Why do all good things come to an end? An inquiry into the discontinuation of sport sponsor–sponsee relationships

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Abstract
Purpose – The purpose of this paper is to explore the reasons for the discontinuation of sports sponsor–sponsee relationships and categorize them. Despite the negative outcomes of a sponsorship dissolution, research on this topic is rather scarce.

Design/methodology/approach – The paper relies on an analysis of 24 historical cases and 19 in-depth interviews focusing on the Dutch soccer league. Several sponsorship disruptors are identified and clustered into four categories.

Findings – The four categories for sponsorship dissolution are the following: sponsor-related factors, sponsee-related factors, inter-relational factors and external factors. In total, ten sponsorship disruptors are identified: insufficient value creation, objectives achieved, sports results, signal to society, exclusivity, negativity, personal relationship, changed marketing strategy, financial situation and legislation and regulation.

Research limitations/implications – This study primarily investigates soccer sponsorship cases. Future research could investigate other sponsorship areas, which could yield different reasons for sponsorship termination.

Practical implications – Practitioners are advised to view the sponsorship relationship as a strategic alliance, rather than a resource, from the beginning of the sponsorship. A solid relational framework is needed, which is built around the elements of trust, commitment and collaborative communication. If such a foundation does not exist or has eroded, the sponsorship relationship is fragile and can be endangered by various factors.

Originality/value – This study uses inductive reasoning to devise a framework that enables sponsees to anticipate when sponsors are likely to discontinue their sponsorship such that the sponsees can take actions accordingly. Apart from validating existing reasons for sponsorship dissolution, this research also presents novel and previously undiscovered sponsorship disruptors.

Keywords Historical analysis, Soccer, In-depth interviews, Sponsor–sponsee relationships, Sponsorship termination

Paper type Research paper

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1. Introduction
It is projected that in 2017, $62.8bn was spent globally on sponsorships within firms’ marketing mix, thereby demonstrating the relevance of these sponsorships; moreover, sports sponsorships were the most common property type (IEG, 2017). Companies may benefit from positive product- and brand-related effects (e.g. Herrmann et al., 2016), and many sports organizations view sponsorship as an essential funding mechanism (Jensen and Turner, 2016a). However, many sports clubs have realized that companies have not been very eager to renew their sponsorship contracts. For example, the top 20 biggest soccer clubs in the world have had an average of three different shirt sponsors since 2000. The IEG (2017) reported that in 2016, 45 percent of sponsors were looking to drop a sponsorship prior to the contract term, a number that increased to 58 percent in 2017. To examine concrete real-world cases, in June 2017, McDonald’s ended its 41-year-old sponsorship of the Olympic Games three years early. The sponsorship was supposed to run through at least 2020 (Garcia, 2018). In November 2017, the American pizza chain Papa John’s terminated its official NFL sponsorship. The brand is the first NFL sponsor to leave in the midst of its deal (The Guardian, 2018).

It is necessary to understand the drivers of sponsor–sponsee relationships, and in particular, insights are needed into potential disruptors of these relations. Although the marketing literature has started to research sponsorship from a relationship lens (e.g. Westberg et al., 2011), research on sponsorship discontinuation is still scarce. This study analyzes all sponsorships that were terminated between 2000 and 2013 in the Dutch Eredivisie. In total, 24 historical cases and 19 in-depth interviews identify four clusters of sponsorship disruptors, whereby not only the perspective of the sponsor is considered but also that of the sponsee. Further dimensions are integrated in order to gain a more holistic understanding of the dynamics in sponsor–sponsee relationships.

This study uses inductive reasoning to arrive at a framework that allows sponsees to anticipate when sponsors are likely to discontinue their sponsorship, so that they can take action accordingly. Apart from validating existing reasons for sponsorship dissolution, this research also presents novel and thus far undiscovered sponsorship disruptors. It is argued that a sponsorship relationship must be regarded as a strategic alliance and not as a short-term transaction in order to be more robust against potential factors that could lead to the relationship’s termination.

2. Theory
"Relationship marketing as a research lens – a theoretical framework"
Sponsors and sponsees engage in mutually beneficial and reciprocal relationships (Farrelly and Quester, 2005). However, currently, few studies have investigated sponsorships and their discontinuation from a relationship marketing perspective, despite the fact that such a lens has been proven to be helpful (Farrelly and Quester, 2005; Jensen and Cornwell, 2017). Morgan and Hunt (1994, p. 22) define relationship marketing as “all marketing activities directed toward establishing, developing and maintaining successful relational exchanges.” In line with this well-established definition, this paper argues for a relationship marketing view of sponsorship. Following Morgan and Hunt’s (1994) conceptualization of relationships, sponsorships can be categorized as relational exchanges because they usually have a long-term duration lasting a minimum of three years, and they include substantial exchanges between the sponsor and sponsee (Jensen and Cornwell, 2017).

Another fact to consider in the question of why relationship marketing is especially relevant in the sponsorship context is that sponsorships imply the existence of multiple stakeholders (e.g. sponsor, sponsees, consumers and media) pursuing different objectives (Farrelly and Quester, 2005). Predominantly, a sponsor and a sponsee engage in an ongoing dyadic relationship and interaction (Chadwick, 2007). Meenaghan and Shipley (1999, p. 335)
define sponsorship as a “symbiotic relationship with a transference of inherent values from the activity to the sponsor.” Hence, no sponsorship can be successful without the existence of productive relationships (Morgan et al., 2014). In fact, the sponsor and the sponsee are more likely to gain full benefit of their agreement if they work together collaboratively in a long-term alliance (Chadwick, 2002). This view of sponsorship becomes increasingly evident, as sponsorship relations have become increasingly strategically important to the marketing mix of corporations that want to engage in genuine long-term alliances with their sponsoring partners (Farrelly et al., 2006). This aspect is supported by relationship marketing literature, which emphasizes the existence of trust and commitment as a pivotal precondition for stable and long-lasting relationships (Eddleston and Morgan, 2014). In the relationship marketing context, commitment is defined as “[…] believing that an ongoing relationship with another [partner] is so important as to warrant maximum effort at maintaining it,” whereas trust has been identified as “one party [having] confidence in an exchange partner’s reliability and integrity” (Morgan and Hunt, 1994, p. 23). Additionally, research on sponsorship, as viewed through a relationship marketing lens, emphasizes the central role that trust and commitment play in order for sponsorships to prosper and to be long lasting (Chadwick, 2002; Farrelly and Quester, 2005). In the sponsorship context, commitment takes the form of additional investments as well as leveraging activities that go beyond the initial provision of rights and fees and that signal the long-term intentions between sponsor and sponsee. On the one hand, trust between these entities is a precondition for the exchange of information in order to implement sponsorship objectives. On the other hand, it may also assure sponsors that the association is worthwhile considering the difficulty of assessing the economic success of sponsorships (Farrelly and Quester, 2005).

A relation between entities in any sponsorship relationship can be explained by the application of the exchange theory. This theory proves to be a useful concept, increasing the understanding of sponsorships as relational exchanges. A positive exchange depends on both sides agreeing that the paid price equals or exceeds the offer (Crompton, 2004). Transferring this idea to the field of sponsorship, a sponsorship can continue in the future only if a sponsor is satisfied with the resources provided by a sponsee and vice versa. The inherent risks of failure are highest in the early stages of sponsor–sponsee relations because both sides are not yet able to understand what to seek and expect from each other (Jensen and Turner, 2016b). A profound decision about whether to continue a relation can only be made by both sides gaining such an understanding of resources (Palmatier et al., 2006). The longer a sponsorship continues, the higher are chances that it will be enhanced, as both partners can leverage each other’s capabilities (Herrmann et al., 2016).

**Literature review – sponsorship discontinuation**

Most of the existing literature on sponsorship relations highlights the positive side and the collaborative partnership between sponsor and sponsee. Such positive effects can comprise, for instance, brand-related outcomes, as an increased brand memorization, an advanced likelihood of brand appearance, increased brand awareness, brand image-related benefits (Herrmann et al., 2014; Herrmann et al., 2016), or with global sponsorships the positive effect can relate to international marketing activities while providing a beneficial opportunity to communicate with different stakeholders (Morgan et al., 2014).

However, sponsorship relations are temporal and various reasons might lead to an early termination (Farrelly et al., 2006). One stream in discontinuation research focuses on the transgressive behavior of athletes and possible consequences for the relationship and its management. Endogenous and exogenous transgressions can create degenerative episodes that might result in discontinuation (Dickson et al., 2018; Roberts and Burton, 2018). Roberts and Burton (2018) study endorsements in the context of relationship marketing. They explore endorsees’ response strategies to athlete transgressions and examine the
effects of trust and commitment as foundation for the chosen brand strategy. Another paper by Roberts et al. (2018) studies the consequences of transgressions (corruption) on sponsorship management. Corruption might result in different decision-making outcomes, which range from immediate sponsorship termination to renegotiation (Roberts et al., 2018).

Another stream aims to inductively build and identify factors (besides transgressive behavior) that might influence sponsors’ decision to terminate a relationship. This paper expands the limited number of studies that fall into this field. Copeland and Frisby (1996) identified an extensive lack of knowledge within the dynamics of sponsorship relations; more specifically, they examined how corporations select and assess sponsorships and the specific reasons that are responsible for corporations eventually ending a sponsorship. Conducted from the corporation’s perspective, the quantitative survey-based research has provided sports entities with a deeper understanding of corporate assessments of sponsorships, which can enable these entities to establish successful sponsoring relations in the future. The scope of the research was limited to sports sponsorships in Canada.

The authors identified several reasons, from the corporation’s perspective, that influence the decision of sponsorship continuation. A weak value of the sponsorship or an insufficient return on investment has been identified as the most influential factor on the decision for discontinuing a sponsorship relationship, followed by unmet corporate expectations, changing corporate strategies, budget cutbacks and increased sponsorship cost. Identified influential factors that are somewhat connected to the sponsored entity include poor sponsee performance and arising conflicts between both partners. When looking at the identified findings, a clear focus on the corporate sponsor and its internal factors affecting the decision for discontinuing a sponsorship relation becomes evident. Additionally, Farrelly (2010) spotted the need for further exploration of problems and dissolution reasons within sports–sponsorship relations. Similar to Copeland and Frisby (1996), Farrelly also focuses on one national market in his study (Australia). However, his research strongly criticizes the previous sponsorship literature’s focus on the sponsor’s capacities instead of on the actual relationship between both the sponsor and the sponsee. This clearly distances his work from the previously mentioned research and puts the focus on another more relational perspective.

With the help of qualitative in-depths interviews, Farrelly (2010) identified several reasons for potential sponsorship dissolution. One is the emergence of new expectations toward the sponsorship relationship. As corporations increasingly wish to broaden sponsorships into a more strategic perspective that clearly serves corporate objectives, higher expectations toward the contributions of the sponsee are established. Not meeting these expectations results in perceived inequalities in contribution and commitment. Hence, the relationship between sponsor and sponsee is weakened. A lack of clear goal communication and a lack of sponsee capabilities and motivation to adapt to these changes are supplementary factors that influence the decision to end a sponsoring relationship. What is most significant is the fact that the majority of Farrelly’s (2010) identified factors clearly focus on the collaborative nature of the sponsor–sponsee relationship, proving that in addition to corporate-related factors (Copeland and Frisby, 1996), inter-relational factors also have an influence on the discontinuation of sponsorships.

Building on Farrelly’s (2010) work, Jensen and Cornwell (2017) conducted a quantitative study to generate further insights on the dynamics of sponsoring relationships. Similar to Farrelly (2010), their research focused not only on one party’s point of view but also on a comprehensive view of both perspectives. In contrast to the previously mentioned studies that investigated only one national market, the work of Jensen and Cornwell focuses on a global scope of perspective.

In the identification of influential reasons for discontinuing a sponsoring relationship, Jensen and Cornwell were the first to cluster their findings into three factorial categories: external
factors, sponsor-related factors and sponsee-related factors. The first category consists of economic conditions, such as a country's inflation rate or its economic growth, which are influential factors in making a decision on the discontinuance of a sponsoring relationship. In terms of sponsor-related factors, the equity of a brand (Aaker, 1996) has an impact on the discontinuation of a relationship. In particular, high equity brands tend to last longer in sponsoring relationships. Sponsee-related factors include lack of exclusivity within a sponsoring relationship (sponsoring clutter), suggesting that the likelihood of dissolution rises with the number of sponsors engaged with a sports entity. In addition, the perceived brand fit between a company's brand and the sports entity (congruence) represents a relevant factor that influences the decision of whether or not to continue a sponsorship relationship, suggesting that a weak brand fit can increase the likelihood of ending a relationship.

Table I presents a comprehensive overview of relevant findings in the above-mentioned studies.

Concluding the literature review, past research has shown that there are significant positive effects of sponsoring relations on both sponsors and sponsees. For organizations and sports properties to benefit from these substantial positive effects, there must be a clear understanding of how the dynamics of sponsoring relationships work and what influential factors in the discontinuation of sponsoring relations exist. However, in reviewing the relevant literature within the exploration of sponsorship dissolution, a certain scarcity of research has been identified. Therefore, the objective of this paper is to contribute to the limited amount of insight on sponsor–sponsee discontinuation and to follow the recent call by Jensen and Cornwell (2017) for more explorative research on sponsorship discontinuation.

3. Methodology

Sponsorship discontinuation is a heavily unattended research field. Therefore, we follow an explorative research approach that is suitable to study an under-investigated field of

<table>
<thead>
<tr>
<th>Theoretical background</th>
<th>Relationship marketing (&quot;exchange relationships&quot;)</th>
<th>Relationship marketing</th>
<th>Relationship marketing</th>
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<tbody>
<tr>
<td>Method</td>
<td>Quantitative</td>
<td>Qualitative</td>
<td>Quantitative</td>
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<tr>
<td>Research perspective</td>
<td>Sponsor (corporation) perspective</td>
<td>Sponsor and sponsee perspective</td>
<td>Sponsor and sponsee perspective</td>
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<tr>
<td>Scope of research</td>
<td>Canada</td>
<td>Australia</td>
<td>Economic conditions</td>
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<tr>
<td>Main findings</td>
<td>Little value/ROI</td>
<td>Differing expectations</td>
<td>Sponsorship clutter</td>
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<td>(reasons for discontinuation)</td>
<td>Objectives not achieved</td>
<td>Missing communications</td>
<td>Congruence (brand fit)</td>
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<td></td>
<td>New corporate strategy</td>
<td>Perceived unequal contributions</td>
<td>Brand equity</td>
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<td>Budget cuttings</td>
<td>Unequal commitment</td>
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<td></td>
<td>Poor performance of sponsee</td>
<td>Failure of adaptation</td>
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<td></td>
<td>Increased sponsorship cost</td>
<td>Lack of sponsee</td>
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<td>Conflict with sponsee</td>
<td>capabilities</td>
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<td>Intangibility of sponsorship value</td>
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Table I. Findings of previous studies on sponsorship discontinuation

Nature of findings

Findings focus on internal corporate factors (sponsor-related)  Findings focus on collaborative relationship between both parties (inter-relational factors)  Comprehensive findings clustered in three categories: external, sponsor-related and sponsee-related factors
interest that lacks rich and robust theory (Eisenhardt, 1989; Yin, 2017). In this context, in-depth interviews were conducted.

Although exploratory research can apply to as few as eight respondents (McCracken, 1988; Gibbert and Ruigrok, 2010), the goal of this study was the use of a higher number of respondents to discover as many approaches as possible to examine sponsorship discontinuation. In total, 24 historical cases were used and were complemented by 19 in-depth interviews (Tables II and III). Information on the historical cases was generated by identifying all sponsorships that were terminated between 2000 and 2013 in the Dutch Eredivisie. By using both, the LexisNexis database and the wider internet environment, (newspaper) articles were searched based on a combination of the sponsors and sponsees’ names (see Table AI for the references of articles obtained from the LexisNexis). Additionally, wider search terms such as “sponsorship termination” and “sponsorship discontinuation” were used to find other relevant sponsorship discontinuation cases in these sources. Respondents were selected based on their involvement in a previously terminated sponsorship relation. The respondents fall into three categories: sponsees, sponsors and mediators. The latter category consists of sports marketers working for agencies that mediate the relationship between sponsor and sponsee. All of the respondents were contacted via open source contact details and the interviews took place face-to-face.

To evolve theory inductively and to allow respondents enough flexibility, semi-structured interviews were chosen (Eisenhardt and Graebner, 2007). Any personal information was removed to encourage respondents to answer freely, which enhanced the validity of research. The questionnaire consisted of three parts: questions about the respondent, questions about sponsorship and questions about discontinuation. Elaboration (to provide more information) and clarification (to seek explanation) probing were used to ensure the identification of any underlying reasons (Rubin and Rubin, 1995; King and Horrocks, 2010).

<table>
<thead>
<tr>
<th>Function</th>
<th>League</th>
<th>Budget (× m€)</th>
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<tbody>
<tr>
<td>Commercial employee</td>
<td>Top division</td>
<td>4–10</td>
</tr>
<tr>
<td>Account manager</td>
<td>Top division</td>
<td>10–15</td>
</tr>
<tr>
<td>Account manager</td>
<td>Top division</td>
<td>10–15</td>
</tr>
<tr>
<td>Office worker</td>
<td>Second division</td>
<td>2.5–4</td>
</tr>
<tr>
<td>Commercial director</td>
<td>Second division</td>
<td>1–2.5</td>
</tr>
<tr>
<td>Account manager</td>
<td>Top division</td>
<td>15–30</td>
</tr>
<tr>
<td>Senior account manager</td>
<td>Top division</td>
<td>4–10</td>
</tr>
<tr>
<td>Account manager</td>
<td>Top division</td>
<td>4–10</td>
</tr>
<tr>
<td>Commercial manager</td>
<td>Second division</td>
<td>1–2.5</td>
</tr>
<tr>
<td>Head of commerce</td>
<td>Top division</td>
<td>&gt; 30</td>
</tr>
<tr>
<td>Chairman</td>
<td>Third division</td>
<td>&lt; 1</td>
</tr>
<tr>
<td>Account manager</td>
<td>Second division</td>
<td>4–10</td>
</tr>
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Table II. Sponsees (Se1–Se12)

<table>
<thead>
<tr>
<th>Function</th>
<th>Former sponsor of club in</th>
</tr>
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<tbody>
<tr>
<td>Head of sponsorship and events</td>
<td>Top division</td>
</tr>
<tr>
<td>Manager corporate communication</td>
<td>Top division</td>
</tr>
<tr>
<td>Account manager</td>
<td>Top division</td>
</tr>
<tr>
<td>Head of sponsorship and activation</td>
<td>Top division</td>
</tr>
<tr>
<td>CFO</td>
<td>Top division</td>
</tr>
<tr>
<td>Sports marketer</td>
<td>Top division</td>
</tr>
<tr>
<td>Sports marketer</td>
<td>Top division</td>
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</table>

Table III. Sponsors (Sp1–Sp5) and sports marketers (Sm1–Sm2)
The interviews were immediately transcribed to facilitate data analysis and to allow the researchers to become sensitized to the full richness of the data (Spiggle, 1994). Furthermore, informant feedback was used to eliminate surprising or wrong interpretations; this is a recognized method to establish validity and reliability in qualitative research (Riege, 2003; Onwuegbuzie and Leech, 2007). For the data analysis, three information-coding phases were used in line with the grounded theory approach: open, axial and selective coding (Glaser and Strauss, 2017). To identify new discontinuation reasons, an open coding approach was followed by the authors. After repeatedly scrutinizing transcripts, some main discontinuation categories were identified. The most dominant topics are discussed below, and although only one or two informants are quoted as an example, the related themes are representative of the broader sample.

4. Findings
This section outlines ten influential factors in sponsorship discontinuation. To build on previous research, present findings are separated into four factorial categories for sponsorship dissolution: sponsor-related factors, sponsee-related factors, inter-relational factors and external factors. Considering the perspective of Copeland and Frisby (1996), sponsor-related factors for discontinuation are those that are only associated with the sponsoring company or organization. Adding to sponsor-related factors, Jensen and Cornwell (2017) identified sponsee-related factors that are solely related to the sponsored sports entity. The category of inter-relational factors follows the concept of Farrelly (2010), who examined sponsorship dissolution reasons related to the nature of the collaborative relationship between the sponsor and sponsee. Finally, the category of external factors is consistent with the idea of Jensen and Cornwell’s (2017) “dyadic factors” and includes those factors that cannot be influenced by either sponsor or sponsee, related to the external environment. Following this clustering approach, the present study puts the exploration of reasons for sponsorship dissolution into a broader perspective and complements existing research by combining existing approaches into one comprehensive study.

Sponsor-related factors
Taking the sponsor’s perspective, various information on influential reasons for sponsorship discontinuation has been provided by the interviewees. These reasons range from changes in the corporate marketing strategy or its financial situation to the achievement of all sponsoring objectives and to the corporate desire to send a signal to society.

Marketing strategy. According to the interviewees, changes in a firm’s marketing strategy can have an influence on whether a company continues its sponsorship relation with a sports entity. Since corporate marketing strategies are quite versatile, there are different elements to consider. For example, one interviewee states that changes in the targeting strategy, such as targeting a new group of consumers, can lead to sponsorship discontinuation:

This year one of the sponsors ended its sponsorship because it was going to target customers from another city. The owner of the company buys two business seats at a football club in this city simply because he works here (SE9).

While targeting is only one part of the broader marketing strategy, the question of which sports entity to cooperate with represents a fundamental question in the context of marketing strategy. Several interviewees regard this broader change in marketing focus as a relationship disruptor:

There are people who say that they want to focus on other criteria than football. For example, they are going to sponsor cycling. These are companies that implement a different marketing strategy (SE7).
Changes in marketing strategy also occur due to company expansion, which might lead to an orientation toward other sports entities:

I can imagine that sponsoring another club can also be more interesting for the sponsor when a company grows (SE8).

In addition, changes in marketing strategy generally come with a newly formed management who may question their predecessors’ strategic choices:

When the contact person leaves the company, the arrival of the new person can lead to a new policy, in which sport sponsoring no longer plays a role or the new contact person has no affinity for football (SE2).

Finally, marketing strategy is heavily influenced by the direction of corporate executive management. In the case of mergers and acquisitions, strategic orientation can change rapidly, such as suggested by the following two respondents:

This sponsor decided to sponsor another club. Although they have been the sponsor for some time, they were acquired by a company that was the shirt sponsor of a different club. We were unable to do anything, since we could not gain the sponsorship from the other club (SE3).

After the acquisitions, the company was involved in several football clubs. The company wanted to continue the relationship with one club because of the guaranteed national exposure it offers (SP2).

Changes in a firm’s marketing strategy caused by new targeting choices, changes in the broader marketing orientation, and company’s expansion or new management representatives can cause a revision of sponsorship implementation.

**Financial situation.** In addition to emerging changes in a firm’s marketing strategy, the financial situation of a company was also identified by the respondents as an important reason for sponsors to terminate their relationship:

Most of the reasons have to do with finances. There are, of course, companies that have gone bankrupt: these you do not get back as a sponsor unless they make a new start. There are sponsors who say they want to take it easy or they first have to fire employees and then they want to see what happens. Everything has to do with my client base (SE7).

Referring to this statement, a sponsor’s financial situation can cause a reduction in sponsorship expenditures, leading to the end of a sponsorship relation.

**Objectives achieved.** Sponsorship activities are usually tied to concrete objectives a company wishes to achieve. One of the respondents confirmed that the achievement of sponsorship objectives introduces a cut-off point for the relationship:

We had three objectives for our sponsoring: to associate our logo with our brand, to give our stores a new appearance, and to introduce a new product. These were three phases and they needed time. The objectives have been achieved; we have taken the time to do so. That is now achieved (SP3).

However, one of the sports marketers argued that it is not necessary to end the relationship due to achieved objectives if there is a possibility of a changed implementation:

I do not think it is appropriate to quit sponsoring when the objectives have been achieved. I would reformulate the objectives and see whether I could reach those objectives with the current deal. If you have worked with each other for years, it is also more efficient to continue doing so (SM2).

These statements indicate that the achievement of sponsorship objectives can result in an end to further cooperation by the sponsors unless the sponsorship relationship can be implemented at another level.

**Signal to society.** The last relevant sponsor-related reason for potential sponsorship discontinuation that has been identified by the respondents is the signal sent to society.
Companies are clearly aware of the questionable message that spending money on sports sponsoring can send to its stakeholders. Particularly, companies associated with public money take this into consideration:

The current main sponsor has the chance to become the shirt sponsor and had its logo featured on the shirts in the past as well. However, with the current social circumstances, it cannot justify increased insurance rates while appearing on the shirt of a football club (SE1).

Certain respondents acknowledged that the general image of sports sponsorship still lags behind that of other marketing tools:

If the current sponsor were to renew the contract, everybody would think the company was mad to pay this amount of money. However, if it were to advertise twice on television and twice in the newspaper, this would be equally expensive. People do not see it this way and sport sponsoring is, therefore, still not explained well enough (SE10).

These statements reflect the fact that companies are highly interested in the signal they send to their stakeholders. Because of the ambiguous signals that sponsorship can potentially send to the public, some companies are reluctant to continue sponsoring relations.

**Sponsee-related factors**

In addition to the above-mentioned sponsor-related factors influencing the decision of sponsorship continuation, a variety of opposite influential factors related to the inherent features of the sponsee have been identified by the interviewees. These include the transference of negative associations from sponsee to sponsor, the impact of the sponsee’s sports performance and the importance of sponsorship exclusivity to the sponsor.

*Negativity.* Similar to a firm’s concern about the signal it sends to society, the firm tries to avoid negative associations emerging from a sponsoring activity. However, negative associations can emerge at a number of levels in sports, which potentially can lead to the dissolution of a sponsorship relation, such as the following interviewee suggests:

Doping is a reason to quit sponsoring. We have seen this in terms of cycling. Sponsors have paid millions to become a sponsor and then the teams were involved with doping. That is not desirable. It is obvious that this could be a reason to quit [...] then you talk about fraud, blackmailing, and doping (SP3).

Negatively associated issues may also occur at the club level, which is one level lower than the entire sports category. One of the sponsors said that his company had serious reservations about the situation that had occurred at a sports club at times:

Serious conflicts between parties are unexpected and unfortunate. We did not stop being the main sponsor because of this since we remain the club’s partner and sponsor. However, we were unhappy about it at the time and we also said so in the press (SP1).

The statement on the impact of negative associations at a sports club level is confirmed by another interviewee, who also emphasized the sponsor’s desire to avoid a negative image transfer:

Take a look at the situation of this particular, for example. Lately, you increasingly hear that sponsors do not want to be associated with it. Something happens over there far too often. As a company, you do not want to be associated with this club (SE8).

A negative image of a sponsee and the potential transfer of negativity to the sponsor can clearly cause the sponsor to terminate the sponsorship relation. This negativity can either come from within the sponsee’s club level or its overall sports category.
Sports results. In the same context of transferred negativity, sponsors are concerned about the performance of their cooperative partners. Many of the respondents noticed that the sponsee’s sports results have an impact on the relationships with the sponsors:

We once invited a large group of potential sponsors to a match. We won that match 4-1. If you call those people two days after the match, they are far more enthusiastic than if we would have lost 4-1 (SE8).

Apart from single match sports results, major successes or failures, such as a promotion or a relegation, influence the sponsor–sponsee relationship as well:

When the club is promoted, it is a lot easier to find people who want to invest. When it faces relegation, a lot of sponsors quit (SE1).

However, respondents also stated that a good marketing and sponsorship policy can help reduce the impact to sports results, although this impact cannot be totally excluded from the sponsorship relationship:

With no marketing and sponsorship strategy, sports results would have an 80-20 impact: 80% if we were to be the champion and only 20% if we were to gain a fourteenth place. By implementing a good marketing and sponsorship strategy, you could reach a 60-40 ratio, which means you are doing well (SE10).

A sponsee’s sports results influence the decision of sponsorship continuation, and it is difficult for sports clubs to exclude this impact. The results’ impact varies in terms of marketing and sponsorship policy, as these might mitigate a poor performance.

Exclusivity. The lack of sponsorship exclusivity has been identified as a final relevant reason for sponsorship discontinuation based on factors related to the sponsee. Sponsors are mostly eager to get rid of their competitors within a sponsorship alliance in order to generate the most benefit from exclusivity:

The former main sponsor was a partner for three years and then we had to terminate the contract since the new main sponsor did not want the former sponsor to remain a partner, as everybody would still perceive this sponsor as the main sponsor. Each sponsor has a certain exclusivity at its level (SE10).

It is clear that sponsors search for exclusivity to establish a strong association with the club or event they sponsor. However, if exclusivity seems unattainable, sponsors may discontinue the relationship:

We did not claim this specific sports domain. We do many things related to this sport, but it is not that big and powerful that we are able to claim it. Since we are not going to do this in the future, we are thinking about new, contemporary, appropriate ways of sponsoring (SP4).

To satisfy the sponsors’ desire of exclusivity, sponsees try to avoid sponsorship termination by providing exclusivity within certain branches or industries:

What we try to do in the selection of sponsors is to find a sponsor in every industry. For example, we would never work together with another beer brand. We have a company in almost every industry at the moment (SE6).

The respondents’ statements prove that sponsorship exclusivity is of high relevance for firms engaging in a sponsorship relation and therefore impacts the question of sponsorship continuation. Consequently, when sponsors are not able to attain sponsorship exclusivity, the chances of sponsorship discontinuation might become higher. Hence, sponsees can work against this influential factor by at least providing exclusivity within certain industries.
Inter-relational factors

Of course, there are factors impacting sponsorship discontinuation that can be attributed neither to the sponsor nor to the sponsee alone. There are also influential factors based on the nature of the collaborative relationship between both parties. These include insufficient value creation and the personal relationship.

Insufficient value creation. A common difficulty of sponsoring activity lies in the measurement of value. As it is not possible to attribute value to certain sponsorship actions, a clear value measurement is quite complicated (Farrelly et al., 2006). In line with this difficulty, our respondents found that sponsors might not perceive sponsorship value as sufficient:

Particular companies may not believe that the investment is worth their while. It does not necessarily mean that the sponsor is dissatisfied, but that it has not achieved its expected yield (SE4).

It is not easy to determine which party owns responsibility for insufficient value creation. Sometimes sponsors play a role in the failure to achieve their expected objectives, especially when networking is an important objective:

Some sponsors also say that they achieve too little value. In this case, we ask them why they achieve too little value and what they themselves have done in this respect. For example, people stand with the same people at every match. They should also network (SE9).

In addition, a saturated network can lead to no further value creation for the sponsor and consequently be a reason to search for new networking opportunities from which to generate value:

One of the reasons is that, if people are in a network for some time, the network becomes saturated. In these cases, they have a desire to become part of another network, for example, basketball (SE4).

Finally, some respondents stated that beneficial value creation is only possible when a sponsorship is fully incorporated into the company:

Only if the sponsorship is totally incorporated into the organization, into all facets, can you benefit. Organizations still have difficulty with this (SM1).

The findings show that the absence of sufficient value creation can terminate a sponsorship relationship. In this context, it is hard to attribute insufficient value creation to either one of both parties involved. A low value perception, a saturated network and the disintegration of sponsorship in the organization can cause this absence of value.

Personal relationship. In addition to the value that is created within a sponsorship alliance, the respondents also recognized the personal interaction between sponsees and sponsors as an important ingredient in the sponsorship relationship:

You have to deal with people, mostly with directors of companies who are in our business club. Sometimes these people think they have not been treated well, which may be about tickets, invoices, or whatever. Then, such a director might say: What are you doing to me? I am going to cancel my contract (SE1).

The lack of communication or interaction that only occurs at crucial moments, such as when the sponsorship contract has to be extended, could also be a threat to relationships:

During the last few years, we heard there was too little contact from the club, or too little communication […]. We are now trying to counter this. That is why we have our own portfolio being an account manager […]. We have eliminated the lack of contact with the sponsor [which was a reason to discontinue the relationship] (SE2).
Additionally, the mutual and personal relationships between sponsors in the sponsorship network can be an influencing factor in deciding to terminate the sponsorship:

There were also two or three sponsors that formed a close group; some of the group members no longer come to the club as a sponsor. This affects the atmosphere negatively [for the other sponsors]. This is a reason for people stopping their sponsorship, and we understand this (SE8).

Personal and individual bonds between sponsors and sponsees or between different sponsors themselves can be of crucial importance for a sponsorship relationship and its longevity.

**External factors**

Finally, the external environment can have a certain influence on a sponsorship relation that is not affected by any of the involved parties. Some of the respondents identified the influence of legislation and regulations as a potential disruptor of sponsorship discontinuation.

*Legislation and regulations.* Respondents reported that government involvement can cause severe constraints, potentially leading to the end of sponsorship relationships:

While exposure is central to sport sponsoring, it is also about relationship marketing. Although the legislation and regulations are important, they also constrain us. The law prescribes the maximum amount of money that can be spent on relationship marketing. If you look back, you sometimes think: How was this [much] possible? But now the other side is exaggerated (SP2).

Apart from imposing restrictions from the government, political decisions can also impact sponsors, whose main objective is exposure and product sales that result from sports sponsorships:

Our beer sponsor believed less in football [sponsorship] since they thought the alcohol law would become even stricter and thought it too risky to sign a long-term contract with us (SE10).

In summary, legislation and regulations can make sports sponsorships less attractive or in certain cases can even prohibit a sponsorship.

**Summary**

After reviewing all relevant factors influencing the questions of whether to continue a sponsorship, Figure 1 shows a comprehensive overview of all identified findings within the respective categories, including sponsor-related factors, sponsee-related factors, inter-relational factors and external factors.

5. **Discussion**

The four established clusters containing the identified sponsorship disruptors can be seen as a solid basis to further develop an understanding of the sponsorship relationship.

![Diagram](image-url)

**Figure 1.** Identified factors influencing the decision of sponsorship discontinuation.
In particular, this research identifies reasons that could lead to a termination of a sponsorship relationship. At the same time, the identified reasons also give insight into what needs to be done to employ sports sponsorship as an important measure to achieve competitive advantage. Cobbs (2011) discusses two different perspectives on sponsorship: property-based and alliance-based. A property-based treatment of sponsorship counters the nature of the relationship marketing idea. Such sponsorships are replaceable and non-relational. Hence, they face the danger of being terminated. Looking at the identified sponsorship disruptors in this study, it becomes evident that often these reasons occur due to a missing framework for the sponsorship relation that builds on a long-term perspective, conflict resolution and mutual understanding (Cobbs, 2011). The aim of both involved entities should be to see the sponsorship relation as a strategic alliance that is difficult to replace and more constant against potential disruptors.

This study finds existing reasons for sponsorship termination and thereby confirms their sustained relevance and validity. Additionally, completely new reasons are identified that might endanger a relation between sponsors and sponsees. Those new disruptors are objectives achieved, negative associations, sports results and signals to society. The empirical results indicate that achieved objectives (especially from the perspective of the sponsor) can lead to an insufficient perception of value and thus, as a consequence, to the termination of the sponsorship relation. For example, when a sponsor determines a new network development as its main objective, his perceived value of the sponsorships decreases after achieving this goal. Following the previously mentioned idea of understanding sponsorships as relational exchanges, the exchange theory, which includes both parties agreeing that the paid price equals or exceeds the offer, proves to be a useful concept. By weighing all existing benefits against all relevant costs of a sponsorship, the attractiveness of a relationship can be determined. The study findings show that the transference of negative associations from the sponsee to the sponsor can decrease the attractiveness of a sponsee and potentially lead to sponsorship dissolution. However, negative associations can stem from an overall negative climate within the entire sports category, from individual club scandals or from negative public relations related to a concrete person. Similar to the impact of negativity, a sponsorship’s attractiveness is shaped by the sports results of the sponsee. In the case of a negative match results or a worsened overall standing in the respective category of sports, the beneficial value of the sponsee decreases and might act as a relationship disruptor. It becomes evident that sponsors are highly concerned about the associations and images their sponsorship relations create, which actually is in line with the sponsor’s desire to send the right signals to society through their sponsorships. Since sponsorship is not very well known in society as a marketing tool, sponsors are often concerned about the ambiguous message an engagement in sponsorship potentially sends to society. Such insecurity might be another reason why sponsors can be hesitant in continuing a sponsorship.

The sponsorship disruptors that are exclusive to this study and the factors mentioned in previous findings and validated by this research put an emphasis on the importance of applying the relationship marketing lens to sponsorship. Once a sponsorship is treated as a resource instead of being perceived as strategic alliance, disruptors might lead to the dissolution of a relationship due to a missing relational framework (Cobbs, 2011) and the resulting fragility.

Table IV presents an overview of the reasons identified in this study and previously found reasons that are validated by this research.

6. Conclusions

Theoretical implications

Sponsorship has become a relational exchange instead of pure short-term transaction (Farrelly and Quester, 2005). Regarding sponsorship as a short-term transaction is not only very cost-intensive as involved parties are constantly subject to change, but sponsors and sponsees will never have the chance to establish a valuable relation characterized by a high
quality of inputs and outputs (Chadwick, 2002). Therefore, this research advocates exploring sponsorship by taking a relationship marketing lens.

Most existing research in the field of sports sponsorship neglects possible negative outcomes of a sponsorship alliance, although such insights are relevant for theory and practice (Cobbs, 2011). This study uses inductive reasoning to come to a framework that allows sponsees to anticipate when sponsors are likely to discontinue their sponsorship and thereby contributes to the small amount of existing research on reasons why relations between sponsors and sponsees could be terminated. Based on an exploratory research approach, four clusters are developed that contain disruptors to sponsorship relations. Those clusters take different perspectives, and the typical sponsor perspective is broadened by researching sponsorship relations from the perspective of the sponsee as well and integrating further relevant dimensions (Jensen and Cornwell, 2017).

On the one hand, the reasons that have been presented in previous research are identified and validated. On the other hand, four novel and thus far undiscovered sponsorship disruptors are established and discussed. Hence, this study gives a more complete insight into the facets of why sports–sponsorship relations could be terminated than has been offered by the existing literature thus far. Additionally, it is shown that in most cases a combination of reasons underlies the discontinuation decision and that some of the identified reasons are mostly subordinate or at least similar to other reasons, such as a sponsor’s concern about negativity, sending the right signals to society and sports results.

Managerial implications

All the interviewees indicated that they intended to engage in long-term relationships with their partners. To avoid discontinuation during the early stages of this process, it is of crucial importance that sponsees have an overview of the potential threats to these relationships. By identifying a list of potential relationship disruptors in this study, sponsees are able to proactively search for ways to eliminate certain obstacles. Sponsees can address some reasons for discontinuation by thinking actively about the interest of the sponsor. For example, sponsees can actively engage in creating domains for sponsors at a certain level in order to meet the sponsors’ need for exclusivity.

This study also reveals that a joint effort by all sports-sponsorship stakeholders will be welcome. Sponsors should always have long-term strategic goals outlined in advance of a partnership, and sponsees should also be strategic in their partnerships, even if that may require them to forego some short-term revenue gains.

It becomes evident that all disruptors emphasize a general problem in the foundation of the sponsorship relationship. A solid relational framework built around the elements of trust, commitment and collaborative communication is missing. Once such a foundation

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Table IV. Research comparison: reasons for discontinuation of sponsorship relationships
does not exist, the sponsorship relation is fragile and can be endangered by various factors. Therefore, the managers of sponsorships and sponsees are recommended to view the relation as a strategic alliance rather than a resource from the very beginning of the sponsorship. These findings suggest the incorporation of basic elements that characterize relationship marketing (Morgan and Hunt, 1994; Cobbs, 2011): trust – confidence in the reliability and integrity of the partner, commitment – willingness of entities to make investments and collaborative communication – co-creation in communication, especially in regard to feedback and information.

Limitations and recommendations
Although this study offers a more complete insight into sponsor–sponsee relationship discontinuation than what can be gleaned from the literature to date, certain limitations must be considered which, in turn, suggest avenues for further research.

First, data collection was only undertaken in the Netherlands. In an increasingly international culture, sports sponsorship is becoming increasingly global (Mao and Zhang, 2013). It would be interesting to conduct a comparable study on a larger scale. Second, this study focuses mainly on cases involving football sponsorship. Note that other sponsorship areas may provide other reasons. By including other types of sports in a subsequent study, a broader focus will be achieved on sponsorship relationships. Third, this study makes no statement on the frequency of the reasons for discontinuation. A considerable number of interviews form the basis of the spectrum identification, but this number is still insufficient to make quantitative statements. Further research can use this framework to quantify the reasons. Fourth, due to individual approaches, the respondents may have been subject to a certain kind of self-selection. In particular, in situations in which conflict formed the basis for ending the relationship, the information may be too sensitive for those involved to discuss. Although this study ensures the respondents’ anonymity and confidentiality, future studies can improve on this by hiding sensitive information and by submitting data digitally and anonymously, using fictitious names or by using projective interviewing techniques.

7. Concluding thoughts
This paper examines possible disruptors of sponsor–sponsee relationships by taking a relationship marketing lens to research the dynamics of sponsorships. Inductive reasoning is used to develop a framework that allows sponsees to anticipate when sponsors are likely to discontinue a relationship. Prior disruptors are validated, and novel reasons are presented and discussed. Our study shows that some sponsorship relations are characterized by a certain fragility. It becomes evident that these relations lack a framework that is built on a long-term strategic perspective. Instead, stakeholders regard the sponsorship relation as a short-term exchange process. Viewing a sponsorship as a mere transactional exchange not only counters the nature of the relationship marketing paradigm but also contributes to existing research by contradicting the typical relational view on sponsorships. The literature advocates an alliance-based approach to sponsorship; however, it seems that in certain real-life cases a property-based treatment of sponsorship prevails. Future research might follow up on these findings and further examine the existence, effects and consequences of an alliance-based approach to sponsorship relations.

References


Further reading

### Appendix

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**Table AI. References to the historical cases (LexisNexis)**

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