

CSR and Mega-Events: Sponsorship Compatibility and Alignment

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Organizations seek unique and innovative platforms in which to communicate their brand messages to the public and other stakeholders. Event sponsorship presents an attractive and popular medium for these communications. Effective sponsorship campaigns can build brand identities and provide differentiation in the competitive market. Building a meaningful identity and instilling symbolic value into brands, is now a key priority for organizations in both the private and public sectors (Alcañiz, Cáceres, & Pérez, 2010). Corporate social responsibility (CSR) is high on the corporate agenda for these exact reasons. CSR is used to position organizations as socially responsible and for them to develop a brand identity that aligns to social and ethical values.

There is now significant discourse on the brand building potential of both sponsorship and CSR activity. CSR activities have been found to increase consumer loyalty (Du, Bhattacharya & Sen, 2007), brand credibility (Becker-Olsen, Cudmore & Hill, 2006) and product purchase intentions (Gupta & Pirsch, 2006). In the context of sport management, most CSR research has focused on similar areas, that is, the consumer response (e.g. Walker & Kent, 2009).

Extending previous studies, this paper links two areas of knowledge – sponsorship alliances and CSR strategy – with a focus on the relationships between a sport organization and their corporate sponsors. In other words, the purpose of our paper is to present and discuss a new research agenda and conceptual framework that connects the areas of CSR, organizational strategy and inter-organizational relationships. This discussion sets the foundation for empirical investigation, which will explore the compatibility of CSR strategy between a mega-event (e.g. the Olympic Games) and corporate sponsors.

Sponsorship has developed into a strategic marketing tool, referred to as a form of co-marketing or strategic alliance (Farrelly, Quester & Burton, 2006). Both sides of the sponsorship dyad now expect relational commitment, resource investment and ongoing exchange. It has long been stated that the better the perceived fit between sponsor and sponsored entity, the more successful the process of brand image transfer (Meenaghan, 1991). Brand compatibility is a determining feature of successful sponsorship arrangements, enhancing the potential for goal congruence and symbiotic exchange between partners (Grohs & Reisinger, 2005). As well as brand compatibility, strategic compatibility is pivotal in ensuring value and longevity of sponsorship association (Shamdasani & Sheth, 1995). Applied to a mega-event context, this suggests that both brand and strategic congruence should be considered by both sponsors and sponsored event.

In this paper we argue that just as sponsorship investment should be based on compatibility and congruence, so too should CSR activity. The degree of fit between social cause and brand will influence the degree to which values are transferred. It is recognized that the perceived fit between the organization and its CSR activities is imperative to inciting a positive reaction from the public (Sohn, Han & Lee, 2012). From the perspective of mega-event organizers, this suggests that the choice and execution of CSR activity, as well as the choice of a strategic partner, has the potential to impact the event's reputation. Therefore, from an inter-organizational perspective, event organizers are required to find complementing sponsoring partners to be highly effective in their CSR efforts.

Against this background, our newly developed conceptual framework will be used to underpin empirical investigations that will focus on two key areas. First, we aim to explore the degree to which potential partners' CSR-based strategies are considered prior to the formation of sponsorship alliances. Second, we will analyze how the

introduction of – and subsequent change in – CSR strategies impact existing sponsorship partnerships and if congruence and compatibility remain intact.

While CSR is receiving increased academic attention across a range of disciplines, the impacts on inter-organizational relationships are under explored in the sport management context. Thus, this paper suggests a research shift from how CSR impacts consumer attitude and behavior, to an examination of how the CSR of partnered organizations impact their relationship. Investigating compatibility of partners' CSR will further our understanding of inter-organizational governance and help decision-making in the context of sponsorship acquisition and renewal. In sum, this research steps away from consumer perceptions and is focused on understanding the importance of CSR compatibility at the inter-organizational level. Building on this theoretical discourse, we seek to determine if compatibility is an important consideration when entering sponsorship alliances, and if divergence that may occur during the lifecycle of a sponsorship alliance affects the inter-organizational relationship. Research implications will potentially transverse across CSR, sponsorship and inter-organizational alliance disciplines.

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