

Why Do Marketing Relationships End? Findings From an Integrated Model of Sport Sponsorship Decision-Making

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With firms spending \$60 billion on sponsorship annually, it has become an integral part of the marketing mix and is necessary for the survival of many sport organizations. Despite the importance of these partnerships, conditions that may jeopardize what can be a long-term relationship for both sides are underresearched. Utilizing survival analysis modeling to examine a longitudinal dataset of 69 global sponsorships, the purpose of this research is to isolate factors that predict the dissolution of such partnerships and test a dynamic, integrated model of sponsorship decision-making. From the perspective of the sponsoring firm, congruence and high levels of brand equity were found to reduce the hazard of dissolution. Results indicate that economic conditions, such as an inflationary economy, are a statistically significant predictor of sponsorship dissolution. Increased clutter was also detrimental, with every one sponsor added increasing the hazard of dissolution, demonstrating the importance of exclusivity in global sponsorships.

Keywords: commercial sponsorship, FIFA World Cup, Olympic Games, relationship marketing, survival analysis modeling

Sponsorship of sport, arts, and entertainment-related organizations has become an essential part of the marketing mix for brands. On a global basis, \$60.1 billion was spent by brand marketers on sponsorship in 2016, an increase of 4.6% from 2015 (International Events Group [IEG], 2017). From the perspective of the sponsoring firm, researchers have proven that investing in sponsorship can positively affect brand awareness (Levin, Joiner, & Cameron, 2001), brand image (Gwinner & Eaton, 1999), brand loyalty (Levin, Beasley, & Gamble, 2004), and a firm's financial performance (Mazodier & Rezaee, 2013). At the same time, many sport organizations rely on sponsorship as an essential funding mechanism. For example, in Formula One (F1) racing, more than 70% of the operating budgets of teams are generated via corporate sponsorship (Jensen & Cobbs, 2014). In another example, more than 34% of the revenue generated by the International Olympic Committee (IOC) during the 2008–2012 quadrennial resulted from sponsorship (International Olympic Committee [IOC], 2016). Despite sponsorship's effectiveness as an international marketing

communications platform for global brands and its importance to sponsored organizations, the dynamics of sponsor–property relationships have been afforded scant attention. Therefore, the purpose of this research is to better understand factors and conditions that may jeopardize what could be a long-term, multiyear relationship, in a dynamic, integrated model of sponsorship decision-making.

Unlike transactional marketing expenditures, international marketing partnerships such as global sponsorships require nurturance and ongoing maintenance or “sustentation” (Cornwell, 2014, p. 68) to ensure that the partnership achieves business objectives. Further, maintaining marketing relationships, in particular those that are cross-border in nature (i.e., Aulakh, Kotabe, & Sahay, 1996), requires commitment and trust not typically found in transactional advertising and promotion allocations (Beck, Chapman, & Palmatier, 2015; Morgan & Hunt, 1994). These long-term relationships have the propensity to positively impact business objectives, such as brand equity and financial value (Cornwell, Roy, & Steinard, 2001), while at the same time providing the sponsored property with long-term revenue support. Large-scale sponsorship partnerships also involve substantial investments to plan, initiate, and activate. As an example, Procter & Gamble typically allocates more than \$9 billion annually toward advertising expenditures,

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as it seeks to market a wide range of global brands (Chabowski, Samiee, & Hult, 2013). To activate a global 10-year Olympic sponsorship in 2012, they initiated what chief marketing officer Marc Pritchard described as its “largest and most ambitious” campaign to leverage the Summer Olympic Games (Weir, 2012, p. 5). From a managerial standpoint, if our understanding of predictors of partnership dissolution can be improved, moving forward the factors that have been proven to be predictive of the end of such partnerships can be closely monitored and potentially influenced to help ensure the continuation of the relationship, benefitting both parties.

Theoretical Framework

Relationship marketing (RM) is a helpful lens with which to examine the relationship that exists between a corporate sponsor (the firm) and the sponsored organization (the property), such as the sport organizations utilized as the context for this study. As described by Morgan and Hunt (1994), through RM we seek to understand “marketing activities directed toward establishing, developing, and maintaining successful relational exchanges” (p. 22). In coming to such a definition, the authors found that many previously offered definitions of RM activities did not include a “customer” as one of the participants in the exchange. Nor was the relationship inclusive of a “buyer” or a “seller”—only “partners exchanging resources” (Morgan & Hunt, 1994, p. 22). As explained by Cornwell and Maignan (1998), RM is an appropriate framework in which to examine sponsorship, given that it is considered an instrument with which to understand relationships, such as a bond with consumers. Sponsorship may be utilized to foster both consumer-focused and industry-focused relationships, including the community and employees (Cornwell & Maignan, 1998). The authors also noted that it may be particularly applicable to relationships with business partners, such as corporate sponsors.

In their comprehensive review of the nature of RM, Morgan and Hunt (1994) conceptualized the theory by distinguishing between short-term, discrete transactions and relational exchanges. As defined by Dwyer, Schurr, and Oh (1987), discrete transactions are relationships that have a distinct beginning and end and a short duration. In contrast, a relational exchange is longer in duration and is characterized by an ongoing process (Dwyer et al., 1987). Marketing partnerships, such as sponsorships, fall under the category of relational exchanges for two principal reasons. First, they have longer term durations. In the context of U.S.-based professional sport leagues, it is usually a time frame of a minimum of 3 years (Cornwell, Pruitt, & Clark, 2005). For global sponsorships such as those examined as part of this study, the duration is a minimum of 4 years. Second, the relationship is marked by a fundamental exchange that occurs between a firm and the sponsored property. Sponsorship has been defined as “the provision of assistance either financial or in-kind to an activity by a commercial organization for the purpose of achieving

commercial objectives” (Meenaghan, 1983, p. 9). However, this long-standing definition, established more than 30 years ago, fails to recognize the long-term nature of the relationship, which is inherent in a sponsorship-defined partnership. Thus, utilizing the RM paradigm to inform and understand the dynamics of the partnership between a sponsor and a property helps to further a more nuanced understanding of this unique marketing relationship.

Literature Review

Palmatier, Dant, Grewal, and Evans (2006) reasoned that the duration of a business relationship, defined as the “length of time that the relationship between the exchange partners has existed” (p. 138), has the ability to influence success. Partnerships of longer durations can provide both partners with more opportunities to better understand each other’s capabilities, which, in turn, may lead to both sides learning ways in which the relationship can be enhanced. Doney and Cannon (1997) explained that long-term marketing relationships may allow both sides to further understand each other’s motives and expectations, which may reduce the risk that the partnership will fail. Research on the duration of sponsorships has found that longer durations were more likely to assist the firm in moving beyond simple brand awareness toward the goal of improved brand image (Armstrong, 1988). This is consistent with Keller’s (1993) conceptualization of brand equity and the value of long-term relationships. Research on the length of outdoor (Bhargava, Donthu, & Caron, 1994) and television advertising campaigns (Dunlop, Cotter, Perez, & Wakefield, 2013) has found longer running campaigns predictive of higher rates of brand recall and behavioral change. In keeping with this research, a recent multiyear study of season ticket holders found that sponsorship length was predictive of both sponsor recall and lower decay rates of residual recall, even after the sponsorship had ended (McDonald & Karg, 2014).

In related research, Kruger, Goldman, and Ward (2014) found that announcements of continued sponsorship agreements were met with an increase in shareholder value of more than 4% in the period just after the announcement. The researchers reasoned that continuance of partnerships is seen by shareholders as a tacit endorsement that the partnerships are worthy of renewal. In the consumer context, Olson and Thjømøe (2011) found that announcement of a continuation of an existing sponsorship (as opposed to announcement of a new one) enhanced the perceived fit or match of the partners. As explained by Cornwell et al. (2001), a longer term sponsorship relationship increases the potential that the sponsorship may become a source of competitive advantage. For example, the longer the duration of the sponsorship, the more the potential for a stronger association between the brand and the property in a consumer’s memory (Cornwell & Humphreys, 2013). According to Cornwell et al. (2001), “[s]eeing a sponsor’s name associated with the same sporting event, year after year, gives

the consumer multiple opportunities to elaborate about the significance of the product-sponsorship relationship, thus creating stronger associations in memory” (p. 42).

This research advances knowledge of sponsorship relationship longevity in several meaningful ways. While building on the qualitative work of Farrelly (2010), who interviewed sponsorship managers in an effort to understand the reasons why sponsorships are dissolved, this study is the first in which researchers take a quantitative, empirical approach in investigating sponsorship dissolution. While many researchers have sought to investigate the effectiveness of sponsorships in an integrated model (e.g., Gwinner, 1997; O'Reilly & Madill, 2012), these were conceptual in nature. In addition, past studies have utilized the sole perspective of the buyer, whereas we investigate variables specific to both parties, as well as factors that are equally important to both (i.e., dyadic). Importantly, while others have investigated the influence of many of the variables included in this study separately, the integrative nature of the current work offers a perspective on sponsorship longevity not found in other research. Finally, the longitudinal nature of this study also addresses limitations in past studies, many of which ignored the importance of leveraging the partnership or the allocation of resources in sponsorship-linked marketing activities (Cornwell, 1995) throughout the term of the agreement. For example, many studies assessed the impact of sponsorship on the sponsoring firm's stock price (e.g., Clark, Cornwell, & Pruitt, 2002), but focused solely on the initial announcement of the partnership and were necessarily limited to publicly traded firms. Beyond its importance to both sides of the relationship, investigating the duration of sponsorships introduces a dependent variable applicable to both private and publicly traded firms, allowing for an analysis of complete datasets. In these many ways, this study breaks new ground in its development of an integrated model investigating a wide variety of factors influencing the evaluation of and decision-making relative to the renewal of existing sponsorships.

Context

This study's context features a unique, highly visible set of marketing partnerships: global sponsorships of sport organizations that host mega sport events (MSEs; e.g., Armenakyan, O'Reilly, Heslop, Nadeau, & Lu, 2016). As a global strategic platform, multinational firms, including Coca-Cola, IBM, McDonald's, Panasonic, Philips, Samsung, and Sony, have historically invested in global sponsorships of MSEs, given their ability to provide a global audience, break through clutter in an increasingly fractured media environment, and unite global marketing campaigns under a single unifying theme. In order to investigate the duration of sponsorships from a truly international perspective, this study features two global MSEs: the Olympic Games and the Fédération Internationale de Football Association (FIFA) World Cup. The Olympic Partners (i.e., TOP) sponsorship

program, which began in 1985, allows brands to be associated with one of the most recognized and admired symbols in the world, the Olympic rings (Davis, 2012). According to IOC research, 96% of all people globally can correctly identify the Olympic rings (IOC, 2016). The second dataset comprises all FIFA Global Partners and World Cup Sponsors dating back to 1979 (FIFA, 2016a). These two events are indisputably the only two MSEs to “command a truly global audience” (Davis, 2012, p. 206). The 2014 FIFA World Cup reached more than 3.2 billion people, with more than 1 billion watching the final match (FIFA, 2015). The 2012 Summer Olympic Games were watched by more than 219.4 million Americans, making it the most-watched event in U.S. television history (Crupi, 2012). On a global scale, a total of 220 countries broadcast the 2012 Games to a global audience of more than 3.6 billion (IOC, 2016).

Research Hypotheses

Utilizing the constructs introduced by Palmatier et al. (2006) in their meta-analysis of the RM paradigm, three distinct groups of factors are argued to influence global sport sponsorship decision-making: seller-focused factors, customer-focused factors, and dyadic factors, defined by Palmatier et al. as “equally meaningful from both perspectives” (p. 140). Consistent with this conceptualization of RM, the seller is equivalent to the sponsored property, with this conceptualization flexible enough to include not only buyer-seller relationships but also strategic alliances (Palmatier et al., 2006). In the context of the sponsorship relationship, seller-focused factors may include the attractiveness of event locations, such as the risk of doing business in various markets chosen by the seller, and clutter (i.e., number of sponsors). On the other side of the relationship is the customer, analogous in the sponsorship relationship to the sponsoring firm. Sponsor factors that could influence the duration of such relationships are the stability of firm leadership, congruence of the firm with the property, and brand equity. Important control factors for the sponsor include location, whether the firm is publicly traded, the firm's perspective as primarily business-to-consumer (B2C) or business-to-business (B2B), and the level of sponsorship. Based on a thorough review of the sponsorship literature, it is also hypothesized that two dyadic factors, the influence of economic conditions and agency conflicts, could also influence the relationship between the two parties and ultimately the duration of the sponsorship partnership. Dyadic factors will be examined first, ensuring that these aspects are controlled for throughout the subsequent analysis.

Dyadic Factors

Economic conditions. In the context of nontraditional marketing approaches, such as sponsorship, there is recognition of the importance of economic conditions (Meenaghan, 1999) but little examination of its influence.

Sponsorship viewed as a communications platform, largely oriented toward building awareness and image (Cornwell, 2014), holds a great deal in common with advertising. Advertising expenditures are well known to decline when economic conditions worsen, and while this effect holds across many developed economies, it does vary by media type (Chang & Chan-Olmsted, 2005). In essence, economic theory argues that companies in expanding economies will want a share of growth and will advertise to attract customers (van der Wurff, Bakker, & Picard, 2008). Supporting evidence of the relationship between economic growth indicators and advertising has been offered by Chang and Chan-Olmsted (2005), who found a positive relationship between gross domestic product (GDP) and advertising expenditures for 70 markets for the decade 1991–2001. There is additional empirical evidence of a similar relationship between economic growth and sponsorship. For example, prior to a recessionary economy in the United States, where sponsorship spending had been growing unabated, the International Events Group had forecasted a 12.6% growth in North American sponsorship spending (IEG, 2008). After the effects of the recession were felt throughout the U.S. economy, spending on sponsorship in North America missed those projections, growing by 11.4% in 2008 (IEG, 2008) and declining by 0.6% in 2009 (IEG, 2010). Similarly, in the context of TOP sponsorships, Mickle (2014) noted that Gerhard Heiberg, the former head of the IOC's marketing commission, had engaged in talks with Dow and Procter & Gamble about the prospect of their companies joining the TOP sponsorship program. Noted Mickle (2014): "The recession forced both companies to walk away from potential deals" (p. 12). Only after economic conditions improved after the conclusion of the 2010 Olympic Winter Games did both companies agree to join the program. Based on the public nature of sponsorship announcements, as well as this evidence of economic conditions impacting decisions related to sponsorship investments, it is expected that adverse economic conditions in the sponsor's home country may have a negative impact on these long-term partnerships. Therefore, the following hypothesis was developed:

H1: The presence of negative economic indicators (measured by economic growth and the consumer price index [CPI]) within the sponsor's home country will increase the hazard of the dissolution of global sponsorships.

Agency conflicts. When a worldwide event takes place in a country, national pride and image outcomes, market coverage and sales, or local visibility and awareness may drive short-term interest in global event sponsorship that may not persist when the event moves to another market. There is likely some level of managerial opportunism (i.e., agency conflicts; Jensen & Meckling, 1976; O'Reilly & Madill, 2012) with the potential to influence decision-making when an MSE is scheduled to take place in a region. In addition, prior applications of agency theory to marketing decision-making (Bergen,

Dutta, & Walker, 1992) included the possibility of "shirking," defined as managerial behaviors that may interfere with or even undermine the achievement of marketing objectives related to the management of a sponsorship (O'Reilly & Madill, 2012). Shirking is a key component of agency theory, given that it assumes that both parties in the relationship may have their own motives, which may not always be the same (Eisenhardt, 1989). Further, Clark et al. (2002) suggested that sponsoring firms in particular may be influenced by agency conflicts, such as the propensity to engage in a sponsorship of an arena or a stadium in the same market as the decision-maker, potentially motivated by the ability to secure free tickets or meet celebrities.

Viewing sponsorship through the lens of agency theory helps inform the hypothesis that an event taking place in a sponsor's home country may increase the possibility that agency conflicts could influence the opportunity and also lead a sponsor to discontinue the partnership as the host country changes. Alternatively, it has been suggested that decision-making may be influenced by the home country of sponsors and how this matches the event location, as mega events in a community have been shown to influence organizational decision-making (Tilcsik & Marquis, 2013). This may be particularly applicable to global MSEs such as the Olympics and World Cup, which take place in a different global market every 4 years. For example, China-based Lenovo and Taiwan-based Acer served as TOP sponsors when the Games visited China for the first time in 2008, with both firms ending the sponsorships shortly thereafter. This is consistent with the findings of Cobbs, Groza, and Pruitt (2012) in another international sport context (F1), which were that shared nationality between the firm and the sponsored team significantly increased the probability of negative financial returns for the sponsor by 13%. Cobbs et al. (2012) interpreted these results as a signal that the financial community views shared nationality in sponsorship relationships in a negative light, given the possibility for agency conflicts and the resulting managerial opportunism. Therefore:

H2: An event in the sponsor's home country during the term of the partnership will increase the hazard of dissolution.

Seller-Related Factors

Attractiveness of event locations. There is considerable literature on the impact of MSEs such as the Olympics and World Cup on the host location economy (e.g., Matheson, 2009) and tourism (e.g., Fourie & Santana-Gallego, 2011). We do not, however, know how the market in which the sponsored property resides, or the market in which the MSEs take place, influences the duration of a global sponsorship. There has been a trend toward awarding MSEs to developing countries (Cuervo-Cazurra & Genc, 2008) such as the BRICS (Brazil, Russia, India, China, and South Africa) economies, with some

discussion of the role that sponsors and their markets play in decision-making (Humphreys & Prokopowicz, 2007). Logically, if sponsors seek market awareness, it is expected that the population base of a future host country as an indicator of market potential will positively impact the duration of global sponsorships (i.e., cause them to continue). Risk is inherent in strategic alliances such as sponsorships (Musarra, Robson, & Katsikeas, 2016), particularly in BRICS markets. However, the risk of doing business in developing countries with lower/variable consumer purchasing power may offset the attractiveness of a large market. Therefore, it is expected that the total number of consumers and their potential spending power, along with the risk of doing business in the country, may play a role in how attractive the market is deemed to be by brands and potentially impact whether sponsorships involving these markets continue long term. Thus, the following hypothesis was developed:

H3: An increase in the attractiveness of future event locations (measured by population, consumer wealth, and low country risk) will result in a reduction in the hazard of the dissolution of global sponsorships.

Sponsorship clutter. Researchers have established that an increase in the number of sponsors (i.e., clutter) processed by consumers can negatively impact consumers' ability to recall those sponsors. Breuer and Rumpf (2012) measured on-screen clutter by the number of sponsors exposed during television broadcasts and found a significant negative effect for each additional brand exposed. Similarly, Cornwell and Relyea (2000) found increased perceived clutter by consumers negatively affected the number of sponsors both recognized and recalled. Qualitative research by Seguin and O'Reilly (2008) confirmed that clutter is an important issue to Olympic marketers. Based on this analysis and consistent with the hypothesis outlined in Cornwell, Weeks, and Roy (2005), it is expected that adding additional sponsors may reduce the consumer's ability to recall the brand's involvement in the event. This result may lead to lower rates of brand recognition and recall, and ultimately jeopardize the overall success of the partnership from the perspective of the sponsor. It is also possible that challenges inherent in the servicing of such sponsors will arise when additional sponsors join, as each sponsor requires additional operational capital on behalf of the organization to ensure that each sponsor feels it is receiving adequate servicing (O'Reilly, Heslop, & Nadeau, 2011). Therefore, the following hypothesis is offered:

H4: An increase in sponsorship clutter (i.e., more sponsors of the event) will increase the hazard of partnership dissolution.

Customer-Related Factors

Congruence. Congruence, or the perceived fit between the brand and the sponsored property, has been

a staple of the sponsorship literature for years (Fleck & Quester, 2007). Researchers utilizing balance theory (Heider, 1958) have found that incongruent information is more likely to be ignored by consumers and that the better the perceived fit in the minds of consumers, the more likely the sponsor will be able to achieve desired cognitive, affective, and behavioral effects (Cornwell, Weeks, et al., 2005). For example, in the context of the World Cup, Koo, Quarterman, and Jackson (2006) found that higher perceived image fit between the event and its official sponsors positively impacted the likelihood of consumers correctly recalling the brand. This, in turn, can result in higher purchase intention (e.g., Dees, Bennett, & Ferreira, 2010). Based on this, it is expected that congruent brands will achieve a higher degree of success from global sponsorships, thereby reducing the hazard of the sponsorship ending. Therefore:

H5: Congruence between sponsor and property will reduce the hazard of dissolution.

Stability of firm leadership. Many firms have succession plans in place, with chief executive officer (CEO) changes planned years in advance. In these instances, there is likely an expectation that long-term company strategies will continue with new company leadership. However, this may not be the case when leadership change is accompanied by a reorganization, merger, or acquisition (Signorovitch, 2004). Researchers have found that changes in company leadership frequently lead to changes in company strategy or focus (Goodstein & Boeker, 1991), particularly when changes in leadership are not planned. For example, Denis and Denis (1995) found that it is common for incoming CEOs to reverse the decisions of their predecessors. From a theoretical perspective, the literature on leaders' succession strategic change relationships is grounded in cognitive psychology and the concept of bounded rationality (Cyert & March, 1963), and on an assumption that cognitive differences exist between the incumbent CEO and the successor (Hutzschenreuter, Kleindienst, & Greger, 2012). Differences in their perspectives will inherently lead to differences in information-processing and strategic decision-making, causing differing selections of various courses of actions and ultimately leading to postsuccession strategic change (Wiersema, 1992). However, this is yet to be examined in the context of sponsorship decision-making. Based on the aforementioned theory and findings, the following hypothesis was developed:

H6: Changes in corporate leadership will increase the hazard of dissolution.

Brand equity. Brand equity is defined by Keller (1993) as the potential effect of brand knowledge on a consumer's purchase decision, with brand awareness serving as a necessary precursor. Based on this theoretical foundation, it is expected that brands that are deemed to have a high degree of brand equity (e.g., global brands

Coca-Cola and McDonald's) will take a more patient approach toward brand-building investments such as sponsorship. In addition, managers believe that investing in longer term sponsorships will increase the potential for the investment to influence brand equity (Cornwell et al., 2001). Therefore, brands with a higher level of brand equity should have longer sponsorship durations, lessening the hazard of the sponsorship ending:

H7: Evidence of brand equity will reduce the hazard of sponsorship dissolution.

Control Variables

As explained by Spector and Brannick (2011), the use of control variables can help ensure that any observed relationships are not due in part to the influence of variables that may be extraneous to the study hypotheses. This practice is naturally important in field studies and secondary data studies of sponsoring (e.g., Mazodier & Rezaee, 2013). In the current work, four different firm-related factors were utilized as control variables given their possible influence on the duration of global sponsorships: whether a corporation is privately or publicly owned; the location of the firm's corporate headquarters; whether the firm primarily targets either a B2B or a B2C audience; and the level of sponsorship.

Public or private ownership. Publicly owned corporations constantly monitor share price and are sensitive to investments, such as sponsorship, that may influence their stock price (i.e., Pruitt, Cornwell, & Clark, 2004). Conversely, in many instances, privately owned corporations need only answer to their board members, making them more resistant to pressure from outside interests (Perry & Rainey, 1988). Researchers have found that many family-owned, private corporations are more prone to conservative strategies, given that they are less likely to be influenced by a wide set of market-oriented stakeholders (Miller, Breton-Miller, & Lester, 2011). Given this perspective, it is important to control for whether the sponsoring firm is publicly or privately owned.

Location of corporate headquarters. The dataset spans several decades, from the early 1980s through 2015, and the firms represented are headquartered in a wide variety of countries. For example, TOP sponsors have been headquartered in China, France, Japan, the Netherlands, South Korea, and Switzerland, whereas World Cup sponsors have hailed from India, Germany, the United Arab Emirates, South Africa, and Brazil (see Table 1). The global, cross-border nature of these sponsorships is evident when reviewing the host sites of Olympic and World Cup events, which have been held on every continent except Antarctica (also indicated in Table 1). Notably, several of the firms examined are in locations with economies that have experienced a great deal of volatility, with recent examples including substantial volatility in the economies of Greece, Ireland, Japan, and Spain (Shin, 2012). Other economies are perceived as more stable (e.g., United States and

Canada; see Goldberg, 2010). Therefore, it is important to control for the context surrounding decision-making in global firm headquarters. This is similar to the approach of Aulakh et al. (1996), who utilized dummy variables to control for a firm's geographical home bases. Even when a sponsorship is primarily directed toward exported product promotion, a firm must be sensitive to the climate of its home country headquarters.

Primary target. Olympic sponsorship, in particular, has evolved from the early years, in which hundreds of suppliers and vendors provided product to help stage the Games, to a blue chip list of global corporations who want to assist the Olympic movement but also associate their brand with the Olympic ideals (Davis, 2012). Sponsors who fall into this category may be U.S.-based global consumer brands, such as Coca-Cola, McDonald's, and Procter & Gamble, that may chiefly utilize sponsorship to nurture their brands by associating with the property in the eyes of consumers and taking a longer term, more holistic approach to the investment. However, some sponsors utilize sponsorship as an avenue to integrate their products into the events themselves and provide equipment necessary to stage the Games. Typically, these are firms that utilize sponsorship to showcase their products to a B2B audience. Examples are France-based Atos, which provides information technology services to the IOC and Olympic organizers, and Japan-based Panasonic, which provides audiovisual equipment to the Games (IOC, 2016).

Although the allocation of value-in-kind assets in a B2B sponsorship relationship can reduce costs (Jensen & Cobbs, 2014), these sponsors may have a lower relationship commitment because they are lower in financial commitment as a result of the allocation of products or business services. In addition, B2B partners may view sponsorship as a transactional exchange rather than a long-term, brand-building relationship. Researchers have speculated how a firm's B2B perspective impacts returns from sponsorship (e.g., Mahar, Paul, & Stone, 2005), which properties it chooses to sponsor (e.g., Cunningham, Cornwell, & Coote, 2009), and its interest in facilitating sales from sponsorships (e.g., Cobbs & Hylton, 2012). In the case of this study, the duration of partnerships may vary based on a B2B sponsor taking a narrow, transactional approach to the relationship and is therefore controlled for in the model.

Level of sponsorship. The level of sponsorship purchased has been found to be predictive of sponsorship returns (Cobbs et al., 2012) and costs (Jensen & Cobbs, 2014). Wakefield, Becker-Olsen, and Cornwell (2007) found that higher level sponsors were recalled more accurately, but there was no effect for less prominent and incongruent sponsors. In a recent longitudinal field study, Smith, Pitts, Mack, and Smith (2016) confirmed that lower level sponsors were recalled less than sponsors at higher levels. Among global sponsors of the FIFA World Cup, there are two different levels: FIFA Partners and World Cup Sponsors. In addition to the potential for

Table 1 Event Host and Sponsor Home Countries

Event Host Countries	Event(s)	Sponsor Home Countries	Firm(s)
Australia	2000 Summer Olympics	Brazil	Oi, Seara
Brazil	2014 World Cup	Canada	Manulife
Canada	1988 Winter Olympics,	China	Acer, Lenovo, Yingli
	2010 Winter Olympics	France	Atos
China	2008 Summer Olympics	Germany	Adidas, Continental
France	1992 Winter Olympics,		Deutsche Telekom, Opel
	1998 World Cup	Greece	Metaxa
Germany	2006 World Cup	India	Bata, Satyam
Greece	2004 Summer Olympics	Italy	Alfa Romeo, Cinzano,
Italy	1990 World Cup,		Iveco, Vini d'Italia
	2006 Winter Olympics	Japan	Bridgestone, Brother,
Japan	1998 Winter Olympics,		Canon, Fujifilm, Fuji Xerox,
	2002 World Cup		JVC, Panasonic, Ricoh,
Mexico	1986 World Cup		Seiko, Sony, Toshiba
Norway	1994 Winter Olympics	Netherlands	Philips
South Africa	2010 World Cup	South Africa	MTN
South Korea	1988 Summer Olympics,	South Korea	Hyundai-Kia,
	2002 World Cup		Korea Telecom/NTT,
Russia	2014 Winter Olympics		Samsung
Spain	1982 World Cup,	Switzerland	Swatch Group/Omega
	1992 Summer Olympics	United Arab Emirates	Emirates
United Kingdom	2012 Summer Olympics	United Kingdom	Castrol
United States	1994 World Cup,	United States	3M, Anheuser-Busch,
	1996 Summer Olympics,		Avaya, Bausch and Lomb,
	2002 Winter Olympics		Coca-Cola, Dow,
			Energizer, FedEx, GE,
			Gillette, IBM,
			John Hancock, Johnson &
			Johnson, Kodak, Mars,
			Mastercard, McDonald's,
			Procter & Gamble,
			R.J. Reynolds, Time Inc.,
			UPS, U.S. Postal Service,
			Visa, Xerox, Yahoo!

increased effectiveness for sponsors at a higher level, FIFA Partners may view their partnership as more of a long-term relationship than do FIFA World Cup Sponsors, who may be more likely to end the relationship based on the location of the event or its proximity to its corporate headquarters. Thus, the level of sponsorship is also controlled for in the final model.

Methods

Though utilized most frequently in the field of biostatistics, survival analysis modeling has been utilized across other academic fields and is alternatively known as event history analysis (demography), duration analysis (econometrics), and failure-time analysis (engineering; Box-Steffensmeier & Jones, 2004). As explained by

Box-Steffensmeier and Jones (2004), survival analysis has been utilized to analyze the duration of events ranging from United Nations peacekeeping missions to military interventions, the careers of members of Congress, and marriages. Helsen and Schmittlein (1993) utilized hazard rate models to examine interpurchase times of a household item (e.g., saltine crackers). Other applications in the marketing-related literature include investigations of brand switching (Wedel, Kamakura, DeSarbo, & Ter Hofstede, 1995) and the effects of chief marketing officer characteristics on new venture funding (Homburg, Hahn, Bornemann, & Sandner, 2014). Despite its widespread use across several academic fields, survival analysis has scarcely been utilized in the sport literature.

Early work utilizing the method was applied to study factors impacting the length of an athlete's career, finding that both draft order (Staw & Hoang, 1995) and

race (Hoang & Rascher, 1999) were significant predictors of career longevity. Most recently, the approach was utilized to study factors contributing to the survival or dissolution of international sport organizations (Cobbs, Tyler, Jensen, & Chan, 2017). However, it has not been utilized to investigate the duration of marketing relationships, such as sponsorships. This research joins an emerging stream of work (e.g., Cobbs et al., 2017; O'Reilly & Huybers, 2015) that constitutes a continued response to the call from Amis and Silk (2005) for alternative methods of sport scholarship, such as advanced quantitative approaches appropriate for the analysis of longitudinal data.

Given its versatility and no requirement for an *a priori* parameterization of the model's baseline hazard, the Cox proportional hazards model (Cox, 1972) is the most widely utilized survival analysis modeling approach. Based on the discrete nature of these data, Box-Steffensmeier and Jones (2004) suggest the Cox model, using the exact discrete approach to account for ties. Rather than treating tied durations as due to the imprecise measurement of time, in the exact discrete method, ties are treated as if they did occur at the same time. This makes the Cox exact discrete method equivalent to the McFadden (1973) conditional logit model or the fixed-effect logistic model. The hazard ratio, the antilog of each variable's coefficient, is interpreted similarly to that of odds ratios in a logit model, with a ratio above 1 suggesting that the coefficient in question increases the probability of event occurrence (in the case of this study, the end of the sponsorship) and a ratio below 1 suggesting a reduction in the hazard of event occurrence. The Cox (1972) proportional hazards model in scalar form is as follows:

$$h_i(t) = \exp(\beta_1 x_{1i} + \beta_2 x_{2i} + \beta_3 x_{3i} + \dots + \beta_k x_{ki}) h_0(t).$$

To avoid the premature model identification that is problematic in sequential regression (Myers, 1990), and similar to the approach undertaken by Aulakh et al. (1996), hierarchical regression is utilized to determine whether each set of factors (dyadic, seller-related, and customer-related) explains a statistically significant amount of the incremental variance in the hazard of partnership dissolution. In terms of order of entry, we begin with largely uncontrollable factors, which ensure that economic conditions throughout the term of each sponsorship are controlled for throughout the subsequent analysis.

Data Description

Dependent variable. A dataset comprising the complete history of all TOP and FIFA World Cup sponsorships dating back to the initiation of the programs was constructed. As of 2016, the TOP program included 28 different sponsorships over eight quadrennials (i.e., 4-year periods), dating to the initiation of the program in 1985 (IOC, 2016). The FIFA World Cup sponsorship program (which dates to the 1982 event) has had 41

sponsors over the past nine World Cup events through 2015 (FIFA, 2016a). Given the infrequent nature of these events and the need to achieve requisite power, the two samples will be pooled, resulting in a total sample of 69 different global sponsorships. The duration of each sponsorship (number of 4-year periods in which the sponsorship has continued) was compiled. Next, the censoring indicator was constructed, indicating both if and when each corporation experienced the event occurrence of interest (i.e., the end of the sponsorship). To accomplish this, a dichotomous variable (0 = *not ended*, 1 = *ended*) indicating whether the sponsorship ended or was "censored" (i.e., still ongoing) by the end of each 4-year period was compiled.

Independent variables. Home country economic conditions for each sponsor were captured via two variables: growth in gross national income (GNI) per capita and growth in inflation (as reflected by the CPI). The GNI is an accepted measure of economic growth on a global and domestic basis (e.g., Barro, 1991) and is available for all leading global economies. To assess trends related to GNI in each sponsor's home country during each 4-year sponsorship period, the average annual growth rate (AAGR) in GNI per capita for each period was computed on a per country basis. This was combined with data on inflation growth in each sponsor's country from The World Bank's inflation dataset (The World Bank Group, 2016). This measure captures the CPI, a universally accepted metric utilized to measure changes in prices or inflation, and is crucial to almost any economic issue (Boskin, Dulberger, Gordon, Griliches, & Jorgenson, 1998). These data were collected on an annual basis for the home country of each Olympic and World Cup sponsor. Descriptive statistics for the independent variables compiled, as well as the expected influence of each, are detailed in Table 2.

To investigate the role of event locations in sponsorship duration, the total population and GDP of each host country for the Olympic Games from 1988 to 2016 and the World Cup from 1982 to 2016 (The World Bank Group, 2016) were collected as surrogate indicators of home audience and purchasing potential, respectively. Given that it is expected that the large population base and GDP of countries such as the United States and China could lead to nonnormal distributions, the exponential log of both variables was computed to help address this concern. Historical GDP data for each host country (see Table 1) were compiled via the U.S. Department of Agriculture's database (USDA Economic Research Service, 2016).

The risk associated with doing business in each market for future Olympics and World Cups was captured via the Political Risk Services (PRS) political risk index. Measured monthly since 1984, the index consists of 12 components measuring various dimensions of the political and business environment facing firms operating in 140 different countries. The measure ranges from highs of .89 (for Germany and Australia) to lows of .51 for China and .54 for Brazil. The potential home country

Table 2 Descriptive Statistics for Independent Variables

Predictor Variables	Expected Sign	Measure	Count (%), N = 199	M	SD	Min, Max
Dyadic						
Inflation	+	Continuous		2.84	2.56	−0.67, 22.32
Economic growth	−	Continuous		2.03	2.08	−12.63, 11.58
Agency conflicts	+	Binary	38 (19.1)			
Seller-related						
Population—future host ^a	−	Continuous		18.77	.78	17.73, 21.05
GDP—future host ^a	−	Continuous		7.88	.99	5.66, 9.37
Country risk index	+	Continuous		.70	.15	0.46, 0.89
Sponsorship clutter	+	Continuous		11.73	1.81	9, 15
Customer-related						
Congruence	−	Binary	116 (58.3)			
Stability of leadership	+	Binary	94 (47.2)			
Brand equity	−	Binary	118 (59.3)			
Public corporation	Control	Binary	173 (86.9)			
North American corporation	Control	Binary	104 (52.3)			
B2B	Control	Binary	82 (41.21)			
Sponsorship level	Control	Binary	26 (13.07)			

Note. Expected sign refers to whether the variable was expected to increase or decrease the hazard rate of event occurrence. Therefore, a positive sign indicates that the variable should increase the hazard of the sponsorship dissolution, whereas a negative sign should decrease the hazard of the sponsorship dissolution. GDP = gross domestic product; B2B = business-to-business. Sources: WorldBank.org, *Dow Jones Factiva*, PRS Group, Olympic.org, Fifa.com.

^aExponential log of populations and GDP utilized.

influence detail in the hypotheses development was investigated by creating a binary variable that indicated whether an Olympic Games or World Cup took place in the home country of the sponsor during the term of the sponsorship. Finally, the total number of current firms participating in each sponsorship program was compiled for each sponsorship term.

In terms of firm-related variables, to investigate the possible role of congruence in sponsorship dissolution, two independent judges (from different institutions than the authors') who are experts in the sponsorship and congruence literature categorized each sponsor, utilizing the congruence criteria first established by Cornwell, Pruitt, et al. (2005). The broad interpretation of congruence by Cornwell, Pruitt, et al. (2005) as direct use of not just products by competitors but also brands that may indirectly be seen and/or used by spectators and those brands that are "consistent with an active sporting lifestyle" (p. 408) has been utilized subsequently in the sponsorship literature, including by Clark, Cornwell, and Pruitt (2009) and Mazodier and Rezaee (2013). This interpretation of congruence as being both direct and indirect is also consistent with the image transfer model of Gwinner (1997), who advocated not only for a direct functional similarity but also for an "image-related" similarity, whereby a soft drink brand targeting a younger demographic may support a music or extreme sports tour seeking the "similarity that comes from the youth and excitement orientation of both the music and the

product" (p. 152). In addition, a broad conceptualization of congruence was advocated by Speed and Thompson (2000), who characterized congruence "as fit in a general sense," as in a "similarity, a logical connection, and making sense" (p. 230).

The use of independent coders, followed by a computation of interrater reliability, is an established technique that has been utilized across a wide variety of academic fields (Hallgren, 2012). Rather than utilizing interrater agreement, as suggested by Acock (2012), the kappa (k ; Cohen, 1960) was computed and utilized. The percentage agreement typically exaggerates the amount of agreement, given that it ignores the agreement that would be expected by chance (Acock, 2012). Instead, Cohen's (1960) kappa (k) provides credit for the extent to which the agreement between the two raters exceeds what would normally be achieved simply by chance (Acock, 2012). The two judges agreed in 88.4% of the cases, which resulted in a coefficient of agreement of .75 ($z = 6.21, p < .001$), deemed by Landis and Koch (1977) to be good reliability (.80 is considered very good). The disputed categories (spirits, information technology, payment services, restaurant, and wireless communication equipment) were resolved after further discussion (e.g., Perreault & Leigh, 1989). The stability of corporate leadership was operationalized by researching press coverage of CEO change in *Dow Jones Factiva* and in company press releases during each sponsor's sponsorship term. A binary variable indicating whether a

change in corporate leadership occurred during the term of the sponsorship was then created (1 = *change*, 0 = *no change*). Finally, utilizing the same approach as Mazodier and Rezaee (2013), brand equity was assessed based on whether the brand has been included in Interbrand's ranking of the 100 best global brands.

Control variables. In order to control for whether a corporation is privately or publicly owned, a dichotomous variable was created for each sponsor. It should be noted that this predictor may vary for a company over time, given that sponsors that were once private companies later issued an initial public offering as part of their transition to a publicly owned corporation (e.g., John Hancock, MasterCard, UPS, Visa). Whether the sponsoring firm was publicly traded or not was sourced utilizing *Merchant Online*, a database of global business and financial information products, including United States and international company data and annual reports. Any changes to a company's status were uncovered utilizing *Dow Jones Factiva*, similar to the approach in researching any changes in corporate leadership. The potential influence of the location of each firm's corporate decision-maker was controlled for by the creation of a binary variable that indicated whether the firm is headquartered in North America, meaning the United States and Canada, (N.A.) or elsewhere (1 = *N.A.-based*, 0 = *based elsewhere*). The same procedure utilized in the construction of the congruence variable was used to characterize each firm as primarily B2B or B2C (1 = *B2B*, 0 = *B2C*). Finally, in order to control for the level of sponsorship, the 10 World Cup Sponsors were identified with a binary variable indicating which were sponsors at that level, compared with the FIFA Partner and TOP sponsor level (1 = *lower level*, 0 = *higher level*).

Results

The results of the hierarchical modeling sequence are outlined in Table 3. The base model (Model 1) only included the binary variable indicating the MSE (Olympics vs. FIFA World Cup). The coefficient for the variable was consistently nonsignificant ($z = 0.15$, $p = .882$), indicating that there was no effect of the type of sponsorship on the hazard of sponsorship dissolution. This result provides further support for use of the pooled dataset. A block of variables representing the dyadic factors of economic conditions in the home country of the sponsor during the term of the sponsorship and the possibility of increased agency conflicts was entered into the model in step 2 (Model 2). The Wald test for this block of variables was significant at the $\alpha = .05$ level, $\chi^2(3) = 8.73$, $p = .033$, indicating that it predicted a significant amount of the incremental variance. In addition, inflation in the home country of the sponsor was a significant predictor of sponsorship dissolution and was a large effect ($z = 2.42$, $p = .015$). These results provided substantial support for Hypothesis 1. The hazard ratio (1.33) indicates that a 1% increase in the AAGR in the

CPI in the sponsor's home country during the term of the sponsorship increases the hazard of sponsorship dissolution by 33.1%. The results for the variable reflecting economic growth in each sponsor's home country were nonsignificant. Similarly, the possibility of agency conflicts arising as a result of an event taking place in the home country of the sponsor is in the expected direction (a hazard ratio of 1.18 indicates it increases the hazard of dissolution by 18.4%), but it was not statistically significant. Therefore, Hypothesis 2 was not supported.

Hypothesis 3 focuses on the potential influence of the attractiveness of event locations on sponsorship dissolution. A Wald test of the block of variables reflecting the three market-related variables (population, GDP, and risk) was not significant, $\chi^2(3) = 1.05$, $p = .789$. Thus, Hypothesis 3 was not supported. However, as indicated in Models 3 and 4, the variable reflecting the amount of sponsorship clutter (i.e., total number of sponsors) was significant ($z = 2.41$, $p = .016$). The hazard ratio (1.49) indicates that every one additional sponsor added by the property increases the hazard of sponsorship dissolution by 49.6%. Thus, Hypothesis 4 regarding the influence of clutter on sponsorship dissolution was supported.

The study's final three hypotheses focus on customer-related variables. As expected, the Wald test for this block of variables was significant, $\chi^2(7) = 19.11$, $p = .008$. Hypothesis 5 predicted that, consistent with the literature, congruence should reduce the hazard of sponsorship dissolution. As indicated in Table 3, the variable was in the expected direction (decreasing the hazard of dissolution) and was indeed significant ($z = -2.43$, $p = .015$). The hazard ratio (0.31) indicates that congruence decreases the hazard of dissolution by 69.2%. Therefore, Hypothesis 5 was supported. Next, the influence of the stability of the sponsoring firm's leadership was investigated, with Hypothesis 6 proposing that changes in leadership should increase the hazard of sponsorship dissolution. The coefficient was not significant ($z = -0.14$, $p = .889$). Therefore, Hypothesis 6 was not supported.

The final hypothesis focuses on the influence of brand equity. It was hypothesized that sponsorships undertaken with firms with a high level of brand equity should result in a reduction in the hazard of sponsorship dissolution. The brand equity variable was indeed significant ($z = -2.39$, $p = .017$). The hazard ratio (0.32) indicates that high brand equity reduces the hazard of sponsorship dissolution by 68.2%. Therefore, Hypothesis 7 was supported. To aid in interpretation, Figure 1 depicts graphs of the smoothed hazard functions of the final model (Model 4) over time based on differentials for congruence (Graph A) and brand equity (Graph B). The effects of both variables were similar, depicting a difference of more than 10% in the hazard function based on the influence of the two customer-related variables.

Finally, each model's Akaike information criterion (AIC) measures were computed and analyzed to ensure that the final model inclusive of dyadic, seller, and

Table 3 Hierarchical Survival Analysis Modeling Results

Predictor Variables	Model 1	Model 2	Model 3	Model 4
MSE (FIFA vs. TOP)	1.45 (.57)	1.00 (.51)	−0.60 (.39)	0.15 (.74)
Dyadic				
Inflation		2.23* (.09)	3.07** (.12)	2.42* (.16)
Economic growth		1.84 (.10)	1.64 (.11)	1.78 (.11)
Agency conflicts		1.44 (.80)	1.21 (.82)	0.32 (.62)
Seller-related				
Population—future host			−0.27 (.40)	−0.25 (.45)
GDP—future host			0.91 (.55)	1.00 (.68)
Country risk index			−.79 (.43)	−0.82 (.35)
Sponsorship clutter			2.97** (.21)	2.41* (.25)
Customer-related				
Congruence				−2.43* (.15)
Stability of leadership				−0.14 (.41)
Brand equity				−2.39* (.15)
Public corporation				−0.66 (.40)
North American corporation				−0.56 (.37)
B2B				1.18 (.80)
Sponsorship level				−1.59 (.23)
AIC	189.9	185.7	183.1	171.7
Log-likelihood	−93.93	−88.86	−83.56	−70.86
Wald χ^2	2.09	8.73*	9.51*	19.11**

Note. Results from Cox model, with exact discrete approximation for handling ties. Standardized coefficients are listed, with standard errors in parentheses. MSE = mega sport event; FIFA = Fédération Internationale de Football Association; TOP = The Olympic Partners; GDP = gross domestic product; B2B = business-to-business; AIC = Akaike information criterion.

* $p < .05$. ** $p < .01$.

customer-related factors was the most predictive yet parsimonious model. The AIC rewards parsimony by penalizing the log-likelihood of each additional parameter that is estimated (Box-Steffensmeier & Jones, 2004). According to Table 3, each model's AIC ranged from 189.9 to 171.7. The analysis provided confirmation that the final model was the best fitting, with the lowest AIC (AIC = 171.7).

Discussion

The results indicate that certain external, dyadic conditions such as the economy have the ability to jeopardize the long-term relationship between the sponsoring firm and the property. Consistent with past studies, increased sponsorship clutter is also detrimental to sponsorship relationships. In addition, it is evident that certain types of sponsors have significantly different sponsorship durations based on congruence with the sponsored property and the level of brand equity exhibited by the sponsor. Overall, results indicate that dyadic-, seller-, and customer-related factors all predict a significant amount of the variance in the hazard of sponsorship dissolution, offering the first empirical evidence in the sponsorship literature that decision-making relative to the

continuance and ultimate duration of sponsorship relationships is impacted by both sides and by a variety of different factors and conditions. Consistent with Palmatier et al.'s (2006) conceptualization of the RM paradigm, this paper's integrated model reveals a dynamic relationship that can be impacted by forces beyond the control of the sponsoring firm. This is a significant new contribution to the sponsorship literature.

Notably, the results provide empirical evidence that economic conditions can significantly affect the hazard of a sponsorship's dissolution. When controlling for all other variables, results indicate that a 1% increase in the AAGR in inflation during the term of the sponsorship increases the hazard of sponsorship dissolution by 33.1%. During an inflationary economy, the prices for all goods and services within the sponsor's country rise, including marketing expenditures and costs, making it likely that a sponsor's ability to continue to pay may become constrained. Such conditions may lead to marketing budgets being adjusted downward, making it increasingly difficult to justify such significant expenditures.

None of the variables related to the choice of event locations by the seller, such as population, consumer wealth, and the risk of doing business in a particular market, was found to influence the hazard of dissolution.

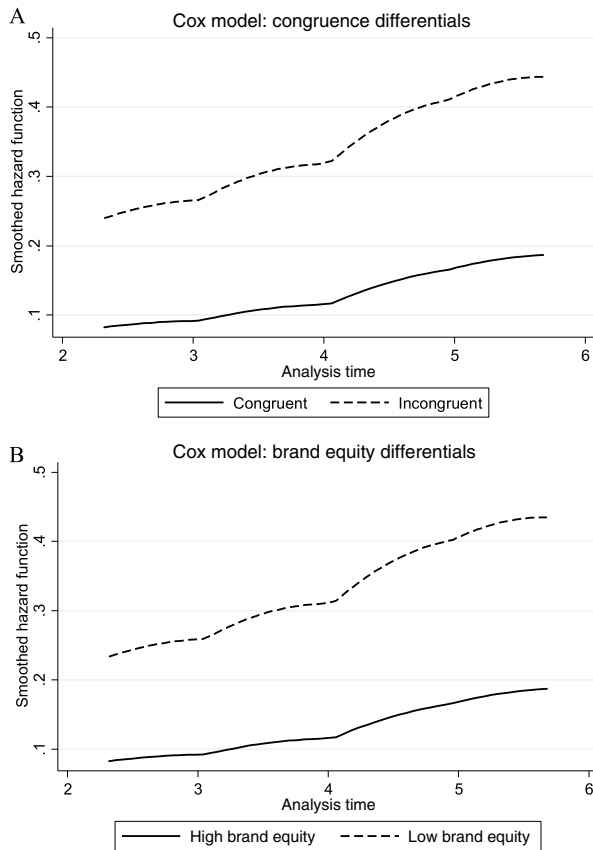


Figure 1 — Graphs of smoothed hazard functions based on differentials for congruence and brand equity.

Consistent with O'Reilly et al. (2011), a potential explanation for the nonsignificance of this block of variables is that firm decision-makers involved in international partnerships truly do take a global approach (i.e., Rugman & Verbeke, 2004), are not influenced by where events are held, and are not concerned with which markets host events. O'Reilly et al. (2011) found that “truly global” sponsors such as Coca-Cola were not concerned with the location of MSEs such as the Olympics, as the host of the event was deemed much less important than the global reach of the event itself. In addition, while theoretically events taking place in the home country of a sponsor should increase the probability that agency conflicts could increase the probability of a sponsorship ending, the nonsignificance of the variable is consistent with the findings of Clark et al. (2002), who found that the initiation of naming rights sponsorships in the same market as the firm decision-maker did not result in a negative shareholder reaction.

One seller-related variable (sponsorship clutter) was found to be a significant predictor of sponsorship dissolution (Hypothesis 4). With the number of sponsors engaged in these exclusive, global sponsorship programs ranging from 9 to a high of 15, every one sponsor added increased the hazard of the sponsorship ending by 49.6%. While

clutter was shown in prior research to influence sponsorship outcomes at the consumer level (Cornwell & Relyea, 2000), the fact that it is influential at the macro level represents a novel contribution to the sponsorship literature. There are many possible reasons for this finding. Clutter in terms of more sponsors might be detrimental because of the servicing aspect of the sponsorship relationship, in the sense that sponsors do not get as much support and attention when there are more relationships. Clutter may also negatively impact outcome variables, such as success in building brand awareness, that then feed into decision-making regarding sponsorship renewal.

Finally, a number of sponsor (i.e., customer-related) variables were investigated. The stability of company leadership was not found to be influential, given that a change in the CEO of the corporation did not influence whether the sponsorship ended or continued. A potential explanation is that, despite the global nature of Olympic and World Cup sponsorships, such decisions never rise to the level of a CEO and are typically handled at lower levels such as chief marketing officer. Alternatively, one could posit that given the long-term commitment and allocation of resources required to support such global partnerships, a change in corporation leadership simply does not affect such long-term strategic planning processes.

In contrast, congruence and brand equity were both found to be statistically significant predictors of a reduction in the hazard of sponsorship dissolution. Given the preponderance of evidence of the role congruence plays in sponsorship, it was not surprising that congruence between the sponsoring brand and the property reduced the hazard of dissolution. In addition, given that brand equity is a frequently chosen objective of sponsorship-linked marketing approaches, it is logical that those brands with a high degree of brand equity would engage in longer running sponsorships. These brands may be more patient with such investments or better able to weather any questions about the investment that naturally accompany such spending. Another possibility is that such brands are realizing more successful partnerships, in part based on a higher existing level of brand equity. Finally, such brands may have more resources with which to leverage their sponsorship through associated advertising and promotional activities, which may assist the firm in ensuring that the sponsorship is a success and provide the requisite return on investment necessary to justify continuing the partnership on a long-term basis.

Theoretical Contribution

While the RM framework has been identified as a useful lens with which to understand sponsorship (Cornwell & Maignan, 1998), there has been a dearth of research that has utilized the paradigm to better understand the long-term relationship between the sponsoring firm and sponsored organization. Further, most prior sponsorship studies have focused solely on the perspective of the sponsoring firm, which traditionally is the primary decision-maker in the renewal, or continuance, of the

sponsorship relationship. However, applying Palmatier et al.'s (2006) RM model to better understand sponsorship decision-making reveals that these decisions are dynamic in nature and involve a myriad of forces. This study's results reveal that the groups of variables reflecting the dyadic, seller-related, and customer-related perspectives each predicted a significant amount of the incremental variance in the hazard of sponsorship dissolution. Among the more important findings of this research is the role that external factors such as economic conditions can play in predicting the end of relationships. Interestingly, the influence of economic conditions was found to be more powerful than significant changes within the sponsoring firm, such as a change in firm leadership, or crucial decisions made by the property, such as the location of MSEs. This result highlights the need for theory that addresses the corporate-community and decision-making nexus (Tilcsik & Marquis, 2013). Thus, the finding that sponsorship relationships are multifaceted, complex relationships whose durations can be impacted by decisions made by sellers and external forces represents an important extension of the RM literature.

Some of this study's findings also conflict with other research on RM. For example, Samaha, Beck, and Palmatier (2014) found that RM was more effective outside the United States. In their country-level approach, they found that on average relationships in countries such as Brazil, Russia, India, and China were 55% more effective in increasing business performance (Samaha et al., 2014). For the global relationships examined in this study, country location for the event was not found to have a significant effect on this study's success measure (duration of sponsorship). Firms based outside of North America were not found to engage in sponsorship relationships of longer durations than those based in North America, indicating that these forces and conditions may predict the end of relationships across many different cultures. This finding alone warrants future research that utilizes the RM framework as a lens with which to examine the sponsorship buyer-seller relationship.

Managerial Implications

The managerial implications of the application of survival-based approaches to the study of sponsorship durations are readily apparent when the model is utilized to create predicted values. For example, from the standpoint of the seller, adding additional sponsors was found to be a statistically significant predictor of relationship dissolution, even while holding a large number of other variables constant. The presence of clutter, or multiple sponsors, has been noted as a concern of global sponsors of events such as the Olympics (e.g., Seguin & O'Reilly, 2008). The final model (Model 4 in Table 3) predicts that for the TOP sponsorship program, the choice to add just one additional sponsor significantly increases the probability of losing other sponsors, predicting that half of the program's sponsors would have left the program after 5.33 quadrennials (21.32 years) in an 11-sponsor model,

with the duration dropping to 4.23 quadrennials (16.92 years) under a 12-sponsor model. While there is a corresponding increase in revenue with the addition of one sponsor, given that the eighth iteration of the TOP program is forecasted to earn the IOC \$1.02 billion in revenue (IOC, 2016), this choice would result in a loss of more than \$90 million in revenue. For the FIFA World Cup, the choice to expand from the current 14-sponsor program model (six FIFA Partners and eight World Cup Sponsors) would result in 50% of sponsors departing after 5.9 years (for one additional sponsor) or 4.7 years (for two additional sponsors), compared with 7.4 years under the 14-sponsor current model. Given that according to its 2016 financial report FIFA earned more than \$246 million in net revenue from sponsors in 2015 (FIFA, 2016b); under this scenario, the loss of these sponsors only 1.5 years earlier would result in a net loss of more than \$160 million, even when accounting for the additional revenue from another sponsor. These findings suggest that sellers of exclusive, global sponsorships should pause before adding additional sponsors, as it is apparent that sponsors of premier, global sport properties are attracted to the opportunity by its exclusive nature and the ability to be one of only a handful of top-tier sponsors. Given this, any corresponding revenue increase due to the addition of a sponsor should be balanced with the knowledge that the act may influence the decision-making of other sponsors.

In addition, the model's efficacy is supported when examining the implications of targeting congruent brands with a high degree of brand equity. Holding all other variables in the model constant, half of incongruent sponsors would be lost after 2.18 quadrennials (8.72 years) compared with half of congruent sponsors leaving after 5.74 years (22.96 years), a difference of more than 14 years. Similarly, after 12 years, only 25.6% of congruent sponsors would be expected to exit their agreements compared with 61.8% of incongruent sponsors. After 16 years, the difference in durations jumps to 38.6%, with 68.6% of incongruent sponsors leaving compared with only 30% of congruent sponsors. Similar benefits were found from securing sponsors with a high degree of brand equity, with a difference of more than 13 years before half of these sponsors would be expected to depart compared with sponsors with a lower level of brand equity. A total of 25.7% of high-equity sponsors would be expected to exit after 12 years, compared with 60.7% of low-brand-equity sponsors. The implications of these findings are clear, particularly given the limited amount of resources that sport organizations have to target, secure, and maintain relationships with their sponsors. Targeting of congruent sponsors and those with a high degree of brand equity will result in a significantly higher return on investment over the long term than efforts expended toward potential sponsors that do not meet those criteria.

Limitations and Future Research

An empirical model was tested in an effort to better understand the factors that may be predictive of the

dissolution of long-term partnerships. However, no model can predict human decision-making with exact certainty. While the R^2 measure of the final model in Table 3 indicates that more than 35% of the variance in sponsorship durations is being predicted, there will always be unexplained variance in any decision-making model. Additionally, difficult to measure factors as well as other reasons for the end (or continuance) of the relationship that were never made public could be at play. For example, in the case of competitors such as American Express and Visa (Davis, 2012) and Coca-Cola and Pepsi (McKelvey, 2006), competitive battles for market share may influence decision-making and cause firms to reinvest in sponsorships that may not have otherwise continued. For this reason, qualitative approaches should also be utilized in the future to better understand other factors that may play a role in the dissolution of sponsorships.

Costs are an important consideration for any marketer. Rising costs have been noted by brand marketers as a reason why sponsorship investments have ended. For example, it has been noted that the increased media commitment required by ESPN in its new agreement to broadcast college football bowl games was a factor in the decision by FedEx to end its title sponsorship of the Orange Bowl, a sponsorship that had lasted for 21 years (Talalay, 2010). However, for the contexts in this study, it was not possible to isolate the potential influence of rising costs. While the total revenue earned by the IOC and FIFA for each sponsorship period is known, it is not known exactly how much each individual sponsor paid for each sponsorship. Future research should utilize the limited number of contexts for which the amount paid by the sponsor is available so the potential influence of this important variable can be measured.

Given that this study was designed to analyze the duration of sponsorships involving both publicly owned and privately held firms, it was also not possible to analyze whether the financial performance of the firm was predictive of sponsorship durations. The effects of several measures of firm financial performance, such as cash flow (e.g., Pruitt et al., 2004), market value (e.g., Mazodier & Rezaee, 2013), and market share (e.g., Cornwell, Weeks, et al., 2005), have been investigated as part of research to determine their influence on sponsorship performance. However, these measures are not available for privately held corporations. While this research confirmed that durations were not significantly different for sponsorships undertaken by private and publicly traded firms, future research should investigate whether increases in measures such as cash flow or market value result in a reduction in the hazard of sponsorship dissolution.

Despite these limitations, the future applications of the methods utilized in this study are potentially far reaching. These approaches can be applied to any sponsorship, and the method is robust to the inclusion of partnerships still ongoing. This flexibility should pave the way for this study's methodology to be utilized across many other contexts, including naming rights sponsorships

(e.g., Clark et al., 2002), official status sponsorships of sport leagues (e.g., Cornwell, Pruitt, et al., 2005), or title sponsorships (e.g., Clark et al., 2009). Given that the two contexts utilized in this initial application of survival analysis approaches to sponsorship duration are global in nature, it is not yet known whether these results are generalizable to sponsorships of a local nature. Examining the sponsorships of individual sport organizations, such as English Premier League soccer clubs (e.g., Bouchet, Doellman, Troilo, & Walkup, 2015), F1 racing teams (e.g., Jensen & Cobbs, 2014), or rugby teams (e.g., Kruger et al., 2014), could help confirm the potential influence of the organization's on-field performance on the continuation or dissolution of sponsorship relationships. Thus, this limitation of the current study reveals another important area of future research that empirically investigates the duration of sponsorship relationships.

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