficient measurement of sponsorship effectiveness.

Another important contribution of Agency Theory to sponsorship evaluation lies in the expansion of the definition of the contract to include both the tenets of the formal written contract and the understood but unwritten aspects of the relationship; namely the informal contract. In turn, this expanding definition leads to a broader consideration of objectives for evaluation and the identification of those objectives (the informal ones) that are often neglected in evaluation (see Newburn 2001; Sandler & Shani, 1993). Further, the consideration of intermediaries and their objectives stems from Agency Theory and is an additional important contribution to sponsorship evaluation.

7.3.2 Contributions to Sponsorship Theory

In addition to the major contribution of the process model to the sponsorship evaluation literature, this dissertation sought to achieve 4 sub-objectives related to improving the understanding of the sponsorship relationship required to construct the

process model. As such, the process of addressing these 4 sub-objectives represents the main contributions of this dissertation to the sponsorship literature. First, viewing the sponsor-sponsee relationship as a version of a principal-agent relationship was shown to have merit, particularly as a way by which to evaluate the relationship. In this regard, Agency Theory put the focus on the contract (explicit and implicit) as the unit of analysis which, in turn, put the focus on identifying and measuring only those objectives and shirking behaviours related to the contract (Bergen, Dutta, & Walker, 1992; Eisenhardt, 1989). Second, the inclusion of performance evaluation theory in combination with Agency Theory to look at sponsorship evaluation was beneficial to the development of the process model, particularly in emphasizing the importance of reach (i.e., the target(s) sought for each objective) and separating the results by impacts and outcomes to recognize the influence of time and challenges of attribution and intent in measurement (Capko, 2003; Heslop & Fadaie, 2002). In the ATB-EGP sponsorship evaluation case study, for example, the use of the concept of 'reach' led to the identification of 21 objectives as opposed to 18, while for the KEME sponsorship evaluation case study, it allowed for the targets of two of the objectives to be further specified to 2 and 5 targets, respectively. Third, results from both sponsorship evaluation case studies provide considerable direction to sponsors, sponsees and intermediaries for future business/promotion decisions. For example, in the ATB-EGP sponsorship evaluation case, detailed and specific recommendations were provided to ATB, EGP and MasterCard. Fourth, the applied nature of the dissertation should be noted. Specifically that it recognizes that each sponsorship is unique and that it develops an adaptable

process model for practitioners that was developed with the input of industry experts and tested on two 'real' cases of sponsorship.

In addition, this dissertation makes a strong contribution to the sponsorship literature by emphasizing analysis on the sponsee as an equal contributor to the sponsor-sponsee relationship. Similarly, it also responds to Shank's (1999) suggestion and broadens the definition of the sponsee, including proposing the mega-sponsee/typical sponsee scenarios. Other authors had previously noted this as a weakness in the sponsorship literature (Cornwell & Maignan, 1998) and some prior definitions of sponsorship had focused entirely on the sponsor (Dean, 1999; d'Astous & Bitz, 1995).

Finally, the generalizability of the process model to any sponsorship is an important contribution to the sponsorship literature as it recognizes and emphasizes the principle that each sponsorship relationship is unique and that each should be evaluated accordingly. Although only two case studies have been tested to date, the resulting process model is adaptable to all potential sponsorship scenarios and will be improved as testing continues.

7.3.3 Contributions to Sponsorship Evaluation Theory

The most important contribution of this dissertation is its delivery of version D3 of the process model for sponsorship evaluation. Although the model cannot yet be referred to as theory, it provides impetus for future research and, over time and through additional testing could develop into theory. In terms of this contribution specific to the sponsorship evaluation literature, it represents the first theory-based process model for

the evaluation of sponsorship that will be openly shared with the academic and business communities.

Considering the limited pre-existing theory in sponsorship evaluation (Walliser, 2003; Harvey, 2001; Meenaghan, 2001; Olkkonen, 2001), the overall impact of this work on sponsorship evaluation theory is considerable. A process model specifically designed for sponsorship evaluation has been carefully constructed from three bodies of literature and consultation with experts. Following a pre-test, it was then tested in two extensive and very different sponsorship evaluation case studies. Throughout this process, three versions of the model were presented with the resulting third draft (version D3) ready for use in practice and for continued testing and development by researchers. Continued testing, broadened application and structured assessment of each 'box' in the process model will also continue to improve and build much needed theory on sponsorship evaluation.

7.3.4 Contributions to the Literature Related to Objectives

Objectives, or goals, are of the utmost importance to this dissertation as the process model, in taking an Agency Theory approach, carries out a process of evaluation that is based on the implicit (informal) and explicit (formal) objectives of the sponsor, sponsees and relevant intermediaries. It is these objectives that form the basis for the metrics and methods that are implemented to measure the effectiveness of the sponsorship.

Practically, the results of the dissertation point to two important aspects of objectives that are noted in version D3 of the process model. First, the lack of clear,

measurable objectives as a challenge in sponsorship evaluation is evident in both sponsorship evaluation case studies and is noted in the literature (Crompton, 2004a; Cornwell & Maignan, 1998; Berrett & Slack, 1995; Berrett, 1993). Version D3 of the process model notes this finding and specifies that an evaluation would not proceed unless proper objectives are provided. Second, and this is a finding exclusive to this dissertation, is that there is a need to prioritize objectives vis-à-vis the resources available to measure them (human, financial and time). Specifically, it is unlikely that the necessary resources for a complete evaluation would ever be available, thus decisions must be made to prioritize objectives, reach, metrics and methods. It is suggested that this would involve framing a set of possible objectives for each sponsorship and then selecting metrics and methods based on the priority of objectives, the ability to measure and the cost of the research. This is noted in version D3 and is seen as an important contribution.

As noted in Appendix A, 61 different sponsorship objectives were identified in the literature. These objectives were many and included a vast array of objectives ranging from enhancing corporate image (Pope & Voges, 1998) to increasing television coverage (Liu, Putler & Weinberg, 2004; Erdogan & Kitchen, 1998) to encouraging product sales (Crompton, 2004a) to entertaining clients (Pope & Voges, 1998) to blocking competition (Irwin & Sutton, 1994). The current research explored 32 different objectives (21 in the ATB-EGP sponsorship and 11 in the KEME sponsorship), including seven that were new (or newly adapted) to the literature including (i) impacting key prospects (top 1%), (ii) improving brand prestige in current customers, (iii) re-branding ATB from being viewed primarily as a small town Alberta bank to a full-service provide-wide bank, (iv)

demonstrating the successful use of technology in a hostile environment, (v) supporting important scientific research, (vi) organizing the world's highest hockey game, and (vii) promoting the benefits of active living. These additions to the objectives in the literature and their accompanying metrics and methods are a contribution to future research in sponsorship evaluation.

7.4 Limitations of this Research

It is also important to recognize the limitations of this dissertation, particularly with respect to the process model. Eight such limitations were identified. First, as noted in the literature review on sponsorship evaluation, the attribution by self-opinion in the context of multiple influences is very difficult to evaluate. There is no ideal solution, however metrics grounded in a clear objective that asks aided and unaided questions with options to select competing influences can allow for a reasonable estimate of the influence of a sponsorship on particular image, branding, or awareness objective. Second, the sponsorship evaluation literature review also stressed the challenges in measuring intent to behave (e.g., intent to purchase) since the respondents ability to express if the intent will actually turn into behaviour is difficult to ascertain. This research recognizes this weakness and refers to other sponsorship evaluation researchers (Crompton, 2004a) who also note this weakness but also stresses that in the absence of sales data, intent to purchase is the next best measure available. Third, the lack of measurable objectives by sponsors and sponsees was evident in both sponsorship evaluation case studies and limited the effectiveness of the evaluations as there were often no targets to measure against. This will be addressed in future implementations of Process Model D3 which

now includes a requirement for measurable objectives in Step 1. This will involve the sponsorship evaluation researcher working with the sponsor(s) and sponsee pre-sponsorship. Fourth, as noted in both sponsorship evaluation case studies, the resource implications (human and financial) of implementing the process model are significant and could potentially be a barrier to its implementation. The updated Process Model D3 includes an estimation of resources in Step 1 as an attempt to mitigate this risk which will allow the researcher to prioritize metrics and methods pre-sponsorship. Fifth, the length of the research process in the KEME and ATB-EGP cases underlines the challenge of time as a third resource challenge, in addition to financial cost and human resources risk, that sponsorship evaluation researchers need to consider. An assessment of time in the context of the Step 1 Cost-Benefit Test has been added to Process Model D3 to try to mitigate the time effect by seeking to advise a researcher not to embark on an evaluation that is unlikely to be completed. Sixth, the implementation of the two sponsorship evaluation case studies revealed that a challenge exists with respect to the clarity of roles between the sponsor and the sponsee as principal and agent, respectively. This challenge is commonly identified in the Agency Theory literature (Eisenhardt, 1989). Methodologically, this resulted - in the ATB-EGP case - in some confusion at times over who was pursuing which objective and who was potentially shirking whom. It is important that sponsorship evaluation researchers use pre-sponsorship interviews to clearly articulate each entity and its objectives as Step 1 of the model advises. Seventh, the fact that drafts D1 and D2 of the process model did not consider the 'riskiness' of sponsees was a weakness that has been corrected in D3. This weakness was evident in the KEME sponsorship evaluation which was, for the most part, cancelled following the

tragic death of Dr. Sean Egan. Finally, the generalizability of the findings from 14 expert interviews and 2 sponsorship evaluation case studies must be questioned. This weakness is enhanced by the fact that only 1 sponsorship evaluation case study was fully implemented and completed. This weakness, however, is mitigated considerably by the fact that the model is a process model that is designed to be adapted to each sponsorship that it is used to evaluate; based on the premise that all sponsorships are unique.

7.5 A Future Research Agenda

A number of avenues for future research are identified in this dissertation. First and of the most importance is the continued testing and updating of version D3 of the process model. Ideally this will include evaluations of a broad array of sponsorships (e.g., mega-sponsee/typical-sponsee, cash/in-kind, sponsors/sponsees of all sizes, social marketing sponsors/sponsees, etc.). The need to further explore risky sponsees is also noted from the KEME case. Additionally, it is recommended that future research include partial evaluations and the evaluations of single objectives in response to the resource challenges that were shown to typically affect evaluations. Finally, future research is suggested to further explore some of the key issues built into each of the boxes of the model, including assessing the specificity of the mega/typical sponsee scenarios, evaluating sponsorships with varying levels of collaboration with a champion, determining methods to better forecast shirking behaviours, and developing an improved method of determining metrics and methods for a given objective.

In order to scope a future research agenda, a number of hypotheses to be tested or explored are provided here:

1. H1: That the Process Model will be applicable for sponsorships that include social marketing (i.e. behaviour change) objectives.
2. H2: That the Process Model can be adapted for use when limited resources (i.e. less than required for complete implementation) for evaluation are available to the researcher.
3. H3: That longitudinal study using the Process Model will provide enhanced evaluation of sponsorships.
4. H4: That the Process Model can be adapted to evaluate sponsorships that include sponsors, sponsees and intermediaries of all sizes (e.g. mega-sponsees, small sponsors, etc.).
5. H5: That the following concepts ('boxes') in the Process Model are further explored:
 - a. Shirking: developing a better understanding of how to account for both (i) behavioural and (ii) contractual shirking.
 - b. Shirking: developing improved measurement techniques.
 - c. Legal support for evaluation: further research on understanding its importance and achieving support for implementation.
 - d. Metric Development: that future research considers and develops other techniques to measure sponsorship-based objectives including (i) experimental design, (ii) observation, and (iii) focus groups.
6. H6: To support that Agency Theory is the best theoretical framework upon which to base the Process Model for sponsorship evaluation.

7. H7: That the Process Model be compared to other industry-based models for sponsorship evaluation.
8. H8: That the Process Model is applicable in sponsorships (i) in all industries, (ii) of global, national, regional and local reach, and (iii) in all countries/regions of the world.

These 11 hypotheses outline a number of future research studies demonstrating the need for work in sponsorship evaluation and the role of this dissertation in encouraging future research.

7.6 The Final Word

One of the sponsorship experts summarized the overall impact of this dissertation by noting that “the key to the future of sponsorship lies in how to then re-package [the common need for evaluation] into some kind of general tool with wide application” (SSor_3). This research has taken a number of important steps in developing sponsorship evaluation theory towards this goal with the construction of a validated process model for sponsorship evaluation.

This research began by focusing on an important topic that was of high interest to both practitioners and researchers, as expressed in trade publications, the marketing literature and in-person to the author. This emphasis towards ‘solving’ the sponsorship evaluation challenge resulted in a two-stage, multi-method dissertation that has taken important steps – both theoretically and practically – to achieving its goal. The research process itself outlines both the difficulty and the interest in the topic. Three literatures, expert input, a pre-test and two in-depth case studies were required. Agency Theory

provided the necessary framework. Corporate partners were intimately involved and invested significant resources in the process. The importance of time, resources, high-level support of partners, and confidentiality was clear. Each iteration of the process model was better than the previous version, both practically and theoretically.

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APPENDIX_FOOTNOTE: Summary of Evaluation Application

Since the early 1800's, formal evaluation in education has been observed in various forms through the testing of students skills, and assessments of teacher effectiveness (Willis, 2005; Redfern, 1998; Worthen & Sanders, 1991). Today evaluation is viewed as fundamental to the learning process (Algozzine, Beattie, Bray, Flowers, Gretes, Howley, Mohanty, & Spooner, 2004; Cantillon, 1998) with sophisticated research on such aspects as measurement techniques (e.g., Wong, Wong & Yeung, 2001; Sacks, 1997) and technology (e.g., Priluck, 2004; Wegerif, 1998) dominating that literature. In business, formal evaluation plays a key role in various feedback-driven business functions such as consumer behaviour, human resources, financial planning and market forecasting (e.g., Tenner & DelToro, 2000). In government and public policy, formal evaluation is important since "information about the effectiveness of public services is hard to come by using any other means" (Oakley, 1998) and since such information is necessary in order to ensure that policy is suitable for, and preserves, the prosperity of, citizens (Williams, 2003; Newburn, 2001). In the legal system, evaluation is inherent as a trial itself could be described as a formal evaluation (Palumbo, 2001). The field of psychology employs a number of evaluative methods to assess human behavior and thought (e.g., Rodebaugh, 2005). In marketing, the evaluation of consumers on a variety of measures (e.g., satisfaction, intent to purchase, pricing, brand awareness, post-purchase opinion, etc.) is carried out in a variety of ways (e.g., customer surveys, comment cards, online surveys, etc.), which impacts an organization's marketing mix (Meredith, 1993). Similarly, in human resources, the formal evaluation of employees enables organization decisions on staffing, strategy and

operations (Messmer, 2004; Capko, 2003; Slack, 1997). Formal evaluation is also fundamental to the scientific method, and the medical sciences, since it involves the processes of analyzing observations and comparing them back to previous studies and experiments. (Scriven, 1998). Finally, in sport, athletes and teams of athletes are constantly being evaluated against themselves and the performances of others, prior to competition and post competition, and in such forms as physical training (improvement, following program, etc.), medical (doping, health, injury prevention, etc.) mental training (motivation, confidence, etc.), and team-building (morale, cohesiveness, etc.), all towards a larger plan of athletic goals (Gorney & Ness, 2000).

This appendix provides a synopsis of the vast reach of evaluation and an outline of the many areas where it has been applied. This is useful for this dissertation which seeks to understand, develop and advance evaluation in sponsorship.

APPENDIX A: List of Sponsorship Objectives

#	<i>Sponsor Objective</i>	<i>Example(s) of Source(s)</i>
1	Enhance corporate image	Pope & Voges, 1998; 2000 Stipp, 1998 Bennett, 1999 Cornwell & Maignan, 1998 Stipp & Schiavone, 1996 Brooks, 1994 Pope, 1998 Seguin, Teed & O'Reilly, 2005 Irwin & Asimakopoulos, 1992 Kitchen, 1993 Meenaghan, 1991b Kuzma, Shanklin & McCally, 1993 Stotlar & Kadlecek, 1993 Erdogan & Kitchen, 1998 Witcher, Craigen, Culligan & Harvey, 1991
2	Enhance product positioning	Pope & Voges, 1998 Irwin & Asimakopoulos, 1992 Irwin & Sutton, 1994
3	Increase brand equity	Gladden, Milne & Sutton, 1998 Gladden & Funk, 2002 Milne & McDonald, 1999 Crimmins & Horn, 1996
4	Increase share price of sponsor	Cornwell, Pruitt & Clark, 2005 Cornwell, Roy & Steinard, 2001 Cornwell, 1995
5	Achieve media exposure or media equivalency	Lee, 2005 Crompton, 2004a Brooks, 1994 Kitchen, 1993 McCook, Turco & Riley, 1997 Kitchen, 1993 Erdogan & Kitchen, 1998 Bennett, 1999 Sandler & Shani, 1993
6	Enhance current advertising campaign	Stotlar & Kadlecek, 1993
7	Access a specific target market	Pope & Voges, 1998
8	Achieve goodwill with target market(s) of interest	Cornwell & Maignan, 1998 Pope, 1998 Bennett, 1999 Irwin & Asimakopoulos, 1992
9	Enable effective communication	Brooks, 1994
10	Television coverage	Kitchen, 1993

		Erdogan & Kitchen, 1998
11	Radio coverage	Kitchen, 1993 Erdogan & Kitchen, 1998
12	Corporate affiliation with sport	Stotlar & Kadlececk, 1993
13	Encouraging public relations	Lee, 2005 Bennett, 1998
14	Access to events	Stotlar & Kadlececk, 1993
15	Media exposure through signage within the venue	Stotlar & Kadlececk, 1993
16	Ticket access	Stotlar & Kadlececk, 1993
17	Exclusivity with a sponsee	Seguin, Teed & O'Reilly, 2005 Stotlar & Kadlececk, 1993
18	Create competitive advantage	Rowley, 1998 Kitchen, 1993 Erdogan & Kitchen, 1998 Bennett, 1998
19	Provide hospitality opportunities	Lee, 2005 Brooks, 1994 Kitchen, 1993 Ludwig & Karabetsos, 1999
20	Encourage product/service sales or ticket sales or intent to purchase	Crompton, 2004a Cornwell, 1995 Brooks, 1994 Copeland, Frisby & McCarville, 1996 Irwin & Asimakopoulos, 1992 Ludwig & Korn, 1999 Kitchen, 1993 Erdogan & Kitchen, 1998 Hoek, 1998 Pope & Voges, 2000 Bennett, 1999 Shank, 2005 Shank, 2002
21	Counter Bad Publicity	Bennett, 1999
22	To leverage a Fad or Fashion trend	Kitchen, 1993 Erdogan & Kitchen, 1998
23	Exposure at event-site	Brooks, 1994
24	Increase market share	Cornwell, 1995 Irwin & Asimakopoulos, 1992
25	Employee motivation, production, loyalty and morale	Pope & Voges, 1998 Garner & Shuman, 1988 Cornwell, 1995 Kitchen, 1993 Pope, 1998 Irwin & Sutton, 1994 Irwin & Asimakopoulos, 1992

		Erdogan & Kitchen, 1998 Bennett, 1999
26	Improve promotional efficiency	Rowley, 1998
27	Client entertainment	Pope & Voges, 1998
28	Provide incentives for sales force	Pope & Voges, 1998
29	Influencing politicians	Bennett, 1999
30	Creating a good impression with shareholders	Bennett, 1999
31	Meets management interest	Pope & Voges, 1998
32	Conduct research and development	Pope & Voges, 1998
33	Support new product development	Ludwig & Korn, 1999
34	Achieve exclusivity	Ludwig & Korn, 1999
35	Create loyal customers	Ludwig & Korn, 1999 Bennett, 1999
36	Build product awareness or company image in target market(s)	Crompton, 2004a Ludwig & Korn, 1999 Pope, 1998 Irwin & Asimakopoulos, 1992 Bennett, 1998
37	Personal Interest of CEO	Seguin, Teed & O'Reilly, 2005
38	Expand sponsor's marketing mix	Stotlar & Kadlececk, 1993
39	Play a leadership role in industry	Seguin, Teed & O'Reilly, 2005
40	Large TV audience	Liu, Putler & Weinberg, 2004
41	Leverage promotional investments	Seguin, Teed & O'Reilly, 2005
42	As part of an internal marketing platform	Seguin, Teed & O'Reilly, 2005
43	Create a favourable environment for future (long-term) sales	Cornwell & Maignan, 1998 Cornwell, 1995 Rowley, 1998
44	Build reputation	Seguin, Teed & O'Reilly, 2005 Mason, 1999; Asimakopoulos, 1993
45	Increase brand awareness	Crompton, 2004a Mullin, Hardy & Sutton, 2000 Erdogan & Kitchen, 1998 Irwin & Asimakopoulos, 1992 Cornwell & Maignan, 1998 Kitchen, 1993
46	Build relationships through improved reputation	Jobber, 1998 Garner & Shuman, 1988 Cornwell, 1995; 1997 Irwin & Asimakopoulos, 1992
47	Good corporate citizen	Pope, 1998 Irwin & Asimakopoulos, 1992
48	High profile media coverage	Liu, Putler & Weinberg, 2004
49	Penetrate new industry	Seguin, Teed & O'Reilly, 2005

50	Increase quarterly earnings	Seguin, Teed & O'Reilly, 2005
51	Reaching specific target markets	Jobber, 1998 Shimp, 1997 Brassington & Pettit, 2000
52	Improving community relations	Jobber, 1998 Pope, 1998 Irwin & Asimakopoulos, 1992 Irwin & Sutton, 1994 Kitchen, 1993 Erdogan & Kitchen, 1998 Irwin & Sutton, 1994 Bennett, 1998
53	Creating entertainment opportunities	Jobber, 1998 Erdogan & Kitchen, 1998
54	To complement other elements of the marketing mix	Crowley, 1991 Farrelly, Quester & Burton, 1997
55	To gain access to specific target media	Crowley, 1991 Farrelly, Quester & Burton, 1997
56	To facilitate (awareness/acceptance) business relationships OR trade relationships in specific supply chains	Garner & Shuman, 1988 Cornwell, 1995 Pope, 1998
57	Attract capital investment (build awareness and interest)	Garner & Shuman, 1988 Cornwell, 1995
58	Inform and educate the market	Rowley, 1998
59	Encourage donations	Hoek, 1998
60	Block Competition	Irwin & Sutton, 1994
61	Sponsor recall	Crompton, 2004a

APPENDIX B: Script for Expert Interviews

Background Questions: Interviewee Expertise

1. Please state your name, position and work experience for the record?
2. Approximately how many sponsorships have you worked on in any capacity (volunteer, professional, contract, etc.) during the last 2 years?
3. Do you consider yourself to be an expert in sponsorship?
4. In working on a sponsorship, both during negotiations to sign a contract and during the implementation of the contract itself, what kinds of things are you typically involved in?

Background Questions: Sponsorship Issues in the Literature

1. For you and your work, what is your working definition of sponsorship?
2. Do you consider sponsorship to be an effective promotional tool?
3. In working on a sponsorship, both during negotiations to sign a contract and during the implementation of the contract itself, what kinds of things are you typically involved in?
4. Is sponsorship different from advertising? If so, how?

Research Objective 1: Understand the Sponsor-Sponsee Relationship

Based on your experience in industry and with sponsorships, please respond to the following questions. If you do not have a specific answer to the question, please respond based on your general experience in business.

1. Think of a recent sponsorship you've been involved with and describe how that sponsorship was initiated?
 - a. Follow-up: "Would this be typical of how sponsorship relationships begin in general?"...if not, tell us about some of the other ways this can happen?
2. We're interested in the way that the sponsor-sponsee relationship works and we'd like to ask a few questions about that:
 - a. Thinking again of that recent sponsorship:
 - i. Once a contract is signed, how often do the sponsor and sponsee communicate?
 - ii. Typically, is there a formal contract involved? If yes, please describe the process.
 - iii. Once contract is signed, does sponsor monitor the sponsee in any way? **[**if explanation is required** By monitoring, I mean 'did the sponsor spend time and resources observing the sponsee to make sure their investment was used properly.]**
3. What are the three most important things that a sponsor typically wants out of a sponsorship relationship?
4. What are the three most important things that a sponsee typically wants out of a sponsorship relationship?
5. In your experience, how often are intermediaries often used?
6. In all the sponsorships you deal with, is exclusivity important? How often (percentage) is exclusivity important? Under what conditions (i.e. size of sponsorship, competitiveness of market) is exclusivity important?

7. In all the sponsorships you deal with, when is leveraging important? How often (percentage) is leveraging important? Under what conditions (i.e. size of sponsorship, competitiveness of market) is leveraging important?
8. How is a sponsor-sponsee relationship normally terminated? What role, if any, do intermediaries play in the termination of a sponsorship?

Research Objective 2: Understand Current Practice in Sponsorship Evaluation

1. Of the X sponsorships that you mentioned involvement with, how many were evaluated? In your overall experience, what proportion of sponsorships are actually evaluated?
2. Do you have any specific experience in the evaluation of sponsorship? If so, please explain?
3. What current sponsorship evaluation practices or tactics are you aware of? Please list them all.
4. What are your competitors doing vis-à-vis sponsorship evaluation?
5. Do typical sponsees and mega-sponsees evaluate sponsorship differently?
6. How do you see sponsorship evaluation practice evolving in the future?

Research Objective 3: Articulate Barriers to Evaluation, Fears around Evaluation and the Benefits of Evaluation

1. Do you believe that sponsorship can be evaluated effectively?
2. From your experiences, why does senior management of sponsors and/or sponsees decide to evaluate a given sponsorship?
3. From your experiences, does a positive evaluation effect future funding decisions and/or resource allocations by sponsors or sponsees?
4. From your experiences, does a negative evaluation effect future funding decisions and/or resource allocations by sponsors or sponsees?
5. What barriers to effective sponsorship evaluation have you experienced? What other barriers exist?
6. Do any fears exist around sponsorship evaluation for sponsors and sponsees?
7. What benefits does a well-done evaluation provide to sponsors and sponsees?
8. Are there any barriers, fears and/or benefits that develop from the external environment or market related factors?
9. Is it common for both the sponsor and the sponsee to be fully supportive of an evaluation?

Research Objective 4: Understand the Timing of Evaluation

The following questions refer to the 'when' around sponsorship evaluation.

1. Of the sponsorship evaluations that you have been involved with, when was the concept of evaluation typically first discussed: pre-contract, during the contract or post contract?
2. Can evaluation be done effectively post-contract? If so, how?
3. From your experiences, what can you recommend to the sponsor to insure sponsee compliance with the sponsor's expectations with respect to timing?

Feedback on Process model

1. Show and explain the draft Process model to the expert and ask for feedback

APPENDIX C: Online, Pre-Event Survey

1. How did you learn about the ATBGrandPrix.com web site?

--- Choose One ---

- In-Branch Poster
- Search Engine
- From a Friend or Colleague
- By an E-mail Invitation
- Radio Advertisement
- Newspaper Advertisement
- Banner on ATB.COM Web Site
- None of the Above

2. When you think of ATB Financial as a financial institution, what comes to mind?

- Very high quality
- High quality
- Average quality
- Low quality
- Very low quality
- Nothing, I'd never heard of it before

3. Has ATB Financial's sponsorship of the Grand Prix changed your opinion of ATB?

- Significantly increased
- Somewhat increased
- No change
- Somewhat decreased
- Significantly decreased

4. Before being exposed to ATB's sponsorship of the Grand Prix, did you know about ATB?

- Yes, and I knew about ATB's products and services as well
- Yes, but I really didn't understand ATB's products and services
- No.

5. In your mind, is the Grand Prix an appropriate event for ATB Financial to sponsor?

- Yes, it is the best choice for ATB Financial
- Yes, but there may have been better choices
- I'm not sure
- No, although it will still be effective for ATB Financial
- No, it is a very poor choice for ATB Financial

6. Does the fact that ATB Financial is a sponsor of the Grand Prix make you more likely to visit an ATB branch in the near future?

Very unlikely
Unlikely
Maybe
Likely
Very Likely

7. Does the ATB sponsorship of the Grand Prix alter the chance of you switching from your current bank to ATB Financial?

Significantly increased
Somewhat increased
No change
Somewhat decreased
Significantly decreased
N/A, I'm already an ATB customer

8. Do you consider ATB Financial to be a major player in the Alberta banking market?

Yes
No

9. Which of the following BEST describes ATB Financial?

A full-service Albertan bank
A Canadian bank from coast-to-coast
A small town Albertan bank
An urban banking institution with branches in all major Canadian cities
A British Columbia bank expanding into Alberta
None of the above

10. Was your answer to Question #9 (directly above) changed due to the ATB Grand Prix sponsorship?

Yes
No

Please enter any comments or suggestions you have concerning our Grand Prix sponsorship, the contest, or the ATBGrandPrix.com web site:

APPENDIX D: In-Branch questionnaire

Hello, my name is Lisa/Lucas representing ATB. We are currently conducting a survey of our customers to determine your views on some of our activities. Please be assured that we are not trying to sell anything and that your answers will remain anonymous. Would you mind giving us a few minutes of your time?

If YES, provide incentive

If NO, thank them kindly and await next customer

*****INTERVIEWER NOTE: IF RESPONDENT ASKS, THE SURVEY TAKES APPROXIMATELY 7 MINUTES*****

1. Are you presently a customer of ATB Financial?
 Yes 1 GO TO Q.3
 No 2

2. Are you likely to open an account with ATB Financial in the very near future?
 Yes 1 GO TO Q.12
 No 2 GO TO Q.12

3. Which of the following best describes your situation:
 ATB Financial is
 1 The only financial institution I work with
 2 One of two financial institutions I work with
 3 One of three or more financial institutions I work with

4. Is this your home ATB branch?
 YES 1
 NO 2 (If NO, ask what their branch is: _____)

5. Are you a new customer to ATB in the last 2 months?
 YES 1
 NO 2

6. Have you significantly increased your holdings or loans with ATB in the last 2 months?
 YES 1
 NO 2

*****NOTE TO INTERVIEWER – IF INTERVIEWEE ANSWER “YES” TO EITHER OR BOTH OF #5 and #6 ABOVE, CONTINUE WITH QUESTION #7 IF THEY ANSWERED “NO” TO BOTH, THEN SKIP TO QUESTION #8*****

7. You indicated that you have **(joined ATB)/(increased your holdings with us)** in the last two months. Of the following list, please indicate which reason or reasons – you may select as many as you like – which had *at least some* effect on your decision **(to start)/(increase)** your business with ATB? ***READ EACH AND ALLOW THEM TO ANSWER AFTER EACH ONE***

a. Seen or heard ATB advertising	Y	N
b. I wanted to switch to a local bank	Y	N
c. Proximity of branch to my home.	Y	N

d. Proximity of branch to my work.	Y	N
e. The fact that ATB sponsored the Edmonton Grand Prix	Y	N
f. The fact that ATB sponsored the Calgary stampede	Y	N
g. The quality of products we offer	Y	N
h. A specific product we offer	Y	N
i. I have a friend or family member who works at ATB	Y	N
j. A current sales promotion we are running	Y	N
k. TB's customer service standards	Y	N
l. Since I sat in one of ATB's hospitality suites at the Edmonton Grand Prix	Y	N
m. The ATB Visa Card	Y	N
n. The ATB Master Card	Y	N
1. Other: _____	Y	N
2. Other: _____	Y	N
3. Other: _____	Y	N

8. How do you rate the 'prestige' of the ATB brand relative to other financial institutions?

Very High High Average Low Very Low

9. Has your opinion of the prestige of the ATB brand improved in the last 2 months?

YES

NO (SKIP TO QUESTION 10)

- a. If yes, can you identify as many of the following reasons as you like which had at least some affect on your opinion of the prestige of the ATB brand improving?
READ EACH AND ALLOW THEM TO ANSWER AFTER EACH ONE

a. Seen or heard ATB advertising	Y	N
b. New branches opening	Y	N
c. Proximity of branch to my work	Y	N
d. The fact that ATB sponsored the Edmonton Grand Prix	Y	N
e. The fact that ATB sponsored the Calgary Stampede	Y	N
f. The quality of products we offer	Y	N
g. A specific product we offer	Y	N
h. I have a friend or family member who works at ATB	Y	N
i. A current sales promotion we are running	Y	N
j. ATB's customer service standards	Y	N
k. The ATB Visa Card	Y	N
l. The ATB Master Card	Y	N
m. Other: _____	Y	N
n. Other: _____	Y	N
o. Other: _____	Y	N

10. Do you view ATB as a major player in the Alberta Financial Services market?

Yes

Somewhat

No

11. Do you believe that ATB's importance in Alberta's financial services industry has increased in the last 2 months?

Yes

No (GO TO QUESTION 12)

a. If yes, please identify why you believe that ATB is more of a major player in the financial services market by selecting as many of the following factors which had at least some affect on your opinion? *READ EACH AND ALLOW THEM TO ANSWER AFTER EACH ONE*

a.	The fact that ATB is an Alberta-only organization	Y	N
b.	New branches opened	Y	N
c.	Its line of products and services	Y	N
d.	Its sponsorship of the Edmonton Grand Prix	Y	N
e.	Its sponsorship of the Calgary Stampede	Y	N
f.	I know an ATB employee	Y	N
g.	A current ATB sales promotion	Y	N
h.	ATB's customer service standards	Y	N
i.	ATB's advertising		
j.	The ATB Visa Card	Y	N
k.	The ATB Master Card	Y	N
l.	Other: _____	Y	N
m.	Other: _____	Y	N
n.	Other: _____	Y	N

12. As you may or may not know, ATB was the official Financial Institution of the 2006 Edmonton Grand Prix. Please tell me whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with each of the following statements.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Don't Know
a) Sponsoring the 2006 Edmonton Grand Prix improved the prestige of ATB Financial's brand	5	4	3	2	1	9

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Don't Know
b) Sponsoring the 2006 Edmonton Grand Prix helped demonstrate that ATB Financial is a rural financial services institution	5	4	3	2	1	9
c) Sponsoring the 2006 Edmonton Grand Prix helped demonstrate that ATB Financial is a financial services institution for all Albertans	5	4	3	2	1	9
d) The Sponsorship of the 2006 Edmonton Grand Prix increased my awareness of the ATB MasterCard product.	5	4	3	2	1	9
e) ATB's sponsorship of the 2006 Edmonton Grand Prix increased my desire to do more business with ATB	5	4	3	2	1	9
f) The fact that ATB Financial sponsored the Edmonton Grand Prix makes me more likely to use more of ATB's services	5	4	3	2	1	9
g) Sponsoring the 2006 Edmonton Grand Prix helped demonstrate that ATB Financial is a major player in the Albertan financial services industry	5	4	3	2	1	9

13. May we confirm which age group you belong to? READ

18-24	1
25-34	2
35-44	3
45-54	4
55-64	5
65 or older	6

14. And finally, in 2005, was your total household income, before taxes... *READ LIST*

Less than \$50k	1
\$50k to less than \$100k	2
\$100k to less than \$150k	3
\$150k to less than \$250k	4
\$250k or more	5
DO NOT READ	
Don't know/Refused	9

15. RECORD:

Male	1
Female	2

16. RECORD: Time of Day

Morning	1
Noon-Hour	2
Afternoon	3

17. RECORD: Day of Week

Monday	1
Tuesday	2
Wednesday	3
Thursday	4
Friday	5
Saturday	6

18. RECORD FROM SAMPLE:

Edmonton Branch	1
Calgary Branch	2

Those are all my questions for today. Thank you very much for your time, I do really appreciate it. Have a nice day/evening!

APPENDIX E: Hospitality Suite Survey

ATB - Grand Prix Edmonton Survey

Dear Hospitality Suite Attendee,

The following questionnaire is designed to give us valuable feedback on your experience. It will only take 2 minutes of your time. Your participation is voluntary and anonymous. No personal identifying information is sought and you may decline to participate at any time.

Thank you

Questions:

1. Please rate your experience at the Grand Prix today (circle)

Poor	Fair	Good	Very good	Excellent
1	2	3	4	5

2. Considering your experience today so far, would you come back next year? (circle)

Yes	1
No	2

3. Are you currently a client of ATB? (circle)

Yes	1
No	2

If yes, for how many years have you been a client of ATB? ____

4. Do you consider ATB to be your primary financial institution? (circle)

Yes	1
No	2

5. Do you receive financial services from financial institutions other than ATB? (circle)

Yes	1
No	2

a. If yes, how many additional financial institutions? ____

b. If yes, approximately what percentage of your financial services is done with ATB? ____

6. What is your annual household income (circle)?

<\$60,000	1
\$60,000-\$100,000	2
>\$100,000	3

7. Please respond to the following questions by circling a response from 1 to 5; where 1 is 'strongly disagree'; 2 is 'disagree'; 3 is 'neither agree nor disagree'; 4 is 'agree'; and 5 is 'strongly agree'.

- a. My experience at the Grand Prix (thus far) will increase the amount of business that I do with ATB.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A
1	2	3	4	5	

ATB Financial

b. My experience at the Grand Prix (thus far) has improved my overall opinion of ATB as an organization.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A
1	2	3	4	5	

c. My experience at the Grand Prix (thus far) will encourage me to tell others positive information about ATB.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A
1	2	3	4	5	

d. ATB's sponsorship of the Edmonton Grand Prix has positively impacted my opinion of ATB as a financial institution.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A
1	2	3	4	5	

e. ATB's sponsorship of the Edmonton Grand Prix has positively impacted my desire to deal with ATB.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	N/A
1	2	3	4	5	

Thank you. Your feedback is greatly appreciated.

ATB Financial

*More people. More branches. More face-to-face. is a registered trademark of Alberta Treasury Branches.

APPENDIX F: Hospitality Hostess/Host Interview Template

Date: XXX

Form: Telephone

Time: XX minutes

1. Please state your position and work experience for the record?
2. How many sponsorships have you worked on in your life, including as a volunteer?
3. What is your working definition of sponsorship?
4. What is your role in the ATB-Edmonton Grand Prix sponsorship?
5. Can you describe the crowd demographically?
6. Would you consider the hospitality suite to be a success?
7. Do you consider the hospitality suite to be a success for ATB?
8. At the hospitality Was the ATB logo easily viewable and well presented?
9. What else did you do?
10. How did they respond?
11. Anything else?

APPENDIX G: Mass-market questionnaire

Hello, my name is....from TREND Research, a professional market research company in Alberta. We are conducting a survey on general topics that are of interest to Albertans. Please be assured that we are not trying to sell anything and your answers will remain anonymous.

***INTERVIEWER NOTE: IF RESPONDENT ASKS, THE
SURVEY TAKES APPROXIMATELY 6 MINUTES***

- A. May I speak to the person in the household who is 18 years of age or older, and who has had the most recent birthday?

Yes, on the phone	1	CONTINUE TO Q.1
Yes (other member of household)	2	REPEAT INTRO & GO TO Q.1
Not available	3	SCHEDULE CALLBACK
Refused	4	DISCONTINUE & THANK

- B. Are you or anyone in your household employed by a financial institution, market research or advertising company?

Yes	1	THANK & TERMINATE
No	2	CONTINUE

1. Have you ever attended an Indy, NASCAR or CHAMPCAR race as a spectator?

YES	1
NO	2

2. Have you ever watched an entire Indy, NASCAR or CHAMPCAR race on TV?

YES	1
NO	2

3. In late July of this past summer, the Edmonton Grand Prix Champ-Car Race took place in Edmonton. Did you... *READ THE FOLLOWING*

	Yes	No
a. Attend the event in person?	1	2
b. Watch it on TV?	1	2
c. Follow it on either the radio or the internet?	1	2

4. While there are several sponsors for the 2006 Edmonton Grand Prix, to the best of your knowledge, which of the following was the **title sponsor** (by title sponsor we mean that the sponsors name is included in the event name)? *READ THE FOLLOWING LIST*

EDMONTON TOURISM	1
MOLSON	2
TRAVEL ALBERTA	3
FORD	4
THE BRICK	5
WEST_EDMONTON_MALL	6
NONE OF THE ABOVE	7
<u>*DO NOT READ*:</u>	
Don't know	8

5. Which of the Following was the official Financial Institution of the 2006 Edmonton Grand Prix? ***READ THE FOLLOWING LIST***

Royal Bank of Canada	1
ATB Financial	2
Alberta Credit Unions	3
Capital City Savings	4
The Bank of Alberta	5
None of the above	6
<u>*DO NOT READ*</u>	
Don't know	7

6. ATB Financial was in fact the official financial institution of the 2006 Edmonton Grand Prix. Are you currently a customer of ATB Financial?

YES	1
NO	2

7. Based on your impressions or perceptions, which phrase best describes ATB Financial?
RANDOMIZE & READ

A full-service province wide Albertan financial institution
 A Canadian financial institution from coast-to-coast
 A small town Albertan financial institution
 An urban financial institution with branches in all major Canadian cities but not in smaller towns and other areas
 A Calgary financial institution expanding to Edmonton
DO NOT READ:
 Don't know/ I have no idea what ATB Financial does

INTERVIEWER NOTE: IF RESPONDENT SAYS THAT THEY HAVE NOT DONE BUSINESS WITH ATB FINANCIAL, READ:

"Even if you have not done business with ATB Financial, base your answers on what you have seen or heard about the company. If you truly do not have an impression, don't know is an acceptable answer."

8. Now, I am going to read you a list of statements about sponsorships. For each of the following statement, please tell me whether you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with it. ***RANDOMIZE & READ***

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Don't Know
a) I am now more aware of the products and services of ATB Financial after their sponsorship of the Edmonton Grand Prix.	5	4	3	2	1	9

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Don't Know
b) After learning that ATB Financial was sponsoring the Edmonton Grand Prix, my belief that they care about Albertans increased.	5	4	3	2	1	9
c) In my opinion, the ATB sponsorship of the Edmonton Grand Prix helps demonstrate that ATB is a major player in the Alberta banking market	5	4	3	2	1	9
d) When I think of ATB Financial, I think of a full-service, province wide financial institution.	5	4	3	2	1	9
e) ATB being one of the sponsors for Edmonton Grand Prix made me prouder that the event is hosted in Alberta	5	4	3	2	1	9
f) The fact that ATB Financial sponsored the Edmonton Grand Prix makes me more likely to [open an account at ATB OR use more of ATB's services]. <u>**Interviewer to ask one or the other based on response to Q7 above: open if not a client, use more if already a customer of ATB**</u>	5	4	3	2	1	9
g) When I think of ATB Financial, I think of a rural Alberta financial institution.	5	4	3	2	1	9
h) The fact that ATB Financial sponsored the Edmonton Grand Prix while other Albertan banks did not led me to view ATB as having an advantage over these other banks.	5	4	3	2	1	9

9. May if confirm which age group you belong to? READ

18-25	1
25-35	2
35-45	3
45-55	4
55-65	5
65 or older	6

10. And finally, in 2005, was your total household income, before taxes...*READ LIST*

Less than \$50k	1
\$50k to less than \$100k	2
\$100k to less than \$150k	3
\$150k to less than \$250k	4
\$250k or more	5
DO NOT READ	
Don't know/Refused	9

11. RECORD:

Male	1
Female	2

12. RECORD FROM SAMPLE:

Metro Edmonton	1
Metro Calgary	2
Other cities	3
Other towns/rural areas	4

Those are all my questions for today. Thank you very much for your time, I do really appreciate it. Have a nice day/evening!

APPENDIX H: Post-Event Employee Interview Template

Date, Location, Time:

Record Gender:

1. Please state your name and position at ATB for the record, including the business unit that you work for?
2. How many years have you worked for ATB?
3. Do you consider ATB to be a good place to work?
4. Are you satisfied with how you are treated at ATB?
5. Are most employees satisfied with the working environment at ATB?
6. How would you rate the performance of the ATB marketing group over the past year?
7. Do you feel that the work of the marketing group has any effect on employee morale, employee retention or employee pride in the firm (please respond to all three)?
8. If yes, what specific activities led to this view?
9. If yes, did the ATB-EGP Sponsorship contribute?
10. Can you allocate a percentage?

[Now a few questions about the recent ATB-EGP Sponsorship]

11. How did you feel when you heard that ATB was going to sponsor the EGP?
12. What was the general feeling at the office when the ATB-EGP sponsorship was announced?
13. Did you attend the event?
14. Were you aware that ATB offered a staff discount program on tickets?
15. Did you take advantage of this offer?
16. Was it a popular offer?
17. Now that the event has passed, do you feel that it was a good marketing initiative for ATB to sponsor the EGP?
 - a. Is this general consensus?
18. Did the sponsorship make you proud to be an ATB employee?
19. Did the sponsorship raise employee morale around the office?

APPENDIX I: Internal Data Request, Kanatek Staff

MEMO: Data Request #1

To: Terry Kell

Date: September 10, 2006

From: Norm O'Reilly

Terry,
As discussed can you please provide the following?
Thanks,
Norm

Sales Data:

I'm assuming that your year-end is April 30th. If so, can you please provide me with the following? If not, we can adapt for your year-end.

1. For the year May 1, 2003 to April 30th, 2004
 - a. Total Revenue:
 - b. Total Profit/Loss:
 - c. Total Number of Customers as of April 30th, 2005:
 - d. Number of new customers signed over the year:
 - e. Number of large customers signed over the year:
 - f. Number of customers lost over the year:
 - g. Number of large customers lost over the year:
2. For the year May 1, 2004 to April 30th, 2005
 - a. Total Revenue:
 - b. Total Profit/Loss:
 - c. Total Number of Customers as of April 30th, 2005:
 - d. Number of new customers signed over the year:
 - e. Number of large customers signed over the year:
 - f. Number of customers lost over the year:
 - g. Number of large customers lost over the year:
3. For the year May 1, 2005 to April 30th, 2006
 - a. Total Revenue:
 - b. Total Profit/Loss:
 - c. Total Number of Customers as of April 30th, 2006:
 - d. Number of new customers signed over the year:
 - e. Number of large customers signed over the year:
 - f. Number of customers lost over the year:
 - g. Number of large customers lost over the year:
4. Since May 1, 2006, have any major sales or deals been signed where the expedition played a role (no matter how large or small) in that signing? If so, can you provide details on this (those) deal(s)?
5. As of today (September XX, 2006), how many customers does Kanata have?

Employee Data:

Can you please provide me with the following?

6. At June 10, 2004:
 - a. How many employees did Kanatek have?
 - b. How large (budget and number of employees) was the sales force including contracts?
7. At April 30th, 2005:
 - a. How many employees did Kanatek have?
 - i. For the change from June 10, 2004:
 1. How many new employees joined
 2. How many employees left
 - b. How large (budget and number of employees) was the sales force including contracts?
 - i. For the change from June 10, 2004:
 1. How many new employees joined
 2. How many employees left
 - c. Any changes at senior management level?
8. As of today (Sept XX, 2006):
 - a. How many employees did Kanatek have?
 - i. For the change from April 30th, 2005:
 1. How many new employees joined
 2. How many employees left
 - b. How large (budget and number of employees) was the sales force including contracts?
 - i. For the change from April 30th, 2005:
 1. How many new employees joined
 2. How many employees left
 - c. Any changes at senior management level?
9. Any historical (pre-June 10, 2004) that you may have on number of employees and/or size of sales force and/or senior management structure.

APPENDIX J: Kanatek Staff Survey

Sales Staff/Contractor Questionnaire

The following survey is designed to help Kanatek evaluate some recent promotions it has implemented to increase business. Please take the 2-3 minutes required to complete the following.

Please note that your responses will be kept anonymous and only summary results will be shared with Kanatek management.

1. How long have you been working for (or with) Kanatek?
 - 1 I joined in the last year (i.e. since September 1, 2005)
 - 2 I joined between March 1, 2005 and September 1, 2005
 - 3 I joined between June 10, 2004 and February 28, 2005
 - 4 I joined before June 10, 2004

2. Which of the following best describes your situation:
Kanatek is:
 - 5 My full-time employer
 - 6 My part-time employer
 - 7 A client who I do contract work for

3. Kanatek has a number of promotional activities designed to support increased business and support the sales function of the organization. In general, are you satisfied with the ability of these activities to support your efforts to increase sales?

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

4. As you are aware, Kanatek was the title sponsor of a recent expedition to Mount Everest. Were you satisfied with this sponsorship's ability to support your efforts to increase sales?

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

5. Specific to Kanatek's sponsorship of the recent expedition to Mount Everest, how many new deals were signed where it had some effect?

0

1 or more (Please indicate how many: ____)

6. If you indicated 1 or more for question #5, please estimate the importance of the sponsorship in enabling you to sign the new client (please respond once for each client).

VERY IMPORANT	1 (#: ____)
IMPORTANT	2 (#: ____)
MINOR IMPORTANCE	3 (#: ____)

VERY SMALL IMPACT 4 (#:)

7. Specific to Kanatek's sponsorship of the recent expedition to Mount Everest, how many current deals were renewed where the sponsorship made some contribution to the renewal?

0

1 or more (Please indicate how many:)

8. If you indicated 1 or more for question #7, please estimate the importance of the sponsorship in enabling you to re-sign the client (please respond once for each client).

VERY IMPORANT 1 (#:)

IMPORTANT 2 (#:)

MINOR IMPORTANCE 3 (#:)

VERY SMALL IMPACT 4 (#:)

9. Specific to Kanatek's sponsorship of the recent expedition to Mount Everest, how many current clients increased their business with Kanatek where the sponsorship made some contribution to the increase?

0

1 or more (Please indicate how many:)

10. If you indicated 1 or more for question #9, please estimate the importance of the sponsorship in enabling you to re-sign the client (please respond once for each client).

VERY IMPORANT 1 (#:)

IMPORTANT 2 (#:)

MINOR IMPORTANCE 3 (#:)

VERY SMALL IMPACT 4 (#:)

11. Given your answers above, can you summarize by estimating in Canadian dollars how much impact the sponsorship of the Mount Everest had on Kanatek sales?

\$

12. Do you have any ongoing sales discussions where the Expedition played a role?

YES 1

NO 2

13. Do you still use or plan to use the Expedition in future sales pitches?

YES 1

NO 2

APPENDIX K: Expedition Member Survey

The following survey is designed to help evaluate the expedition 16 months after the fact. Please take the 2 minutes (approximate) required to complete the following.

NOTE: Please **BOLD** your answers to questions below or fill in text box where applicable. Also, note that your responses will be kept anonymous and only summary results will be shared.

1. Which of the following best describes your situation on the 2005 expedition (pick one):

8	Climber	
9	Researcher	
10	Trekker	

2. Looking back, I would describe my level of satisfaction with the safety provided on the expedition as:

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

3. Looking back, I would describe my level of satisfaction with the overall experience of the expedition as:

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

4. Following the news of Dr. Egan's death, my level of overall satisfaction became:

MUCH MORE SATISFIED	1
MORE SATISFIED	2
NO CHANGE	3
MORE DISSATISFIED	4
MUCH MORE DISSATISFIED	5

5. Today, I would describe my level of overall satisfaction became:

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

6. (Optional) Please provide any insights you have into how the expedition could have been a better experience? Please provide comments for both the expedition and the title sponsor.

7. Please provide your opinions of the technology demonstrations that took place from the mountain (satellite connection, data-back-up, communication home, etc.)?

8. Please provide your opinions of the hockey game played on the mountain (quality of set-up, enjoyment, media value, etc.)?

The remainder of the survey is for those who were involved in research. If this is not you, you are finished! Thank you.

9. For your work, please provide numbers for each of the following that have resulted due to a contribution (no matter how small) from work done during the expedition:
- b. The number of publications: ____
 - c. The number of conference proceedings: ____
 - d. The number of presentations: ____
 - e. The number of projects currently in progress: ____
 - f. The number of additional publications expected in the future: ____
 - g. The number of additional conference proceedings expected in the future: ____
 - h. The number of additional presentations expected in the future: ____

10. How would you rate your level of satisfaction with the research support provided by the expedition?

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

11. How would you rate your level of satisfaction with the research support provided by the title sponsor of the expedition?

VERY SATISFIED	1
SATISFIED	2
NEITHER SATISFIED NOR DISSATISFIED	3
DISSATISFIED	4
VERY DISSATISFIED	5

12. Please provide your opinions the 2005 Kanatek Everest Expedition to Mount Everest as an environment for research?

APPENDIX L: Current Sponsorship Industry Trends

<i>Current Trend</i>		<i>Description</i>	<i>Source</i>
1	Ambush Marketing	When a non-official sponsor positions itself, through its promotions, as the official sponsor of an event.	Meenaghan (1998)
2	New media technology	Various technology enabled sponsorship tactics (e.g., virtual signage, iTV, HDTV, etc.)	Mendez (1999); Moore, Pickett & Grove (1999); Turner (1999); Shannon & Turley (1997)
3	Advertising clutter	Cutting through the cluttered market place. Note this article views sponsorship as a sub-set of advertising.	Ojala & Edmunston (1987) is an example of targeting women
4	Sponsorship conflicts	Battles over exclusivity and sponsorship often end up in the courtroom	Meyer (1999)
5	Broadcast regulations	Broadcast sponsorship and rights to valuable properties has skyrocketed in cost.	Meyer (1999)
6	The need for evaluation	Strongly articulated by both practitioners and academics.	Berrett (1993) and others.
7	Ban on industry (i.e., tobacco) sponsorships	Tobacco companies unable to sponsor sport as part of their marketing mix.	Rosenberg & Siegel (2001); Siegel (2001); McDaniel & Mason (1999)
8	Insurance	Sponsees and sponsors accessing insurance becoming more difficult and costly	Author addition.
9	Official and unofficial corporate hospitality	Leveraging tactics expanding and increasing in sophistication	Ludwig & Karabetsos (1999)
10	Merchandising and licensing and other forms of Leverage	Sponsors and sponsees are seeking to get more out of investments and leverage as many ways as possible.	Seguin, Teed & O'Reilly (2005)
11	Media conglomerates are consolidating the industry and reducing opportunities for sponsorship.	Large media organizations buying and selling sport properties and differentiating horizontally and vertically	Law, Harvey & Kemp (2002)
13	Contra (or in-kind) sponsorship	Contributing in-kind resources more attractive to sponsors and possible in sponsee-rich environment	Fahy, Farrelly & Qvester (2004)
14	Multi-sponsor format	Co-branding, co-sponsoring, sponsor's co-leveraging, etc. all becoming more popular	Meenaghan (1998)

APPENDIX M: Int_2 Description Of Own Evaluation Model

So, the way we start is that we start with assessing all the sponsor benefits, we take a look at the reach of each one of those benefits – eyeballs, audience exposure, audience reach, each one of those things - and we apply a value to that to come up with a total tangible value of that property. Then, we look at it and say OK what are the intangible assets of the property? So, then the second level is the intangible and we go through an assessment of where we look at what are the intangible elements that are added to that to come up with a total value of that property. So, for example, if somebody had a bunch of quantitative assets that we added together and it come up to \$10,000 and they were offering product exclusivity – so we put a range of anywhere from 25% to 50% on product exclusivity – so, let's say it was a really exclusive property, you know they were shutting out all of their competitors and everybody else, and we gave it a 50%. So, that \$10,000 now becomes \$15,000 in value and we add in a number of other key factors and we come up with the total value of the sponsorship. OK? Now, we use a common asset evaluation for public events and this shows you what we do and how we lay out different things. So, in ID and in event program, a mogul ID can range anywhere from a ¼ of a cent to 5 cents. There are some variables here that shows you how it can work...for example, a value on a sign at an entrance to an event is a lot different value than a sign that is along a walkway at an event that has a lot of other moguls on it. I mean who looks at the sign with 4 or 5 moguls...nobody does but do you look at the sign at the entrance to the event...the odds are that you are going to see it. So, we place the highest value on signs where they are behind a stage where you are staring at it for a half an hour. Those are the signs with the highest value. So what we do is to keep the tangible assets consistent we work with the numbers and we change the values – we don't try to think about how many people will see that sign along the walkway and we don't try to think about how many people will see that entrance sign, we say there is 20,000 people attending so the entrance sign has a value of 4 cents/impression whereas the sign along the way has a value of 1 cent/impression...so, we're taking into account that it probably won't be seen like the one at the entrance. These values are based on my experiences. So, we've done is that we've looked at around 300 sponsorship properties at least and we've come up with averages of what things are worth and then we say based on this, this is where basic tangible assets come in at. So, what I'm going to give you here is the chart that shows you how this works and how these things apply. So what we do when we do this is...and this is sort of standard to what we do...we talk about the methodology or what we do with the company, then we talk about the types of things that we look at from an intangible perspective. So, you can see the prestige of the property, is it a worthwhile cause, does it have media potential, impact on the audience, does it have networking opportunities, is it adaptable to geographic considerations, what is the ease of activation, how exclusive is it, what is its ability to stimulate sales. So,

you can see how – in this case here – that the tangible value is \$10,000 so we then assessed these other key [intangible] elements as being really important and we put them and we came up with \$18,500. Well, this \$10,000 is based on our stuff and the rest of it is based on experience, instinct, what other people are paying in the market, all that kind of stuff. This is where it gets fuzzy. We're starting with a quantitative number to start with...and we're saying purely on a quantitative level – forget the associative value of this - what is this worth from a pure media perspective. Then we add up. As you can see here, we have everything from websites, to ID on tickets, to logos, to PA announcements... You know if with something like this when you are looking at something like advertising on a publication to do with the sponsorship. If they are selling ads for \$2,500 and you are actually getting money \$2,500 to sell those ads, and you give up and ad as part of the benefit, then you should have a \$2,500 value. So, whenever there are rate cards established for things, those are the values we put on it. So, that is kind of that point.