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**VALUE CO-CREATION IN PARTNERSHIPS: CASE STUDY OF ESPORT
HONKA**

Master`s Thesis in
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ABSTRACT

Partnerships in sports business are often researched from the perspective of marketing activities. While marketing activities are important factor for sports organizations and sponsors, this study aims to provide more holistic view on partnerships from the perspective of strategic management and examine partnerships by utilizing value co-creation framework. This study focuses on examining how value is being co-created in partnerships. Firstly, in order to understand how value co-creation occurs in partnerships, the activities that drive the development of partnerships are identified and presented. Secondly, the key resources, knowledge and capabilities that have an effect to the success of value co-creation process are examined. This study is conducted as a case study that researches the partnerships of Esport Honka, a Finnish football club. Esport Honka is a business unit of a large indoor sport complex business Esport Group. The empirical data is collected in eight semi-structured interviews. The interviews consist of five partnerships, in which both sides, Esport Honka and the sponsor, are interviewed to form comprehensive understanding of the activities, resources and capabilities involved in the value co-creation process in partnerships. The interviewed partners were selected on the basis of the importance of the partners for the sports' organization.

Partnerships in the context of football in Finland are important if not the most important source of revenue for football clubs. Therefore, the activities conducted in partnerships can define not only the revenue base for sports' organizations, increased sales and brand awareness enhancement for sponsors, but simultaneously, they can contribute to the success factor on the field as larger revenue base can be used to attract better players. Managing, innovating and cultivating activities in collaboration with partners can become a strategic capability for sports organization and a deciding factor in highly competitive market. Additionally, capability building in managing partnerships require constant systematic evaluation of the current practices and innovating new practices by combining new resources, capabilities and knowledge in different methods. Value-adding resources, capabilities and knowledge are created internally within the Esport group, in collaboration with partner or in larger network context involving a multitude of stakeholders. All the resources, capabilities and knowledge from different stakeholders are constantly combined in the creation of stories. Since sports organizations cannot be the only entity in creating a story, it needs to involve other stakeholders to the story creation process. Nevertheless, the input of sports organization in the creation of stories is vital. The main role of a sports organization in a value co-creation process is to exist as a platform that brings a large group of different stakeholders together and connects each stakeholder to a value creating story.

The main findings of the study explain in detail the value co-creating activities that are currently present in partnerships between Esport Honka and sponsors. Additionally, the conclusion part points out important factors that contribute to developing resources, capabilities and knowledge that could be utilized in enhancing the activities performed in the partnerships.

KEYWORDS: value co-creation, partnership, sponsorship, sports business, capability building

1. INTRODUCTION

If we go back 30 years in time, business and sport were rarely mentioned in the same context (Cave 2015). Even though, sports have been around as long as people started organizing sports, it is quite new research subject (Pitts 2001: 4). Nowadays, sports cannot anymore be seen only as a leisure activity, because sports business has been one of the fastest growing industries in the recent years (AT Kearney 2011; Gómez, Kase & Urrutia 2010: 16-17; Pitts 2001: 4). Roberts (2010: 14) argues even further and claims sport to be bigger than big business, while in the same time being much more socially involving and engaging. According to Roberts (2010: 13), the sports business represents the new twenty-first century stakeholder model. Even though, the growth of the industry has been phenomenal, it has not received too much attention from management scholars and social scientists. Sports organizations with their specific characteristics and features deserve to be studied on their own terms. (Gómez et al. 2010: 17.)

Sports organizations have the capacity to evoke emotions and stir passions in their customers which lead to a generation revenues and media attention through variety of different channels, including broadcasting rights, advertising and branding (Gómez et al. 2010: 16). Gillentine, Crow & Harris (2015: 1) argue that sport should not be compartmentalized into one industry, but it should be seen as a major component of the entertainment industry, competing for the income of fans all around the globe.

Contemporary sport institutions and clubs have many same attributes with large or medium-sized businesses. Moreover, they have become companies that strive to create and deliver value to their customers in order to gain revenue and expand their brand recognition. (Gómez et al. 2010: 16-17.) While sports' attraction is based on its lack of predictability, and business is all about controlling risks and eliminating possibilities for uncertainty on constant basis, one could make a conclusion that these two separate topics have nothing to do with each other. In fact, business and sports have much in common, for example, both are competitive, they both produce winners and losers, and in order for

the company or the sports organization to beat the competition, excellent teamwork, degree of commitment, talent and unswerving focus are required. (Roberts 2003: 9.)

The viability of sports organizations is highly dependent on how well they manage to gather funds to manage their business. Especially in Finland, where the biggest amount of the yearly budget of football club comes directly from partnerships, it is crucial to manage the partnerships in the best possible way to ensure partnerships are profitable and that they can be continued, and both members of the relationship, can extract value from the relationship. The old way of one-way sponsoring is dying, and the firms that use sponsoring as a marketing tool, require clear and definite results from sponsoring actions (Kauppalehti 2017). This puts a demand for sports organizations to come up with a strategy to answer to the needs of the current and future partners. Sponsoring investments have been increasing in Finland for several years now (Markkinointi&Mainonta 2017). Sports receive the biggest share of these sponsoring investments, which gives a great possibility for the sports organizations to serve the partners in sponsorship relationships, while at the same time develop their own business.

In order for the sports organizations to develop their business, they need resources and cooperation with their partners. The amount of cooperation has high correlation with how the sponsorship relationship is perceived from both sides. To approach this problem, I will use the value co-creation framework, which is a new model in the management literature that concentrates on creating value through interactions (Galvagno & Dalli 2014: 643). Therefore, the study will dwell into the problem of maintaining and developing the partnerships between the sports organization and sponsors through the lens of value co-creation.

1.1. Background of the study

Value creation in sports business has been commonly seen as an effective way of using the sports organizations resources that leads to creation of products and services that provide value to customers. This translates to a belief that sport managers have full

control over the production and delivery of their products and services. (Woratschek, Horbel & Popp 2014a: 1.)

This train of thought is disagreed by Woratschek, Horbel & Popp (2014b: 11) and instead they argue that value is being co-created with all the stakeholders. Woratschek et al. (2014b: 11) proposes a sport value framework (SVF), which is based on the fundamental ideas of service-dominant logic (SDL) presented by Vargo & Lusch (2004: 2) mixed with the special characteristics of sports in order to better explain how value is created in sports. Jacopin, Kase & Urrutia (2010: 60) argue along the same lines that the management of stakeholders is the key to a successful business model for the sport entities and can provide a positive virtuous cycle of value creation through integration of stakeholders.

Sponsorship is at its best co-creation of value and content between the sponsor and the sponsored sport entity in collaboration with stakeholders and community. The cooperation between the sponsor and the sports organization is basically an ability and a want to connect and govern different kind of thinking and way of doing for the benefit of both, through information sharing and innovation. (Valanko 2009: 49.) For the purpose of researching sponsorships, the value co-creation framework is a great tool to be utilized, because it provides a useful platform to understand how value is being created in the sponsorship relationships. As sponsorship has gained wider recognition in the recent years, and the demand for definite results and outcomes in the sponsorship relationship is existing, the need for study is apparent.

1.2. Research gap

Even though, the term co-creation has gained a lot of attraction on theoretical essays and empirical analyses since the early 2000s (Galvagno et al. 2014: 643), the method hasn't been used widely in the context of sport sponsorship. Gwinner & Bennett (2008: 411) point out that sponsorship has not received enough attention in the marketing literature and the research on sponsorship has been done without theoretical grounding, which

creates a gap to be researched on. According to Woratschek et al. (2014a: 1-2), the application of service-dominant logic has been limited in the sport management literature and the application in practice even more limited. Furthermore, as value creation in the context of sport is not based on goods-dominant logic, but rather the value creation process is influenced by all the actors of the network, it is crucial for sports organizations to understand how much each stakeholder has an effect to the process. Moreover, as Woratschek et al. (2014b: 21) argue that the amount of influence each actor has is currently unknown, therefore it is vital for both sports organization and the partners that take part in the process, to consider the engagement of other stakeholders to the value creation. In addition, Demir & Söderman (2015: 293) point out that there is a lack of studies that aim to explain and define the factors that shape the dyadic relationship between sponsor and sponsored organization, therefore this study aims to provide explanations to the activities that occur in the interaction between these two entities and within their corresponding networks. Moreover, as this study is a case study, the research conducted, aims to explain how resources are activated in different partnerships and highlight the important factors that determine the success of a partnership. These findings can provide managerial implications for sports organizations that have scarce resources, and for sports organizations that operate in similar market conditions in order to develop their corresponding businesses.

1.3. Objectives and research questions

The main purpose of the research is to study with the purpose of understanding how co-creation of value happens in interactions in partnerships between sponsor and sponsored sports organization. The need is imminent, as I was specifically assigned to research this topic and two football clubs in Finland (Espoo Honka and Vaasan Palloseura) expressed and emphasized this topic as the most crucial for their survival and development as a sport club. Therefore, the research will explore value co-creation activities that have an effect to the partnerships. Thus, the main research question will be narrowed to following format:

1) *How is value co-created in partnerships between sponsor and sponsored sports organization?*

In order to get a more comprehensive understanding of the activities that occur in partnerships, two additional research objectives are presented in adjunction to the main research question:

2) *What activities drive the development of partnerships?*

3) *What resources, capabilities and knowledge add value to the partnership?*

1.4. Thesis structure

This study consists of five different chapters. The first chapter introduces the topic of the study, points out the research gap, explains the background and reasons for conducting this study and presents the research objectives and questions that this study aims to answer. The second chapter consists of literature review, which is divided into three different sub-chapters. First sub-chapter explains the theory of value co-creation, second sub-chapter presents theoretical knowledge on sponsorship and partnerships, and the third sub-chapter explores the interplay of value co-creation and partnership. Moreover, the theoretical framework used as a lens in the study is presented in the end of the second chapter. The third chapter discusses the methodological choices of the study and how the research is designed. Furthermore, the research strategy, data collection and analysis methods are presented in the third chapter. The reliability and validity of the study is included and argued in this part as well. The fourth chapter presents the findings of the study. Moreover, the companies involved in the study are introduced and findings are mirrored against the theoretical framework of the study. The fifth chapter synthesizes the key findings of the study and explores the theoretical and managerial contributions of the research. The limitations of the study are presented and suggestions for further research are presented.

2. VALUE CO-CREATION IN PARTNERSHIPS

This chapter introduces the context of the study, the value co-creation processes between different stakeholders and the sports organization. Furthermore, in the first part, value co-creation is explained, and different theories and point of views of the value co-creation are presented from distinguished scholars of the field. Secondly, the definition of partnerships, mostly in the context of sport, is explained in detail. In the last part of the chapter, these two different topics are put together and an exploration of how value co-creation practices and processes happen in the sport ecosystem, and what actors take part in the value co-creation process will be presented.

2.1. Value co-creation

The amount of information, knowledge and connectiveness of people has multiplied in the contemporary world. The desire of different stakeholders for conversation and engagement to the organizations' value creation process has increased considerably in recent years and have changed how value is delivered and appropriated. The organizations that follow the traditional model of firm-centric paradigm of value creation and who fail to engage the stakeholders into the value creation process are facing dire times. Breakthroughs in technology have paved the way for new ways of designing and delivering products and services. Without the fundamental aspect of understanding and engaging the different stakeholders into the value creation process, the organizations are doomed to lose out in attracting customers and in understanding what customers really value. (Ramaswamy & Gouillart 2010: 3.) Therefore, it has become a necessity for organizations to collaborate with stakeholders to come up with more innovative solutions to create value in collaboration instead of creating value offerings in separation.

One of the first ones to come up with the term value co-creation was Prahalad and Ramaswamy (2004), who highlighted the importance of customer experience as a core to enterprise value creation, innovation, strategy, and executive leadership. Value co-

creation happens by the practice of developing systems, products, or services through collaboration. The collaboration in value co-creation process can include one or all of the stakeholders of the organizations, including customers, managers, employees, suppliers, partners or any other stakeholders. By combining the resources and capabilities of an organization with resources and capabilities of different stakeholders leads to interactions and engagement in which new ideas are developed and insights into the preferences of stakeholders are gained through knowledge sharing. (Ramaswamy & et al. 2010: 4.)

Ramaswamy & Ozcan (2014: 14) defined the value co-creation as a “*joint creation and evolution of value with stakeholding individuals, intensified and enacted through platforms of engagements, virtualized and emergent from ecosystems of capabilities, and actualized and embodied in domains of experiences, expanding wealth-welfare-wellbeing*”. The comprehensiveness of the definition is illustrated in the following **Figure 1**.

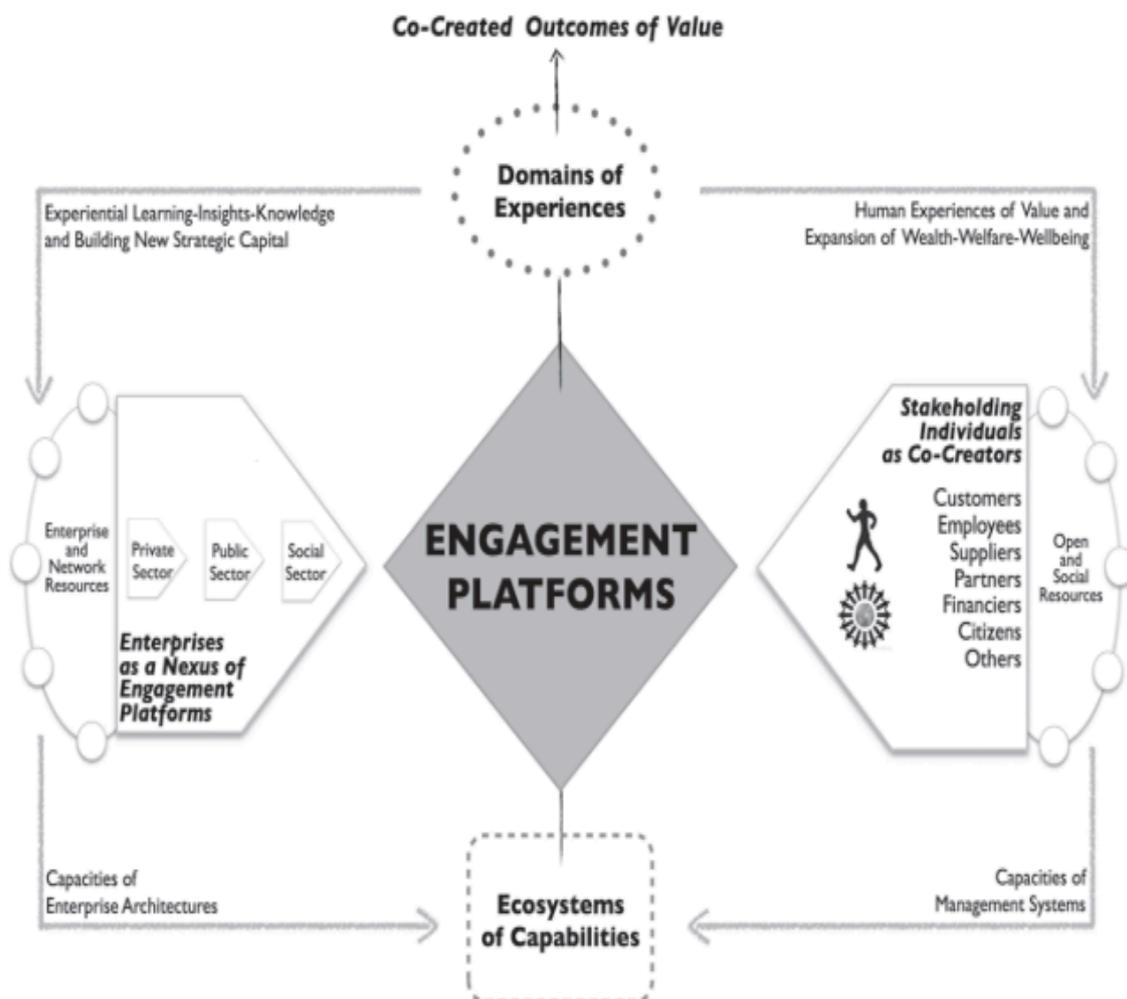


Figure 1. Value creation as value co-creation (Ramaswamy & Ozcan 2014: 2).

According to Ramaswamy & Ozcan (2014: 15), the co-creation is a continuous cycle, in which vast amount of possible opportunities of joint value creation exists. Thus, in the contemporary business world, the role of a manager or strategist involves constant thinking of how engagement platforms are formed and managed, in which the interaction of capabilities, resources and knowledge of the stakeholders and the organization is blended to produce outcomes of co-created value experiences, which can lead to organization gaining competitive advantage.

According to the traditional model of value creation, the role of the end-user has been mostly the recipient of the value proposed. The main difference between the traditional value creation model and value co-creation model lies in the role of the end-user, as the end-user actively participates into the value creation process in value co-creation concept. (Torvinen & Ulkuniemi 2016: 59.) By involving the customer to the value co-creation process, sustainable performance can be achieved in the marketplace (Vargo et al. 2008: 148.) The co-creation process allows the customer to personalize the service experience to match his/her needs (Prahalad & Ramaswamy 2004: 5), which leads to the increase in the wellbeing of customer through positive value experience by the customer (Grönroos & Voima 2013: 136).

Vargo et al. (2004: 12) emphasized the role of customers in value creation in similar fashion to Prahalad et al. (2004). Vargo, Maglio and Akaka (2008: 146) argue that “*the roles of producers and consumers are not distinct, meaning that value is always co-created, jointly and reciprocally, in interactions among providers and beneficiaries through the integration of resources and application of competences*”. According to the service-dominant logic, companies can only propose value offerings, but when the customer is applying his or her use to the value offering, the value is being co-created. To put in other words, the suppliers in value co-creation apply their knowledge and capabilities to the production process and branding of the product or service, and the role of customers is to integrate their knowledge and capabilities to the usage of the produced product or service (Vargo et al. 2008: 149-150). Therefore, the ultimate determinant for

the value is the customer, which determines the value through utilization as value-in-use, instead of through its sale price as in value-in-exchange.

Payne, Storbacka & Frow (2008: 83) define service-dominant logic very similarly to Vargo and Lusch's (2004): "*central to service-dominant (S-D) logic is the proposition that the customer becomes a co-creator of value, which in turn emphasizes the development of customer-supplier relationships through interaction and dialog*". Although the subject of customer value and the co-creation of value has been researched by numerous scholars, the way the customers engage in co-creation processes is still relatively unknown. According to Payne et al. (2008: 84), "*the value co-creation process involves the supplier creating superior value propositions, with customers determining value when a good or service is consumed*". If the value propositions offered to the customers by the firm, are relevant to the target audience, this should enable more value co-creation opportunities and possible beneficial results for the supplier in the form of revenues, profits and referrals. The engagement of the customer in to the interactive processes of product design and product delivery may develop the process of learning together and enable the co-creation process with a target to serve better the needs and wants of customers through customized and co-produced offerings. In the following **Figure 2**, the point of view of Payne et al. (2008) is illustrated.

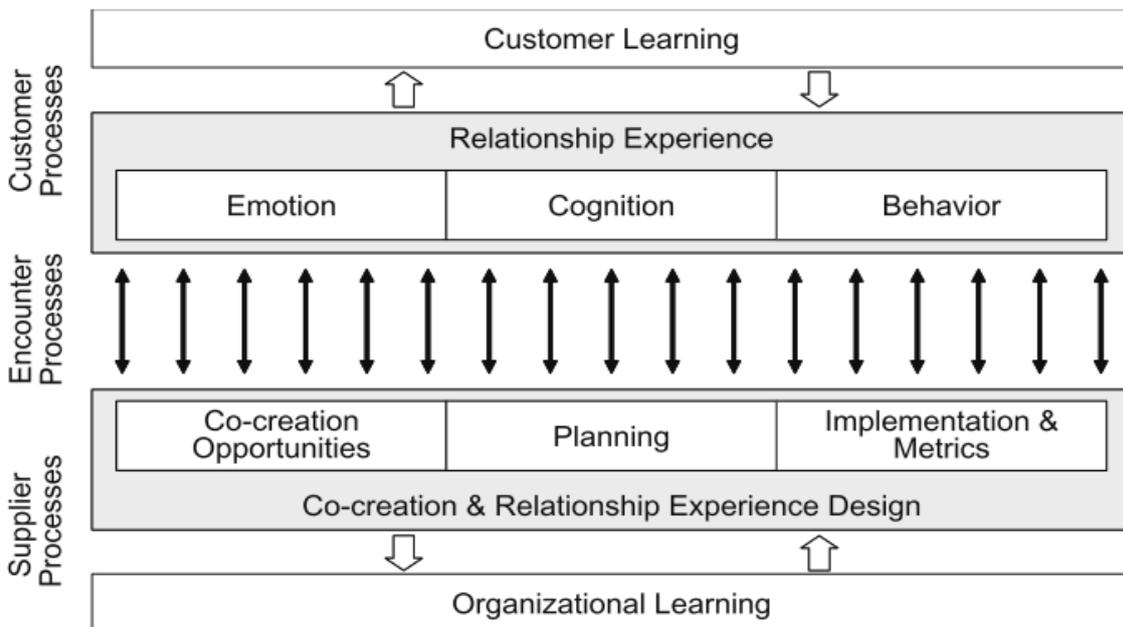


Figure 2. A conceptual framework for value co-creation (Payne et al. 2008: 86).

Gröönroos et al. (2013) provide an alternative perspective to S-D logic, which is called service logic perspective. In service logic perspective, the focus lies in the distinction between the customer service logic and the logic of the service supplier. The service logic perspective emphasizes the importance of the process of how value develops instead of highlighting the firms' value process, which is dominant in S-D logic (Alves, Fernandes & Raposo 2016: 1627). In order to make the process of value co-creation and the roles of its participants more understandable, Gröönroos et al. (2013: 140-142) introduced the concept of value creation sphere, which consists of three value spheres: the provider sphere, the customer sphere and the joint sphere. The role of the firm in the provider sphere, is to provide resources to be used in the customer's value creation. These resources are provided by performing activities such as design, development, manufacturing and delivery. Thus, the firm act as a value facilitator. In the joint sphere the value creation happens in interaction. The role of customer is to be the value creator in direct interaction, but when the customer invites the provider into this process, the value is being co-created in the interaction between the customer and the firm. The customer sphere is closed to the provider, and the customer creates the value creation process as value-in-use, without the interaction with the provider. The role of the customer is emphasized as the initiator and controller for the co-creation process as the firms can only provide resources and facilitate the value creation, while having no control over it. The boundaries of the spheres are dynamic, which means that if the provider invites the customer to join the producing part as a co-producer, this circumstance enables the co-creation and, therefore, enlarges the joint sphere. Same thing happens when the customer invites the producer to a value co-creation platform to provide interaction possibilities for the firm. In the following **Figure 3**, the aforementioned themes are illustrated.

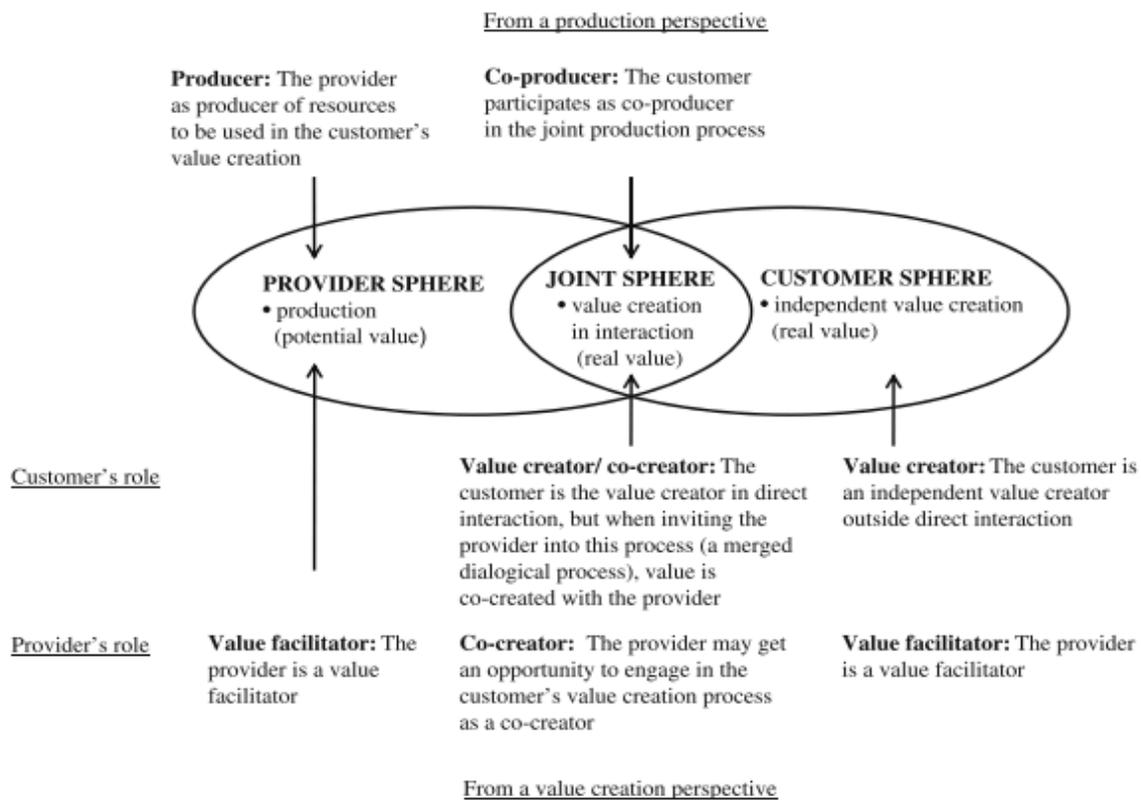


Figure 3. Value creation spheres (Grönroos & Voima 2013: 141).

Recently, Vargo and Lusch (2016: 7) introduced actor-to-actor (A2A) approach to refresh their S-D logic. Instead of predesigned roles in the network, all the actors are doing the same thing. Thus, all actors in value co-creation process integrate resources and engage in service exchange. They wanted to emphasize that value creation takes place in networks, and that each integration or application of resources changes the nature of the network in some way, and that institutions coordinate mechanisms that exist in networks that facilitate all of the activities associated with resource integration and service exchange through the coordination of actors. For example, the difference between the models of Grönroos et al. (2013) and Vargo et al. (2016) lies in choosing of perspective. While Grönroos et al.'s (2013) value co-creation perspective focuses on the interaction between single provider (company) and the beneficiary (customers), Vargo et al.'s (2016: 9) perspective stresses that *“the value creation doesn't happen through the activities of a single actor or between a firm and its customers but among a whole host of actors”*. In the following **Figure 4**, the ideas of Vargo et al. (2016) are illustrated.



Figure 4. The narrative and process of S-D logic (Vargo et al. 2016: 7).

2.2. Sponsorships and partnerships

There are vast amounts of different definitions for sponsorship in marketing literature, and the definitions vary depending on the country. Although, there has been a lack of consensus, the scholars studying sponsorship has come into an agreement that sponsorship is based on an exchange between sponsor (often a company) and sponsored (often individual, community or business), and takes into consideration both contracting parties. (Valanko 2009: 52; Walliser 2003: 8.) Sponsorship is not charity work, corporate giving, philanthropy or patronage, because none of these activities have the intention to exploit brand association (Walliser 2003: 9). Valanko (2009: 52) points out that *“sponsoring affects through associations. It doesn’t give straight message or purchase prompt, but rather affects the target groups indirectly through connecting the sponsor and target groups”*.

The main reasons for companies to start sponsoring are the strengthening of their brand awareness, visibility, the image and the profile of the sponsored target (Valanko 2009: 52), public awareness of a company or brand and the changing of brand image (Farrelly, Quester & Burton 2006: 1017; Meenaghan & Shipley 1999: 340), forging political and business linkages (Gardner & Schuman 1988: 45), personal interests of senior executives (Meenaghan 1983), improvement of employee relations (Berrett 1993), field testing new potential products (Abratt, Clayton & Pitt 1987), establishing a competitive presence globally (Ruth & Simonin 2003: 20), targeting consumers through their lifestyles and interests (Bennett & Lachowetz 2004: 239; Roy & Cornwell 2004: 186), influencing the perceptions and purchase behaviors of target consumers, business partners and other influential stakeholders (Farrelly et al. 2006: 1017). For the sports organizations, the defining reasons to enter into sponsoring agreements are the substantial rights fees from sponsors. In the sponsoring agreements, the sports organizations give legal right for the sponsor to use the trademarks, logos and intellectual capital in promotional activity that is associated with the sports organization. (Farrelly et al. 2006: 1017.)

Corporate sponsorship of professional sporting events has seen a dramatic growth and it has become a massive business nowadays (Gordon & Cheah 2017: 2). Global sponsorship expenditure for 2013 was approximately 53.3 billion US dollars (Meenaghan 2013: 385) and 62.8 billion US dollars in 2017 with 4.6 percent growth in 2016 (IEG sponsorship report 2017). According to the latest trends, marketing contents and the exploitation of rights is increasing in sponsorship in Finland. Sport entities in Finland, have on average 110 sponsors per one sport entity and they are expected to continue growing in future. (Markkinointi & Mainonta 2017.)

In order to attract major sponsorship deals, the sport clubs need to have local and international sporting success and exposure. The success and exposure give the possibility to attract wide fan bases both locally and internationally. (Leach & Szymanski 2015: 42.) In the sense of sporting success, the market area is a big factor in defining how much clubs can generate commercial sponsorship revenue (KPMG 2015). Therefore, in smaller market areas, for example in Finland, it is more difficult to attract international

corporations than in the “big five” (England, France, Germany, Italy, Spain) football leagues, because of the smaller size of population and economies in these markets. Historic capital has an important role to play as the previous success has created emotional connection between the fans and the sport club, and thus the sport clubs with large base of historic capital have had more time to build customer base and traditions (Jacopin et al. 2010: 33). The historic capital can be turned into economic capital, which gives the possibility to spend more on better players, and therefore, the sport club has better resources to perform better. Moreover, Parganas, Liasko and Anagnostopoulos (2017: 211) argue that “*the more renowned the club, the more powerful its ability to attract new fans and hence appeal to broadcasters and sponsors*”. Furthermore, according to Jensen and Cornwell (2018: 8-9), a successful on-field performance is linked to a smaller chance of dissolution of sponsoring relationship. Although, the relationship between successful on-field performance and continuing sponsoring relationships is apparent, the partnerships should not only be based on on-field success in order for the sports organizations to be sustainable in the long term.

Sponsorship contracts have become such a substantial force that they cannot be considered anymore as a just a communications-related decision in firms participating in sponsorship. The growth of sponsorship has moved it from an additional role to become the cornerstone of the whole marketing strategy of corporations (Meenaghan 1998). The fact that sponsorship has become an important part of strategy, is that the decision makers are often senior managers instead of product or brand managers (Burton, Quester & Farrelly 1996). Fahy, Farrelly and Quester (2004: 1015-1016) mention a number of reasons that might explain the growth in status of sponsorship in strategical sense. Firstly, the sponsorships contracts provide a possibility for exclusivity that is not often accomplished by other means of communication (Amis, Slack & Berrett 1999: 266). Secondly, the length of the contracts has increased, because the need for longer term contribution of both parties have become important (Crimmins & Horn 1996), which means that the process of sponsoring has become more of a strategic choice rather than a choice of communication media. In addition, Farrelly et al. (2006: 1020) suggest that the development of commercial sponsorship activities has led to a situation in which sports organizations are being evaluated as marketing platforms that connect consumers with

the brand of the sponsor. Therefore, the emergence of platform-thinking has required more of an active partner involvement in the partnership, which has led to value co-creation possibilities in the form of knowledge sharing in a longer term (Lund 2010: 113).

Therefore, sponsorship has changed from an exchange between a sponsor and sponsored to an important strategic decision and marketing partnership, in which relationship management plays a key role in increasing inter-organizational learning through sharing of knowledge, resources and capabilities. Since the contemporary sponsorship is a strategic choice and puts increasing managerial pressure to the organization in the form of large marketing investments to partnerships with expectations of clear and definite return on investments, sponsorship activities require thorough strategic planning, implementation of the chosen sponsorship strategy and evaluation of the effectiveness of activities. In addition, the collaboration in the sponsor-sponsored partnership is a paramount in order to reap mutual benefits, as individual organizations cannot think to overcome all the issues, tasks and goals that comes in their way by themselves (Woodland & Hutton 2012: 366). Nevertheless, the formation and sustaining of partnerships can become difficult, unless they are being constantly taken care of (Peachey, Cohen, Shin & Fusaro 2018: 161), which might lead to disappointing results, and in the worst case, the partnerships might lead to value co-destruction if proper time and care is not taken in the collaboration process (Järvi, Kähkönen & Torvinen 2018: 64).

Hence, the sponsorship is not thought as a charity work anymore, but rather as a more demanding and complex relationship between a sponsor and a sponsored organization, and it makes sense to label sponsorship as a partnership. Furthermore, Valanko (2009: 52) points out that, the most contemporary word for sponsorship is partnership, which emphasizes the cooperation of sponsor and sponsored. The reason for the usage of term partnership, rather than sponsorship, lies in the vague definition of sponsorship and with the harsh cold fact that partnership describes the nature of cooperation in the sponsorship and that cooperation is necessary in order to make the partnership valuable for both parties. Lewandowska (2015: 37) argues that “*partnership is a relationship that implies the combination of resources in order to maximize outcomes, knowledge sharing and, as a result, competency development and more innovative ways of working*”.

Amis et al. (1999: 259) and Farrelly et al. (2006: 1019) suggest that the strength of the inter-firm relationship between the sport entity and corporate sponsor is crucial for partner satisfaction and for continuous partner association. Farrelly (2010) and Renard & Sitz (2011: 125) define contemporary sponsorship as a 'co-marketing alliance' or 'strategic partnership' between two organizations. Nufer and Bühler (2010: 166-167) argue that the reason for the most successful sport sponsorships lies in productive relationship between the sponsored and sponsor organizations.

Therefore, if sponsorships can be thought as partnerships, it is relatively easy to include value co-creation activities into developing the relationship between the two entities. Since partnerships are based on mutually agreed objectives, in which resources and knowledge are pooled together to gain synergies and innovation through reciprocal participation (Brinkerhoff (2002: 21), it is logical to presume that, the better value co-creation activities can be managed in the partnership collaboration, the better results should be achieved for the benefit of both. Although, partnerships are not excluded into dyadic relationships, but networks, joint ventures and strategic alliances between two or more entities can be included into the definition of partnerships (Parent & Harvey 2009: 23). Especially, the networking perspective in partnerships is interesting and might prove helpful in understanding how value is co-created. For example, the more the members of partnerships within network or ecosystem are collaborating, the more innovative and useful ideas might be developed in multidimensional interactions. Hence, it becomes highly valuable for the sports organization to identify non-competing partners that can mutually benefit from collaborative experiences and learn new ideas and knowledge to come up with innovative breakthroughs.

As presented in the introduction, the research question proposed in the present thesis is how value is co-created in partnerships between sponsor and sponsored sports organization? In order to answer the research question, it is important to understand how partnerships are formed and developed during the process, because without understanding and documenting the aforementioned stages, it would be difficult to replicate the process later on, which is crucial in building successful partnership strategy. According to Gajda

(2004: 70), the partnerships develop in four stages, which are Assemble and Form, Storm and Order, Norm and Perform and Transform and Adjourn. In the first stage, Assemble and Form, the organizations that take part of the partnerships enter into discussions to entertain the thought of the usefulness of partnership. In another words, the partners visualize and discuss what kind of value they can create while collaborating. In the second stage, Storm and Order, the strategizing of collaborative efforts is done in order for the partners to be clarified of their roles in the partnership. In addition to setting roles, reasonable and measurable targets, goals, objectives, indicators and intended outcomes are set to support the strategical planning and the evaluation and the control of the implementation. In the third phase of Norm and Perform, the implementation of collaboration strategy and performing takes place. The focus is on performing the planned tasks, while constantly gathering data from the process to provide valuable feedback to improve current methods. The fourth stage, Transform and Adjourn, consists of the evaluation of the gathered data from the process, and the formal alterations and modifications to the strategy, tasks, communication methods and leadership to develop the partnership. (Gajda 2004: 70.) In the following **Figure 5**, the development of partnerships stages is illustrated.

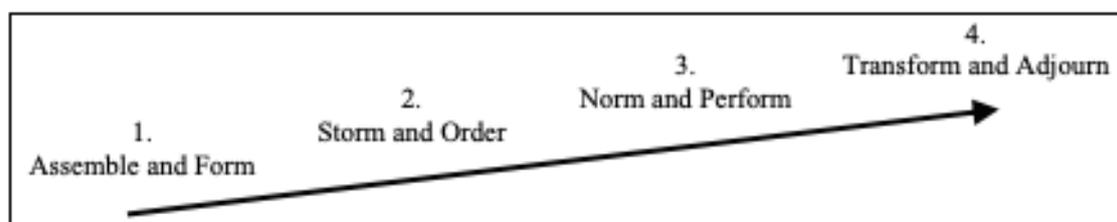


Figure 5. The development of partnership stages (Gajda 2004: 70).

It should be noted that, while partnerships can be beneficial for both partners, the challenges of maintaining partnerships and forming co-creation activities in the partnerships are real. According to Weiss, Anderson and Lasker (2002: 684), a large number of partnerships encounter major hardships while trying to collaborate and accomplish the set tasks, which lead to a high early failure rate, because of the lack of anticipation of the problems, and obstacles that arise in the planning and implementation phase. The difficultness of partnerships is emphasized by the fact that they are time-

consuming and resource intensive. The challenges and tensions of partnerships have root in trust issues, philosophical views, organizational values, decision-making style, lack of communication, relationship building, resource acquisition and flow, and power and control (Braganza 2016: 2-3; Hayhurst & Frisby 2010: 91-92). The inexperience and lack of knowledge in dealing with challenges and tensions involved with partnerships might lead to problems in forming and sustaining successful inter-organizational relationships (Thibault & Harvey 1997). In addition to the aforementioned challenges, Frisby, Thibault and Kikulis (2004: 109), mention the lack of guidelines, the insufficient training and the poor coordination as the main reasons for ineffectual management of partnerships, which leads to negative outcomes for all the parties.

In order to overcome the challenges involved in partnerships, Kelly, Schaan and Joncas (2002: 18), have suggested multiple guidelines to build and sustain effective partnerships. The first critical issue is the selection of partners. Constant evaluation of potential partners is paramount, although the selection criteria should not be based only on the hard data that is easy to observe, such as market position, technical skills and financial capability, but rather consider soft data as well, such as organizational values, culture, and communications issues to avoid dire consequences of incompatibility of partners. After the partner selection has been done, negotiation process takes place. In the negotiation phase, it is vital to start building linkages between partners in good faith to start building foundation for the future collaboration. Choosing the right personnel for the partnerships plays crucial role in the success of inter-organizational relationships. Good personal relationships between the personnel of the partners can increase the level of trust, which is central to managing partnerships effectively. Therefore, personnel chosen for the partnership should possess good interpersonal skills in addition to substantive knowledge required in the partnership. (Kelly et al. 2002: 18-19.) Doz & Hamel (1998: 161) conclude that partnerships should start with small steps in the beginning, no matter how big targets they have in the end. The smaller steps provide an important opportunity to learn about each other, develop communication between partners and overcome possible organizational and cultural differences. In addition, smaller steps are a good way to build up confidence and trust, while increasing understanding of the capabilities and resources of partners. Communication is probably the most important aspect of partnerships, as

good and effective communication between partners is critical for the partners to understand each other's perspectives, targets, goals and cultural differences. Therefore, information sharing and open communications channel, both formal and informal, are necessary for successful partnership. (Kelly et al. 2002: 19.) For example, De Man & Duysters (2005: 1383) suggest developing an integrated knowledge base in partnerships to emphasize the learning process and sharing of information between the partners. The evaluation of an ongoing partnership is essential for the development of effectiveness of partnerships. Although, putting too much focus on hard financial criteria in the early stages of relationship might not give the best estimate of future success. For that reason, Kelly et al. (2002: 20) suggest that partnerships need to be given time to realize its potential, with emphasis in evaluation on quality of collaboration in the early stages and in the later stages, with emphasis more on financial outputs in order to avoid premature terminations of relationships. Organizations should take all the chances that they get to enhance the trust in partnerships. Therefore, if one organization spots an opportunity in the partnership for their partner, it makes sense to inform proactively the partner in order to increase the amount of trust and commitment. (Kelly et al. 2002: 20.)

In the context of sport, few scholars have assessed the effectiveness and sustainability of partnerships. Babiak (2009) points out that sports organizations enter into partnerships to gain stability, improved efficiency, increased legitimacy and power over other organizations. Important strategies to sustain sport partnerships are very similar to aforementioned practices in the earlier paragraph, such as sharing expertise and resources, setting clear roles for each partner and setting up good communication channels to ensure proper exchange of information and knowledge, avoiding power struggles in partnerships and building relationships rich in trust, in order to achieve the set targets of the partnership. (Babiak & Thibault 2009: 139; Alexander, Thibault & Frisby 2008: 270)

2.3. Value co-creation in partnerships

In the present thesis, I will employ the value co-creation approaches of Ramaswamy and Ozcan (2014) and Payne, Storbacka and Frow (2008). The reasoning for choosing the

aforementioned frameworks is the compatibility to the context of the study. Since the main objective of the study is to understand the process of value co-creation in the larger context of sports organizations, the framework of Ramaswamy et al. (2014) suit the context best. In addition, Woratschek et al. (2014b: 19) have created a sport value framework, which is based on the principles of Vargo and Lusch's value co-creation foundational premises of which ideas I have integrated into the framework of Ramaswamy et al. (2014) to construct the framework utilized in the study. Secondly, to research the value co-creation activities in partnership relationship between the sports organization and a sponsor, the framework of Payne et al. (2008) provides a good foundation for building the value co-creation framework utilized in the study that examines how partnerships are formed, sustained and evaluated and what value co-creation activities are involved in the different stages of partnerships.

Value creation in sports business has been commonly seen as an effective way of using the sports organizations resources that leads to creation of products and services that provide value to customers (Woratschek et al. 2014a: 1). Borland (2006: 22) argues that in order to produce a sporting competition, four components are required: players, clubs, a sporting league and stadiums. If these components are met, spectators can consume the product. Woratschek et al. (2014b: 11) argue against the consumption of a sport product presented by Borland and provide an alternative method to understand how value is being created in sports business: co-creation of value together with stakeholders. Jacopin et al. (2010: 60) also argue that the management of stakeholders is the key to a successful business model for the sport entities and can provide a positive virtuous cycle of value creation through integration of stakeholders.

Woratschek et al. (2014b: 11) propose a sport value framework (SVF), which is based on the fundamental ideas of service-dominant logic presented by Vargo et al. (2004: 2) in combination with the special characteristics of sports in order to better explain how value is created in sports. The perspective on value creation of S-D logic is that the value is being produced in the collaboration between the parties involved (Woratschek et al. 2014b: 11). Thus, in the perspective of S-D logic, a successful sporting event requires the collaboration of all the stakeholders. For example, the league and the clubs must organize

a football game, the clubs need to provide players for the game, fans and spectators are involved in creating atmosphere in the event, media must provide broadcasting for the customers who do not attend the game in the stadium, and city might provide the stadium for the club for utilization. Consequently, all the parties are taking part in value creation and value is being co-created in multidimensional network. The co-creation of value involves multiple actors that cannot be controlled by sports organizations, and the customers of sports organizations do not necessarily consume or destroy goods. Since the value is being co-created by all the stakeholders, the role of sports organizations in a sporting event is to act as a platform that brings and binds all the actors together and to provide possibilities for the co-creation of value to happen. (Woratschek et al. 2014b: 11.) Therefore, the development of strategies for value co-creation and collaborative activities is becoming a necessity for sports organizations, especially since brand alliances and brand communities in sponsorship relations is an area that has not been researched much upon. (Woratschek et al. 2014b: 21.)

The co-creation of value can be taken even further from the live sport event, as the fans create value through satisfying the needs of social motives by practicing shared rituals in busses or trams, while traveling to away games or participating in post-event match gatherings outside the stadiums (Uhrich 2014: 30). The internet has risen as a major platform for value co-creation, as the official sport club forums and independent online fan forums provide platforms for fans to share experiences and knowledge and thus expanding the match day to cover a longer period (Brown 2008: 352). Payne et al. (2008: 84) argue that while customer-to-customer value co-creation is beneficial most importantly to the customers, it should lead into a situation where the customer benefit results in the benefit of the sports organizations as well in the form of revenues, profits and referrals. Hajli & Hajli (2013: 286) suggest that the service quality provided by the sports organizations can be enhanced via the co-creation of value with the fans instead of co-creating value for the fans.

Vargo (2008: 213) argues that, based on the S-D logic, the receiver of value proposition always determines value. Thus, the stakeholders of the value network can only offer value propositions as a potential input to value creation of the other parties, which means that

the value provider's influence on the creation of value for the customer is limited (Woraschek et al. 2014a: 1; Vargo 2008: 213).

Hedlund (2014: 51) argues that the value co-creation primarily occurs with players and fans, especially in the cases, when players interact with other players, players interact with fans, and fans interact with other fans. The interaction between players happens in the event in collaboration with coaches, referees and event staff, and therefore, the interaction is the game itself. Interaction between fans is a result of fans' desire to create valuable experiences, which is triggered by the collaboration of fans, which leads to creation of consumption communities. These consumption communities are co-created by the fans with the sports organization and its personnel and play important role in experiencing the sporting event. Consequently, the value of these sport fan consumption communities is especially highlighted, when they involve feelings of togetherness for the fans, which leads to participation in activities with the fans of the community and possibly in higher attendance to the team's games, buying more team merchandize and recruitment of new members to the fan community. According to Uhrich (2014: 43), the customer's perception of value can be affected through following interactions in co-creation of value: associating and dissociating, engaging and sharing, competing, intensifying and exchanging. The association and dissociating can be seen as how the fan identifies himself/herself in the fan base, for example, selecting seats in particular part of the stadium with likeminded die-hard fans, instead of being associated as occasional spectator or wearing club merchandize to be recognized as a supporter of a club. Engaging and sharing is involving other supporters to the consumption experiences by providing, for example, descriptions of away games or sharing past sport-related experiences with colleagues at work in order to convince them to come and join the storyteller to the next sporting event. Competing is made of fan groups contesting with other team's group of sports customers, in a typical manner of which group makes better chants and which group is louder. Intensifying could be seen as, for example, creating friendships or rivalry with the supporters of opponents, and therefore increase the connection and dealings between these groups. Exchanging involves unique information exchange between customers that they cannot acquire from the media or directly from the team. This

happens often in the form of starting rumors about possible signing of new player, which ignites conversations on social media.

The sports organizations create value propositions mainly in the configuration of value network of stakeholders (Woratschek et al. 2014a: 4; Woratschek et al. 2014b: 20) that are linked by common interests, which leads to a creation of a virtuous circle of value creation (Gómez et al. 2010: 17). Gómez et al. (2010: 23) argue that virtuous circle is result of appropriate measures taken by the stakeholders in the network, which will unleash positive reactions amongst those parties involved. The value creation process of the involved stakeholders can be reinforced through dynamic feedback loops. Thus, the collaboration and clear communication between the stakeholders and sports organization (co-creation of value) is significant factor providing the perfect value proposition for each of the stakeholders. The stakeholders that are part of the value creation in sports organizations are presented in the **Figure 6**.

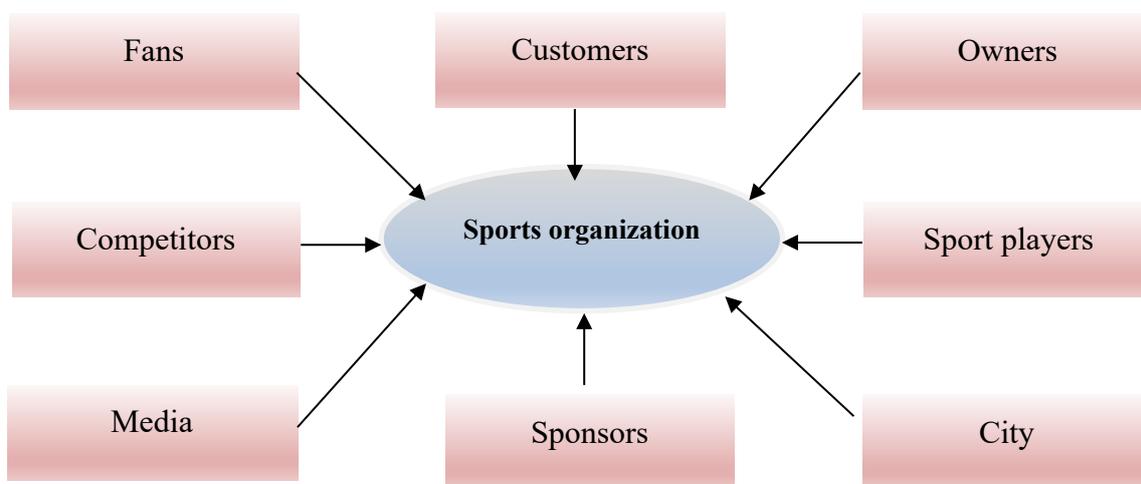
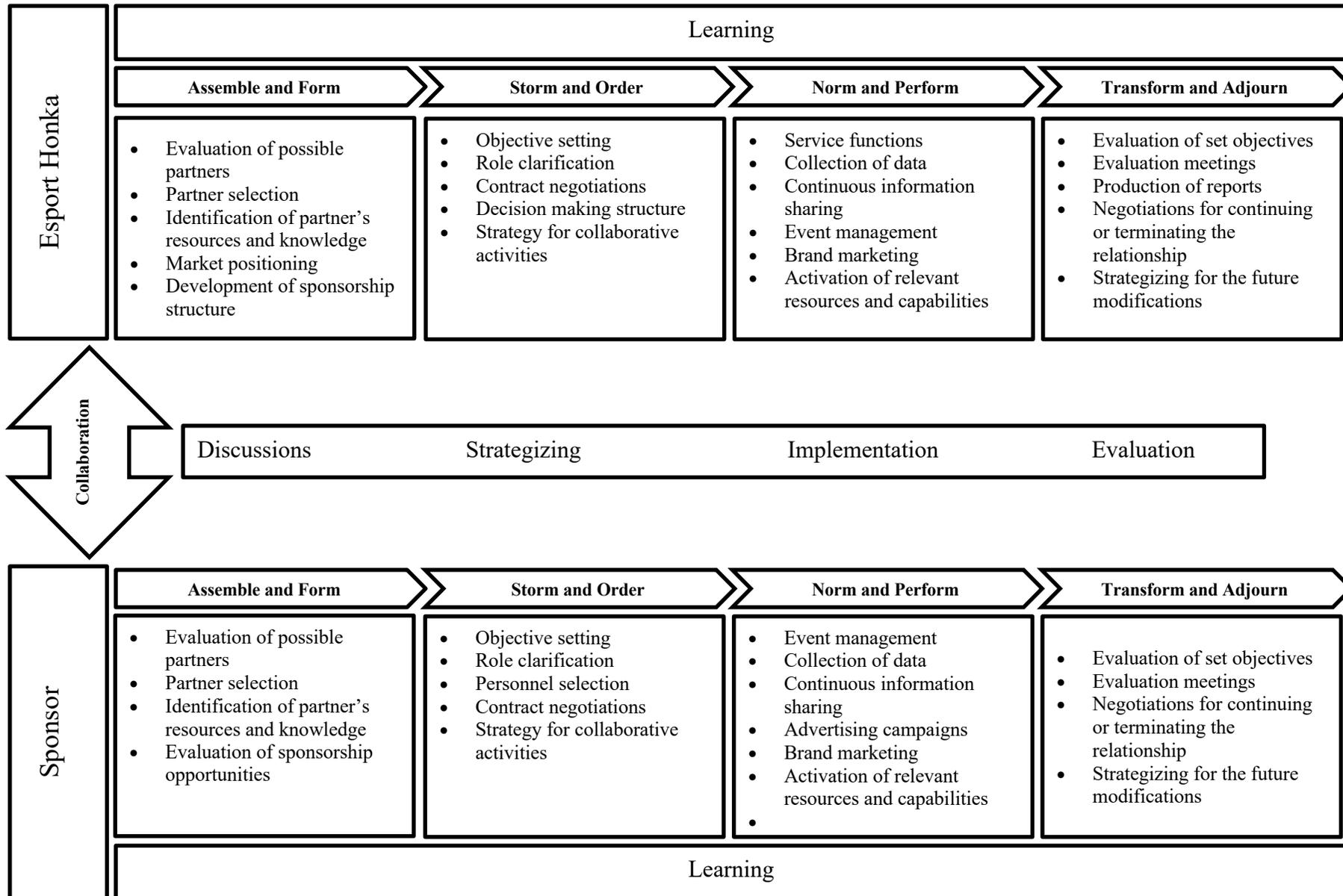


Figure 6. Sports organization stakeholder model (Gómez et al. 2010: 44)

The sports organizations have suffered from the lack of structure and competencies to support the needs of commercial sponsors, and they have been highly dependent on the resources of sponsors in order to survive. This sort of operating forces the sports organizations to face the consequences of power asymmetry, which makes the sports organizations reliable for the monetary inputs of sponsors, who get nothing in return. In the contemporary world, sponsors have started to demand accountable returns and in

order to match the needs of sponsors, sports organizations need to build up their resources and capabilities to form a more balanced relationship in terms of power and dependency. Thus, new sponsorship program needs to be developed to achieve competitive advantage through the activation of organizations resources (Dolles & Söderman 2013: 387). By utilizing value co-creation activities, such as combining resources and information sharing, sports organizations and sponsors can gain new knowledge to come up with new innovative ideas that might benefit both parties. **Figure 7** describes the value co-creation activities in sponsorship relations. The partnerships are divided into four different stages in the sponsorship program according to Gajda (2004: 70). The **Figure 7** is an adaptation from the work of Payne et al (2008: 86), Gajda (2004: 70), and Lund (2010: 120).

Figure 7. Value co-creation activities in sponsorship.



Stage 1: Assemble and Form

In the first stage of the partnership, the sports organization, evaluates possible partners it wishes to approach. In order to get the process under the way, discussions with potential partners need to be made to figure out what kind of resources and knowledge they possess themselves, and are available for sharing, in addition to determining what resources and capabilities each of the partners possess, and if these functions can be combined. In addition, the sponsors need to often evaluate, what kind of opportunities each sponsorship possibility offers for them and how their brand could be associated with sports organization. To differentiate from their competitors, sponsors often need to conduct analyzation to have a unique brand association. From the side of sports organization, the identification and profiling of their target groups need to be done in order to present the following information to attract the interest of sponsors. Furthermore, sports organizations need to evaluate the potential partners marketing strategies and budgets to offer appropriate pricing and engagement possibilities for different packages that they wish to offer their sponsors.

Stage 2: Storm and Order

In the second stage, the roles within the partnership need to be clarified through joint strategizing. The strategizing consists of setting objectives that are negotiated into the contracts, and of deciding on the methods and collaborative activities that the partners will use in the partnership. In order for the collaborative activities to be successful, relevant personnel need to be assigned to manage the inter-organizational relation. The meetings for strategizing might help to identify the partners of new potential methods to create value capture possibilities. Therefore, trust building and knowledge sharing is highly important in the primary stages of partnership.

Stage 3: Norm and Perform

The third stage consists of implementing the strategized collaborative activities. Sports organizations perform the mutually agreed activities with the partner. For example, these activities might consist of following services: partner can host a match event with the help of sports organization, partners can rent a lounge on the stadium to entertain their stakeholders, partners can use the communication channels of sports organization to

advertise their products or services, or sports organization can invite the partner to join a platform in which different partners of sports organization can create networks and build new capabilities through resource and knowledge sharing. In addition to these, joint campaigns to improve the brand image can be initiated. Another possible service is to offer the partners job wellbeing services in the form of Workplace Health Promotion days in sports organization's premises, since they are equipped with state-of-art testing laboratories and massive sport centers. The constant sharing of information is required for the modification of emerging needs. The learning process during the partnership develops and might possibly lead to new ideas on how to serve the partners better and a breakthrough in one partnership can benefit another partnership through expanding sports organization's knowledge, resources and experience in handling partnerships. Discussing and sharing knowledge might strengthen the relationship between the partners and increase the level of trust and commitment to the partnership.

Stage 4: Transform and Adjourn

The last stage consists of evaluation of the partnerships and of the actions that are followed after evaluation. Evaluation of set objectives is done from the both sides of the partnership to determine what worked, what didn't work, what could be improved and what will happen to the partnership next. These evaluations can be done in individual meetings or in shared meetings where more partners join to discuss the strengths, weaknesses, opportunities and threats of partnerships. Through different experiences, partnerships can be developed to match the different needs in a better fashion. Modifications to partnership contracts should be made according to the findings of these meetings. In addition to this, sports organization could provide reports for the partners to illustrate the effectivity of partner relations and how the sports organization's brand differs from other brands, which could be used to increase the possibility for renewing the partnership contracts.

3. METHODOLOGY

In this chapter, the methodological choices of this study are presented and justified. Methodology describes the methods of data collection and data analysis, and the reasoning and logic why certain methods are chosen for particular study (Tuomi & Sarajärvi 2009: 13). First part of this chapter focuses on the chosen research strategy and the research method. Second part of the chapter explains the case selection process of the study. Third part describes the processes of data collection and analyzation. In the last part of the chapter, the reliability and validity of the study are presented.

The purpose and objective of this study is to find out what kind of value co-creation activities occur in partnerships between a sports organization and a sponsor and how these value co-creation activities happen. Moreover, the key factors that affect the perspectives and impressions of both sides of the partnerships are identified in every stage of partnerships. Understanding the key factors in the chosen cases could provide opportunities to possibly replicate learned activities in other similar current and future partnerships, and thus enhance the value co-creation possibilities and capabilities of Esport Honka and establish Esport Honka as a reliable and innovative partner. Therefore, the type of this study can be considered as *explanatory*. In addition, this study dwells into a relatively untouched topic of research and there is an indicated research gap of value co-creation activities in sports business, and especially, in small market professional football club context. Therefore, this type of study can also be regarded as *exploratory*. (Yin 2009: 9.)

3.1. Research methodology

The topic of this thesis aims to explain how value co-creation occurs between a sports organization and sponsors. There is a lack of thorough research in value co-creation activities between sports organizations and their partners, and therefore qualitative business research is a great method to produce new knowledge on complex issues, such

as how certain things work in real-life business contexts (Eriksson & Kovalainen 2008: 3). Furthermore, this study focuses on a small number of in-depth samples that are selected purposefully. Hence, the qualitative method is a better fit than quantitative method, because usually quantitative method requires a larger sample size (Patton 1990: 169). Thus, qualitative research methodology is optimal choice, when trying to understand how value co-creation activities happen in partnerships and why are these activities important to understand (Sachdeva 2008: 165).

The *research approach* of this thesis is *abductive* on the basis that the research aims to generate new knowledge from the empirical findings and add on to the previous theories based on the data and observations in the described phenomenon. Abductive approach is sort of a combination of inductive and deductive approaches. Inductive reasoning approaches issues from an open-ended and exploratory view in the beginning, while deductive reasoning approaches an issue from a narrow point of view and tries to test or confirm a hypothesis. In business research, it is common to involve both inductive and deductive reasoning processes to the research, because they rarely occur only by themselves when studied a complex phenomenon, as this case presents. (Sachdeva 2008: 25.)

As this study explores the partnership relationships between a specific sports organization and its sponsors, the *selected research strategy* is *an extensive case study*. Extensive case study is useful approach to this thesis, because the previous application of value co-creation theory in sport-related partnerships is scarce, and this case aims to elaborate existing literature through testing theoretical constructs by comparing a number of cases. Since the study takes place in practical real-life business context, case study method is particularly suitable. Furthermore, the nature of study is limited and exploratory, a case study is highly applicable methodological choice (Maylor & Blackmon 2005: 243). Each partnership between a sports organization and sponsor represents one case. The selection process of sponsors will be presented in the next chapter. In the case study method, contemporary bounded system (a case) or multiple bounded systems (cases) in a real-life setting are observed and studied over a period of time. Furthermore, the case study method is associated with detailed data collection from multiple sources of information.

(Creswell 2013: 97.) The time horizon of this study is cross-sectional. The data included in the thesis was collected during year 2019, when all of the partnerships were up and running.

3.2. Case selection process

Following criteria was applied in the case selection process for this study: 1) the case presents a real-world phenomenon of value co-creation between sports organization and sponsor, 2) the case explores value co-creation possibilities within partnerships by examining the activities of different partnerships, 3) the case explores the formation, implementation, evaluation and development of different partnerships and 4) the case provides insight into a small market sports organization, whose activities could be possibly replicated by similar entities. The selection of partnership cases within the case of Esport Honka is based on following criteria 1) the partnership is ongoing, 2) the partnership includes value co-creation activities and 3) the partnership is important for Esport Honka, because of strategical or/and operational reasons.

The selected case, Esport Honka, is a sports organization focusing on football. Esport Honka is a Finnish football club, based in Espoo. Esport Honka was originally known as FC Honka, but due to financial difficulties, Esport Group acquired FC Honka in 2015 and renamed the club as Esport Honka. Esport Honka plays in the top tier league of Finland, Veikkausliiga for the second year in a row (2018 & 2019), which makes it a sort of a newcomer to the league. FC Honka used to play in Veikkausliiga during the time period of 2006-2014 with some success and established itself as prominent top team in Finland. Since Esport Honka started its path from lower divisions, the organizational side of the football business has been underdeveloped, and the organization is in the process of orienting itself and building capabilities to thrive in the business. At the same time, this platform provides interesting possibilities to examine how the development, in this study, of partnerships can affect to the development of the organization itself. (Esport Honka 2019.)

Sponsorship revenue is part of the four key sources of revenue for football clubs around the world. The income sources for the ‘Big five’ European football leagues is presented in **Figure 8**. In the ‘Big five’ European leagues, sponsorship revenue is on average the second highest source of income for football clubs. (Deloitte 2019: 9.) Considering the market for football in Finland, the sponsorship income plays even more critical source of revenue, because the lack of lucrative broadcasting deals. Moreover, matchday revenues and merchandise sales represent small portion in the income mix of Finnish football clubs. Income from player sales and prize money from European competitions, are highly variable and thus they cannot be budgeted on yearly basis in most of the sport clubs in Finnish market. (The Athletic 2019.) Therefore, the revenue from sponsorship is crucial for the survival and success of Finnish football clubs in short and long term. Nevertheless, all the aforementioned sources of income are interconnected and, for example, the success of a football club or a move into better stadium facilities can increase the attendance of matches, which has an increasing effect directly to the ticket sales and merchandise sales through volume, and indirectly to the sponsors will to increase the invested amount of sponsorship contract due to higher attendance and interest towards the brand of sport club.

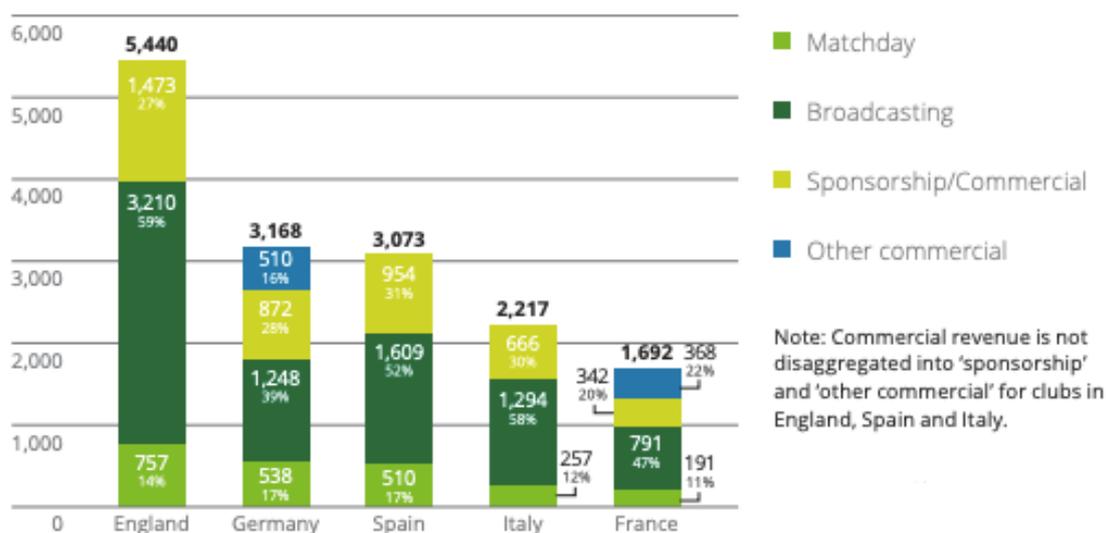


Figure 8. ‘Big five’ European league clubs’ revenue in 2017/18 (€m) (Deloitte 2019).

As the importance of sponsorship revenue in the context of Finnish football business is explained in previous paragraphs, the natural choice in the case study is to concentrate on

the partnerships and to the value co-creation activities in order to enhance the current capabilities and develop comprehensive understanding of the theme and learning process in order to come up with a partnership strategy that could be utilized to improve the performance of the Esport Honka as an organization.

3.3. Data collection

In the qualitative methodology, the most common data collection methods are interviews, questionnaires, observations and collection of information from different sets of documentaries. These methods can be used either alternatively, in parallel or in different combining ways according to the researched phenomenon and to the research resources. (Tuomi & Sarajärvi 2018: 83.)

The data can be collected from two sources. The data sources consist of primary data and secondary data. The primary data refers to the material that the researcher collects himself by using different set of methods. The advantages of primary data are the reliability, since the researcher knows how the data was collected and where the data is coming from. In addition, the researcher analyzes the data himself, which adds to the reliability since the data is original and unedited. Secondary data is information collected by someone else. Since the secondary data is collected for purposes other than the research, analysis of its importance should be conducted continuously. Secondary data analysis can be used to further the research by providing information how to investigate the research problem, used as valuable source for new ideas, define the parameters of primary data collection and used as a reference base against which the validity and accuracy of primary data can be based against. (Sachdeva 2008: 109.) This thesis applies empirical data collected by researcher, which is the primary data of the research and information from news articles, academic research and company websites make up the secondary data. In addition, to the aforementioned sources of data, the researcher took part in the operational part of the partnership, for example, attending meetings and having developmental discussion outside the scope of primary data collection, which have helped to understand the

phenomenon on more profound level and to analyze the findings through acquisition of additional information.

The primary data collection technique used in this thesis is individual in-depth interviews. The reasoning for choosing this technique lies in the fact that it suits well for case studies (Sachdeva 2008: 167), and for the fact that it would be very difficult to organize group interviews with all the representatives, nevertheless group interview could provide an interesting possibility to enhance value co-creation of new knowledge and capabilities in partnerships. The advantage of interview stems from its flexibility. The interviewer has the possibility to repeat misheard questions, correct misunderstandings, clarify themes and discourse with the interviewee. (Tuomi et al. 2018: 85.) As some of the concepts of the interview might require clarification and discourse in this thesis, the interview as a data collection technique is a fit for this research.

The interviews can be categorized to structured, semi-structured or unstructured interviews depending on how structured the interview questions are, and how much involvement the interviewee has in the interview. This research applies the semi-structured face-to-face interviews. The semi-structured interviews are based on pre-selected themes and questions are conceived according to the themes. The pre-selected themes are based on the theoretical framework of the research in order to find purposeful answers to the research questions. In semi-structured interviews the formation of questions is same for each interviewee, but the order can be varied according to the discourse. (Tuomi et al. 2018: 88-90; Hirsjärvi et al. 2009: 44-47.) Furthermore, semi-structured interviews grant the interviewee the possibility to direct the flow of conversation to correct path in order to receive the best answers for the purpose of the study (Sachdeva 2008: 168).

Since the study consists of five partnerships, five partners were contacted via mail during the spring and summer of 2019. The contacting occurred through the personnel of Esport Honka, who were responsible for each corresponding partnership. In the initial query, seven partners were contacted, and five out of seven expressed their interest towards the study. In order to get comprehensive understanding of the value co-creation activities in

partnership, of partnership formation and about key factors in managing partnerships both sides of the partnership were interviewed. For each interview, a representative of the partner and corresponding representative from Esport Honka were interviewed.

The interviews were conducted during the time period from April to September in 2019. All the interviews were conducted face-to-face, either in the office of a representative or in the premises of Esport group. Eight interviews took place during the process. Five partners were interviewed separately, one representative of Esport Honka was interviewed for Tiketti, another representative for Puma Finland and City of Espoo in one session and third representative for K-Caara and Pizza Hut Finland simultaneously. Every interview was conducted in Finnish in order to ensure the quality of answer and reduce the possibilities of language barrier. Furthermore, the interviews were recorded and later transcribed into a text format in order to conduct more precise and comprehensive analysis. The duration of partner interviews was longer, ranging from 47 minutes to 71 minutes, while the interviews with the representatives of Esport Honka ranged from 31 minutes to 40 minutes. The interviews were built around four partnership stages: discussion and formation, strategizing, implementation and evaluation. These aforementioned stages guided the conversations and helped structuring interviews. Some of the interviewees asked for the questions in advance in order to prepare for the interview, and they received the questions and the original theoretical model of partnerships presented in the theoretical part of the thesis. The interview questions for partners is included in Appendix 1, the interview questions for the personnel of Esport Honka is included in Appendix 2 and the theoretical model of value co-creation activities in partnerships can be found as Appendix 3.

In qualitative research the aim is not in presenting statistical generalization, but rather to understand and to describe the researched phenomenon. Therefore, in qualitative research, the selection of the interviewees is crucial. Thus, in order to ensure the quality of the research, the persons who the data is collected from, should be selected by the criteria that they have extensive knowledge on the phenomenon, or they are experienced in the context of the study. (Tuomi et al. 2018: 98.) In order to get the most holistic view of the phenomenon, the interviewees within partner companies and within Esport Honka

were selected on basis of interviewees role as either strategic or operational. The representative of Tiketti was directly responsible for the operational part of the partnership with Esport Honka. The respondents from Puma Finland, K-Caara and Pizza Hut Finland represented more strategic perspective to the partnership. For the city of Espoo, the researcher interviewed both the person responsible for the strategy of sports and youth departments, and the person responsible for the operational part in the same department simultaneously. For the Tiketti partnership, the operational person of Esport Honka was interviewed. For Puma Finland and city of Espoo, the key member of building Esport Honka strategy was interviewed as these partnerships are highly strategic in their nature, and City of Espoo is one of the key stakeholders of Esport Honka and the Esport Group. For K-Caara and Pizza Hut Finland, the researcher interviewed person who works in both strategic and operational side of Esport Honka. More detailed information of interviewees is described in **Table 1**. The rows colored in **yellow** represent the Esport Honka side of the partnership.

Partner	Industry	Title	Date	Duration
<i>Tiketti</i>	Live entertainment	Account Manager	17.4.2019	71 min
		Account & Event manager	27.6.2019	35 min
<i>Puma Finland</i>	Apparel, Accessories & Sports equipment	Country Sales Manager	21.5.2019	47 min
		General Manager	17.9.2019	31 min
<i>City of Espoo</i>	City services	Director of Sports and Youth Services & Marketing Manager of Sports and Youth Services	29.5.2019	55 min

		General Manager	17.9.2019	31 min
<i>K-Caara</i>	Automotive	Head of Customer Experience	12.7.2019	65 min
		Account, Communications & Event manager	19.9.2019	40 min
<i>Pizza Hut Finland</i>	Restaurants	Brand Manager	25.7.2019	57 min
		Account, Communications & Event manager	19.9.2019	40 min

Table 1. Interview details.

3.4. Data analysis

In qualitative research, it is typical not to move linearly from collection to analysis, but rather the process can happen simultaneously as they have close relation to each other. In this study, the ideation process to classify and organize the interview data became apparent during the data collection and interview phase. (Eriksson et al. 2008: 299-300.) Data analysis is used in the study to clarify data by drawing out patterns from concepts and insights, and hence to produce new knowledge on the chosen topic. In order to find patterns from the data, the collected data must be categorized in the analysis process. (Eskola & Suoranta 2014: 138; Eriksson et al. 2008: 128.) Therefore, the analyzation of collected data is based on theoretical proposition to help with the organization and focus on relevant data (Yin 2009: 130). Furthermore, as the interview questions were based on themes of the theoretical model, the categorization of data and pattern recognition followed the theoretical model in the analysis process.

The data acquired from the recorded interviews was transcribed into a written format after each interview in order to gain better understanding what the representatives of each partner and Esport Honka had answered. In the first part of analysis, the transcriptions of the interviews were written word to word in Finnish language as that was the mother tongue of each interviewee, and that was the language that the interviews were conducted. As the amount of data was staggering, the second part of the analysis consisted of combing through the interview transcriptions and registering the most valuable and important data for this thesis that support the purpose of the study. Exploiting all the material is not a viable option concerning this study, and therefore, it is not fruitful to analyze all the compiled data, but rather focus on the essential (Hirsjärvi et al. 2009: 135). Thus, analyzing and registering relevant comments from the interviewees that fit to the themes of the theoretical model were placed as a top priority in the analysis process. The relevant comments by the interviewees were then categorized into themes. The categorization process followed the parts of theoretical framework that were Assemble and Form, Storm and Order, Norm and Perform and Transform and Adjournal. As this same theoretical framework was used to structure interview questions, it was natural to use this guideline as categorization method as well. Since the aim of the study is to examine how value co-creation happens in partnerships in the context of sports organization and sponsors, it is crucial to focus on the data that can increase current knowledge on the activities that concern the researched topic.

Data-analysis can be divided into three different approaches: data-driven analysis, theory-driven analysis and theory-bonded analysis (Tuomi et al. 2018: 108-111). In data-driven analysis the aim is to create theoretical framework out of the data of the study. The key driver in data-driven analysis is the thought that there should be no effect to carrying out the analysis or to the outcome on past observations, knowledge or theories. Theory-driven analysis can have linkages to theory, but the analysis cannot be based strictly on theory. In theory-driven analysis, the key drivers of analysis are affected by previous knowledge and this can be used to lead and help the analysis. Theory-bonded analysis is a traditional analytical model that leans on a specific theory, model or to the thought process of an authority. In theory-bonded analysis, the research describes the model that defines the concepts of the study. In other words, the researched phenomenon is defined by

something that is already known and set. (Tuomi et al. 2018: 108-110.) This study applies the theory-bounded analysis approach. Hence, the theoretical framework in this thesis examines value co-creation in partnerships in a new context that is sports business.

3.5. Reliability and validity of the study

Reducing the amount of potential misunderstandings or mistakes of any kind, the objective of any study is to minimize this sort of errors. Therefore, the reliability and validity of the study are major concerns while designing a study, analyzing results and judging the quality of the study. (Eskola & Suoranta 2014; 211; Tuomi et al. 2009: 134.)

The term reliability is used for testing or evaluating the quality of a qualitative research. Thus, reliability in a qualitative study helps the reader to understand an unknown or confusing situation. (Golafshani 2003: 601.) In other words, the concept of reliability refers to generating understanding of a phenomenon in qualitative studies (Stenbacka 2001: 551). In addition, reliability of a study requires documentation of study procedures in order to ensure that should another researcher conduct the same case study that he/she should come to the same conclusions (Yin 2009: 45). Therefore, interview questions, empirical data, references and the applied theoretical models are documented with care for future examination of the study.

Validity of the research in this case study is confirmed by using multiple sources of evidence, such as, several interviewees from both sides of the partnerships in the data collection phase of the research, by documenting anything that relates to the case, and double-checking and debating draft case study reports in order to ensure that details and information regarding the study are correct (Yin 2009: 41-42). Validity, in the sense of generalizability in this study, is not high as the research was conducted as a case study and case studies do not aim to provide findings that can be generalized in all senses, but rather this study aims at theoretical generalization as the case is unique in nature. Some of the interviewees wanted to prepare in advance and they were sent preliminary interview questions beforehand. Preparing beforehand to the interviews, adds to the validity of the

study as confusion during interview can be reduced, because the participant is more ready for the particular questions and in case of confusion or misunderstanding, it was natural to correct what was meant by the questions during interview.

It is paramount to observe the quality of the study in all of the stages of the research. Especially, when conducting interviews, the quality of the interview can be increased by forming a clear guiding outline, which helps to ensure the probability of acquiring quality data. (Hirsjärvi et al. 2009: 184.) The guiding outlines for the interviews can be found in Appendix 1 and 2. In addition to the interview questions, the researcher had formed a list of additional possible questions in order to gain better understanding of the topic or to steer the conversation into right direction during the interviews. The recordings of the interviews are critical part in ensuring the quality and accuracy of the data. The recordings were listened carefully to transcribe the interviews which are the basis of the conducted data analysis. In the findings part of the study, quotations taken from the interviews, are used to enhance the understanding of the potential reader how certain categorizations and conclusions have been made. The quotations are not anonymous in this study in order to take the different nature of partnerships into considerations as partnerships between Esport Honka and sponsors are not homogenous.

4. FINDINGS

This chapter consists of profound examination and analysis of the findings based on the interviews. Firstly, this chapter starts with an introduction of the companies that were interviewed and the role of the interviewees. Secondly, the findings chapter is divided into four different parts of partnership phases. As originally presented in the Figure 7, the findings are divided according to these phases in order to provide clear and concise analyze. All of the quotations used in the analysis are categorized based on their phase of partnership and used to provide enlightening knowledge on these aforementioned phases. Moreover, the findings are compared and discussed against the theoretical model of value co-creation in partnership in order to get a grasp on how theory and findings from the field match. Furthermore, the positive and negative effects found from the findings are presented to come up with a set of guidelines to ensure the effectiveness of each value co-creation activities that have happened in the context of this study.

4.1. Introduction of case companies

The following section of this chapter presents the partnership companies that were interviewed for this study. Moreover, their relationship and main activities with Esport Honka are explored. All of the five cases are either strategical or operative in their nature and represent important partners for Esport Honka in running their core business.

4.1.1. Tiketti

Tiketti Oy is a Finnish company that is offering services in ticket sales and in event organization. The product mix of Tiketti's ticket sales consists of concerts, festivals, sports, theaters and parties of all sorts. In addition to selling tickets, Tiketti offers its clients product packaging, sales monitoring, marketing, event organization expertise and personnel renting for events. (Tiketti 2019.)

Tiketti is active on the sports sector of their core business as it is currently partnering with Esport Honka, HJK Helsinki, FC Inter Turku and FC Lahti from Veikkausliiga. In the partnership with Esport Honka, the focus of the value co-creation activities has been in enhancing the customer experience of the people buying tickets in advance and the people who attend the games. In addition, Tiketti has provided marketing services for Esport Honka as a part of the partnership contract, in order to enhance the exposure of Esport Honka and to increase the ticket sales. As the typical business model for ticket sales organizations consists of getting a cut on every ticket sold, the marketing activities can be labeled as value co-creative activities since, both members of the partnership are directly benefitted from the arrangement. Moreover, Tiketti has trained the personnel working at the events to match to the needs of Esport Honka and to ensure accommodating ticket sales process on the spot during game days. The most important findings of the co-creative activities are reported in more detail in following chapters.

4.1.2. Puma Finland

Puma Finland is part of the German multinational apparel, accessories and equipment company Puma, that is famous worldwide. In the context of football business, Puma is one of the major official shirt sponsors for numerous well-known football clubs around the world, such as Manchester City F.C. and AC Milan. In Finnish Veikkausliiga, Puma is partnering with half of the teams in the league. The teams that Puma Finland is partnering with in Finland, are Esport Honka, IFK Mariehamn, HIFK, KuPS, RoPS and VPS. Puma Finland is one of the key strategic partners for Esport Honka as the partnership extends not only to the first team of Esport Honka, but to youth teams as well. Furthermore, the partnership deal involves collaboration between the Esport Group as well, which makes it highly strategical in nature and important for both Esport Honka and Puma Finland. Since the strategic importance is playing highly critical role in this partnership, the main contribution of this case interview will focus on the themes that illustrates the reasoning and logic, why the partnership exists and what co-creative activities take place between a sports organization and kit sponsor with focus on selling and marketing activities and on the societal perspective of the partnership.

4.1.3. K-Caara / Volkswagen

K-Caara is a market leader in Finnish car trade, focusing on offering services involving dealing car brands of Volkswagen group, leasing services and car repairing services. K-Caara is part of the Kesko group, and the old business unit was transformed from VW-Auto Group Oy, to K-Auto in 2018 to enhance the brand recognition of K-brand. (Kesko 2018.) Nevertheless, this case interview concentrates to Volkswagen as a brand instead of K-Caara as the partnership deal consists of collaboration between Volkswagen and Esport instead of collaborative activities with other brands involved with K-Caara. Volkswagen is German automobile manufacturer and one of the biggest manufacturers in the automobile industry with several brands under its wing such as Volkswagen, Audi, Porsche, Seat and Skoda. The case between Volkswagen and Esport Honka is both strategic and operative simultaneously and illustrates how global strategy of Volkswagen drives strategic choices in local market and how these choices are carried out by utilizing value co-creation activities. Furthermore, the case explores the value of data and the importance of crunching and analyzing the data. Moreover, the case interview provides valuable methods to take advantage of certain unique resources, capabilities and expertise that Esport Group possesses.

4.1.4. Pizza Hut Finland

Pizza Hut is one of the biggest and well-known Pizza brands globally and it has a long history of serving its customers in Espoo area, especially in Tapiola. Nevertheless, the mother company is major international player in the food industry, the local branch has a very modified partnership strategy to fit their local needs. Furthermore, the partnership with Pizza Hut is interesting, because the contractual value of this certain partnership represents the majority of the partnership deals made by sports organization and therefore provides insight into how to tackle problems like resource allocation of finite resources, effective use of capability and the innovations within the partnership on average level. The partnership between Pizza Hut Finland and Esport Honka has been already ongoing for a longer period and therefore provides important data on the formation, planning, operative and evaluation phases of partnership. The partnership between Pizza Hut

Finland and Esport Honka has been highly active one. Therefore, it is useful to examine such a partnership as the value co-creative activities performed in this partnership could potentially be replicated to other partnerships as well, and thus increase the value experienced by the partners and Esport Honka. Hence, this case interview explores the operative side of the partnership and explains in detail what kind of activities are performed and how they are evaluated and developed in order to enhance the positive effects. Moreover, the case illustrates how activities are planned during partnerships and performance can be valued by using data for making informative decisions on what to develop.

4.1.5. City of Espoo

City of Espoo is definitely one of the most important partners and stakeholders if not the most important for Esport Honka. As Esport Honka is an Espoo based football club and their operating base and stadium resides in Tapiola, in southern part of Espoo, it is natural that Esport Honka requires to maintain constant dialogue and good relationship with the city. Furthermore, as the Esport Group is headquartered in the same area of Tapiolan Urheilupuisto, it is necessary to point out that the relationship between Esport Honka and the city of Espoo is highly conditional to the relationship between Esport Group and the city of Espoo as well. Therefore, the partnership between city of Espoo and Esport Honka is multi-dimensional and strategical, and the importance of the relationship is immense as both parties act as providers, suppliers and users of a set of different activities and services. In the context of this case, the case interview focused on the most important value co-creation activities between Esport Honka and city of Espoo, which means that the researcher has neglected the activities between other Esport business units and the city of Espoo, and therefore the concentration lies in the activities that enhance value for both the city and for the football club, and in other important factors that constitute and mold the relationship. The most important takeaways from this case revolve around the themes of infrastructural enhancements, community work, cultural change to the identity of the city, and the sports organization and network management.

4.2. Assemble and form

According to the case interviews, all the four firms and the City of Espoo have similar motives what has previously been illustrated in the theoretical part of the study. The main motives for the commercial firms for entering into partnerships with Esport Honka based on the interviews, are business development and growth, brand association, brand development and visibility, strategical brand positioning, matching values between partners, social responsibility, new customer acquisition, access to customer base and the parent company Esport. These aforementioned topics are well in line with literature. According to Jalonen, Haltia, Tuominen & Ryömä (2017: 23), the firms are interested in sports because of three following reasons: firstly, they can take advantage of sports in their brand work, secondly, they can use it as a means of communicating their social responsibility and thirdly in building networks.

For companies, entering into partnership with sports organization is often based on the perspective of developing their businesses. Developing businesses of the partners can be achieved by attracting a new mass of customers through networks, by gaining visibility that attracts new customers to the company and by enhancing brand association and recognition. During the interviews, the following themes were present in all of the companies motives of entering into partnership with Esport Honka.

“[...] everything starts in our case with Esport from the point of view of our business that we are selling tickets to the events of Esport Honka and that it should benefit us both. In addition, we buy visibility packages from Esport Honka.”
(Tiketti)

“[...] our collaboration is a channel that enhances our brand as a sport operator or actor in sport events, and as a trustful partner.” (Tiketti)

“Through partnerships we can reach more extensive client base, larger audience and we are visible together with the stakeholders of the sport. The word of mouth is the best business card, and job well done in Honka can be used as a reference

for future potential growth both in our own line of businesses and for our collaboration” (Tiketti)

“Of course, regional emphasis is important. Currently, we have six teams in Veikkausliiga and all of them are strategically chosen according to their regions. There are also great collaboration networks in the chosen regions, and we are looking for the youth player mass, and the potential purchasing power in the regions” (Puma Finland)

“Volkswagen is 50-60 years old commercial brand and the biggest automobile manufacturer, which means that people are familiar with the brand. Now the mission is different, which means that the brand needs to be taken into right environment, and football was selected as the right environment, because football is one of the biggest sports on the globe. Therefore, the strategy is implemented in the whole world on all the league levels.” (Volkswagen)

“In Finland, for example, the partnership structure was started by first constructing federal level collaboration with Finnish Football Association and then moved to the other side of the spectrum to the youth teams of regional football clubs, and then the league teams in the between in the third phase. Honka is the first league team and Ilves from Tampere, is the second. There are no other teams in the football framework, because this sponsoring is in the first stages of growth.” (Volkswagen)

“We try to generate brand associations from bottom up point of view, because the associations often start from young age. Furthermore, there is the top down perspective, which in our case is the Finnish Veikkausliiga and the purpose of the top down method, as it is often in sponsorship, is that it is sensible and justified to take the highest level of the sponsorship target, because it is exemplary to the brand as well.” (Volkswagen)

“Taking advantage of sponsoring comes into play, when we have consensus on how we can grow together through collaboration forms and methods.” (Pizza Hut Finland)

“In this particular case of Esport Honka and the Esport Group, we are talking about brand and regional marketing, which means that when we are visible in Tapiola Urheilupuisto, and we have restaurants in both Tapiola and Matinkylä, we are covering the potential local customers.” (Pizza Hut Finland)

Values have become an important factor for companies in decision who to partner with. According to the interviews, the partners are looking for sports organizations that are representing same kind of values that the companies themselves are existing for. Without common ground in values, the companies might be cautious to enter into partnership, because of the possible negative side effects that might occur due to misconduct by the sports organization.

“[...] first priority is that the values of sports organization and our company must match. We do not want to commit to anything that might break our value system, and through that logic, our company picture, image and reputation.” (Tiketti)

“When we are talking about league level or first team level of sports, of course a big factor is the values that the club represents. Then there is success in sports, and the achieved visibility through success and long-term persistent work in youth department. We appreciate that there is long-term planning how youth players and rising stars are supported” (Puma Finland)

“[...] for example, we have noticed that opinions of athletes and influencers affect especially the buying behavior of younger generations. It is one of our main pillars of strategy in global level of Puma company that we would dare to endorse opinions of our partners or influencers. We want to be seen as different and not the same as all the other brands.” (Puma Finland)

“Values come under consideration in the beginning phase. We research the value base of the sports organization. Moreover, we explore the current situation of the football club, which means are they able to be successful, because I think no sponsor wants to sponsor a football club that might end up in trouble, no matter what kind of troubles they are. Those troubles can arise from the values or from functions.” (Volkswagen)

“Nowadays, ethical side and ethical activity are important factors in what way and with what kind of actors we want to be associated and partnered with. When choosing this partnership, we both, Esport and Pizza Hut, have been active in Finland for over 30 years and we have stable foundation, nevertheless the years have sometimes been rocky. We have a long-term view in this partnership and the values and ethical side are important in our activities.” (Pizza Hut Finland)

The Esport Group is another key factor that makes the value proposition of partnering with Esport Honka interesting for the interviewed partners. As one of the biggest indoor sport complexes in Nordics with multiple gyms around Espoo and Helsinki, the possibilities for visibility on larger scale that attracts more mass than just a traditional football club can reach is definitely a positive factor playing into the favor of Esport Honka. Honka’s average home attendance for the season 2019 is around 2 000 spectators per game and with 14 games, the total mass consists of 28 000 persons. Nevertheless, Esport Arena, which is the biggest complex in the Esport group gets around 1 800 000 door openings per year, with a large number of digital screens, constitutes a large mass compared to the mass that comes to the games. Therefore, the visibility possibilities play important factor and gives competitive advantage for Esport Honka over other typical sports organization when negotiating partnership contracts.

“Of course, we have thought about the achieved visibility through the screens in Esport complexes, this is what makes Esport Honka interesting.” (Tiketti)

“Honka is in unique situation compared to other sports organizations at the moment, because there is the whole Esport Group in the background, which has

a client base of other sport enthusiasts, which brings that critical mass to the entity.” (Volkswagen)

“[...] the most important benefits are the regional visibility through Esport Honka’s youth department activities and through the first team match events, from which we like to direct customers to our restaurants. Secondly, the wellbeing services for our staff are something that cannot probably be acquired from another provider of this sort”. (Pizza Hut Finland)

“Of course, there are always the commercial metrics behind every activity we take, but for example, in choosing to partner in this case, we have considered the wellbeing of our staff as well. We have not yet utilized them optimally, but they are there to be developed, and for example, we organized our summer festivities in collaboration with Esport” (Pizza Hut Finland)

The motives for City of Espoo are less commercial compared to the companies interviewed, and more concentrated on the wellbeing of the citizens of Espoo and on enhancing collaboration between different actors in the ecosystem of the city. The activities and the motives, according to the interview, consisted of creating a network for interaction and cooperation between different top sport units within Espoo to develop top sports, creating a cultural change in how top sport is perceived by the inhabitants of the city of Espoo, and disintegrating the border between athletes and children by bringing these two groups more in touch with each other.

“It starts from the point that we have our own story for our sport and youth services. Story begins from the fact that there are definite values in the background.” (City of Espoo)

“When we think about collaboration with sports organizations, we need to think about what kind of interaction benefit typical citizens and the younger population.” (City of Espoo)

“[...] we want to bring the perspective of top sport to the story as well at the moment, and it is one of the strategical choices in this whole context of providing services related to sports.” (City of Espoo)

“[...] of course, the top sport can bring glory and good reputation to the city, but at the same time it works the opposite if mismanaged.” (City of Espoo)

“[...] one of our biggest targets is to get sports organizations to collaborate, brainstorm and to be visible together.” (City of Espoo)

Since partnership consists of two sides of actors, it is necessary to look at the motives from the perspective of Esport Honka as well. According to the findings that were gathered from the conducted interviews of Esport personnel, the partnerships are often categorized to commercial and to service production. The motives for Esport Honka lie mostly in the commercial aspect, since partnerships are important source of financing for the sports organization, and therefore the most lucrative deals in terms of monetary settlement or in terms of counter-trade. For the partnerships that are labeled as service production oriented, the quality, convenience and reliability play major role in the decision-making process of selecting who to partner with. Furthermore, the unique resources and capabilities of Esport Group are recognized, although the usage of the resource and capabilities, according to the interviewed personnel, is lacking. Moreover, in the assembling and forming phase, the resources and capabilities of possible partners are researched upon, especially in the case of service production-oriented partners. The aforementioned motives are in line with prior literature, albeit their motives are more centered on monetary side and less on values.

“The selection process depends on what category the partner fits in. If it is strictly commercial, it has its own conformity to law and if it’s partly or totally related to service production, then the quality and the content of the service is carefully analyzed and valued.” (General Manager)

“There are number of things that affect the selection process of partners. It is often a long process, in which we evaluate the fit between partners, for example, are there any conflicts of interest between other partners, what kind of packages can the partners offer us, and what can we offer for them.” (Account, Communications & Event Manager)

“The selection process of new partnerships is dictated by the financial position of the partner or the brand of the partner. Either, how much we can receive monetary support or how big they are in terms of brand and if we can extract added value.” (Account & Event Manager)

“We have increasingly started to search for partnerships from which we could extract synergies, and from which we can benefit functionally.” (Account, Communications & Event Manager)

“[...] in service production partnership category, our primary focus is to analyze the quality and reliability of the service in relation to our core activities.” (General Manager)

“[...] in the commercial partnership category, our main priority is the return on invest.” (General Manager)

“We are approached somewhat by possible partners, but we are also actively seeking for new partners. Generally, it works through known connections and we get references that certain companies might be interested in partnering with us.” (Account, Communications & Event Manager)

“No other football club has this kind of company in the background and these possibilities that it provides.” (Account & Event Manager)

“If only all those resources and contacts within the whole Esport Group were utilized, there would be significant advantage through proper utilization and

communication of all the contacts, resources, visibility and capabilities that Esport as whole brings to the table.” (Account & Event Manager)

“[...] many of our partners see the screen visibility in all the Esport branches as a beneficial factor in partnerships instead of a limited visibility in football context.” (Account, Communications & Event Manager)

4.3. Storm and order

The second stage of partnerships consists of defining the targets for the partnership. In order to reach these targets, definition of the roles and activities in the partnership need to be clarified as explicitly as possible to enhance the possibility of positive outcomes. The roles and activities are explored in strategic meetings and in contractual negotiations that set the framework for the collaborative actions. Through mutually agreed methods, a learning process takes place in the partnership, and partners can gain valuable information and understanding how partners are able to co-create value in unison, and learn from each other. In the following paragraphs, the process of negotiating and strategizing is presented.

The relationship between sponsor and sponsored sports organization is a deciding factor for the success of collaboration between these two entities. The performance of the sponsoring relationship is defined by two factors; the inner functionality of the relationship, and the management and evaluation of external stakeholders. The relationship of the partners plays important role in value creation activities in partnerships. (Jalonen et al. 2017: 43.) According to Cornwell & Relyea (2000: 52), sport sponsorship is especially successful when collaboration is continuous and long-term in its nature. Based on the interviews, one of the main targets for partnerships is the long-term collaboration, which enhances the learning process and helps to develop the partnerships further.

“We aim for long-term partnerships, which we want to handle as good as possible, and learn about each other on constant basis.” (Tiketti)

“We prefer generally long-term partnerships, and it is our aim to develop our collaborative actions through the years in a manner that both parties triumph.” (Puma Finland)

“For example, in the case of Honka, it is interesting project for us, and therefore we have a long-term contract with Honka, and in the first years we are trying to find the methods and means for the best applications and implementations for sponsorship, and for collaboration.” (Volkswagen)

“In the functional culture of Esport, we have always aimed for long and confidential partnerships. This means cherishing and developing our current partnerships. We are not trying to gain raffle prizes or quick wins.” (General Manager)

Furthermore, the partners have different targets of their own, such as, providing tools for better understanding of customers and the stakeholders of the sports organization in order to boost, both the visibility and the business of the tool provider, establishing presence in partner’s premises to increase brand recognition, creating common marketing and communicative activities, and reaching new partners from the partnership networks. Sponsorship relationships can be seen as strategic platforms that bring parties aboard to enhance value creation. Additionally, partnerships can be seen as alliances that enable new opportunities to add value for partners if strategic intent of the partners are aligned. (Farrelly & Quester 2005: 61.)

“We want to reach potential new customers through the partnership. Additionally, we wanted to be more reachable, and therefore we have established presence in Esport premises, where our own customers can buy our tickets.” (Tiketti)

“Our target is to provide necessary tools for partnership management and help in idealization. We look to gain visibility, references, and possibility to network with other actors through Esport.” (Tiketti)

“We have conducted conversations with Stadium (sports equipment retail store) about possibilities of taking advantage of mutual visibility in our contracts. Stadium is third party in our agreement between Esport Honka and Esport Oilers. We all have an aim to start utilizing resources such as players in more comprehensive way in different events.” (Puma Finland)

“We are looking for marketing, communicative and operational forms of collaboration.” (Pizza Hut Finland)

Moreover, the aim of Esport is to have an impact in the local area and enhance its own brand recognition, establish itself as a prominent actor in Espoo, in collaboration with partners. Additionally, City of Espoo wishes to influence the current structure of sports, and control and track certain activities performed by the sports organization in order to create positive interconnectedness between athletes and local people.

“[...] sports organizations have carried out certain activities like school visits beforehand already, but our aim is to make it more controlled and tracked, and in a larger context. In Finland, the top sport has been taken out of schools into sporting complexes, and we wish to change this structure and bring the top sport athletes back to the premises of schools in order to bring the athletes closer to the children and create better association between these two.” (City of Espoo)

“[...] our aim has been to target local partners in Espoo area in order to enhance and build culture associated with football in the local working communities.” (Account, Event & Communications Manager)

The contractual negotiations take place during the same time, when targets are set in partnerships. The motives and targets are leading factors when determining the extent of

partnerships and the value of activities. Contracts set the duration of partnership, operational boundaries in the partnership, the resources allocated to it, the corresponding actors and roles, and the value of the partnership. (Woisetschläger, Backhaus & Cornwell 2017: 121; Athanasopoulou & Sarli 2015: 559.)

“[...] if a sports organization’s or a company’s only aim is to shop around and get a higher valuation in terms of partnership contract, we often give up. For us, the most important factor is authentic will to develop things and commit to collaborative activities. Additionally, it is important that the sport club can point out the correct contacts persons for us and find common ground on actions.”
(Puma Finland)

“[...] firstly, we need to define the extent of the partnership. Is it only collaboration with Honka, or is it collaboration that involves the whole Esport Group? After the definition phase, the proposal is taken to our executive board, which has the last word if we partner or not.” (Account, Event & Communications Manager)

According to the interviews, Esport Honka and the partners hold approximately four bigger meetings per year. The agenda of these meetings depends mostly on the timing. The meetings before the football season begins, consist of strategizing and generating marketing and collaborative activities that need to be accomplished during the year. During the season, the meetings usually follow the pattern of following up of these activities and addressing issues that need fixing. Furthermore, when the season is over, the evaluation process takes place in the meetings, which sets the tone for the continuity of the partnership. Nevertheless, the communication is not only restricted to the meetings, but rather it is on-going, but intensifies around the meetings.

“We aim to hold 2-4 meetings per year. Before the season begins, we need to synchronize our marketing schedules, agree on collaborative activities and create content for marketing campaigns. After the season we meet for evaluation of the year.” (Tiketti)

“We have two meetings on yearly basis that tackle the issues of constructing the models used for the season and other activities, such as, hospitality services and marketing activities. Unofficial meetings we usually have once per month” (Puma Finland)

“So far we have met with Honka 4-5 times in 2019. Through those meetings, we have established unbreakable bond through the account managers to the organization. Of course, we go through things with Kai Vilponen (Sales & Marketing Manager of Esport Group) on monthly basis as well.” (Volkswagen)

“Our model for fulfilling the contractual obligations in partnerships have centered around quarterly thinking. This implies that we monitor quarterly that the planned activities have been performed. Thus, we usually meet every 3 months and the communication in the partnership revolves around those meetings.” (Pizza Hut Finland)

In the negotiations and meetings, the roles of different actors are often decided. It is crucial for both parties to have clear and definite roles to ensure corresponding working partners in collaborative activities. Moreover, the roles of the partners define the activities that each partner conducts in the partnership. Furthermore, the roles are often defined by the capabilities and resources of the partners. For example, while it might be difficult for Esport Honka to exert direct influence on the new stadium project, but through proper channels with the help of the personnel in City of Espoo, Esport Honka can have their voice heard.

“We have always one account manager responsible for one partnership. In addition, we have one person from the marketing department and one person from the event specialists. We try to synchronize the activities of our personnel with Esport’s corresponding personnel in order to extract maximal value in the partnership.” (Tiketti)

“[...] for the collaboration part, for Honka and for other sports organizations, our mission is to be the spokesperson inside the city structures. That means that we are trying to influence the enhancement of sporting facilities and other things. Unfortunately, we cannot decide on things, but we aim to influence through common marketing and communication the image and value of top sports in order for the sports to evolve within the municipal context.” (City of Espoo)

“Our role in developing common sports marketing in collaboration with the City of Espoo is big, and we try to influence through different circumstantial working groups.” (General Manager)

“The people responsible for partnerships are the sales representative, and sales and marketing manager in the negotiation phase. For the operational part, we have one person responsible for all our clients and additionally I’m the person responsible for the functional jobs that the partnerships require.” (Account, Event & Communications Manager)

All the aforementioned actions lead to the activities planned and performed in partnerships. Without setting targets, negotiating value and boundaries, and strategizing in meetings, activities in partnership would not exist. The activities are the outcome and defining factor of partnerships. The coordination of sponsorship activities and integration to marketing activities raise the possibility of reaching the set targets of the partnerships (Masterman 2007: 190). The planning and performing of activities are a constant learning process, which supports understanding of partners’ capabilities and the resources it is able to provide in the relationship. Moreover, according to Farrelly & Quester (2003: 535), activation of activities is a strong indicator for the partner’s commitment to the sponsorship relationship.

“Since we have invested in sports for few years, all the experience that we can accumulate is beneficial for us and we can adjust our services to match to the special needs of sports in proper manner” (Tiketti)

“[...] through Hexi (General Manager of Esport Honka), we have heard interesting ideas of collaboration. For example, activities with play groups organized by Honka or Esport, and we have started supporting these activities extensively, and we feel that it has brought added value to all three stakeholders of this collaboration.” (Puma Finland)

“[...] sponsoring for us is not how it is perceived traditionally, like it has been in Finland that we put logo to the chest of the jersey and forget about it. That has never been enough for us from the first day, but we rather want to be seen in unison and send out common message through our channels” (Pizza Hut Finland)

“[...] the purpose is that we start to produce content in more systematic way with these top sport organizations.” (City of Espoo)

“[...] the reality is that we have 13 top sport organizations at the moment, and we need to be the initiator for all the actions and the institute that sets up the meetings. Moreover, in order to achieve the status as a city that cares about top sport, we have a lobbying group of sports organizations that aims to influence the political atmosphere by lobbying for better facilities and get the message across that we need more functional sports roadmap in order to enhance the status of top sports in the city.” (City of Espoo)

“We have lacked the common ground and planning how our partnerships are handled, and it has rather been putting out the fires, wherever they appear, meaning that we have tried to survive on daily basis. We hope to fix this during next winter in order to set common guidelines how to manage our partnerships.” (Account, Event & Communications Manager)

“For example, we have not had any methodological way on how to manage these partnerships. We need more planned and thorough thinking on how to manage them on daily basis. We need to construct a yearly calendar, which states when

and what kind of activities we should perform to increase value in our partnerships.” (Account, Event & Communications Manager)

4.4. Norm and perform

The third stage of partnership is the implementation phase. The strategies of planned activities are implemented, and the outcomes are measured, data is collected and prepared for analysis for further development. The learning process during this stage is very valuable for the continuity of partnership as timid and proper implementation is crucial factor in the next stage, when partners evaluate the relationship and its outcomes. Additionally, partners can develop new capabilities and find more effective ways to perform activities. Moreover, the learning process can help Esport Honka in constructing a model for partner management and find activities that provide added value for partners. Furthermore, if these activities can be scaled to other partnerships, the possibilities for cross-measuring become viable and at the same time a sales point. The construction of a model requires, firstly, collection of data, and secondly data sharing between partners in order to understand the development directions. The following paragraphs are organized based on implemented activities, data collection and data sharing, and measurement of implemented activities.

According to the interviews, the implemented activities in the cases of commercial partners are often related to the match events, such as, hospitality services, and co-marketing and visibility activities. These activities in sponsorship relationship often aim to enhance or change corporate image and reputation. Additionally, the sponsored sports organization can have positive effect on the image and brand through association with a sponsor. The more the partners in these activities become intertwined, the more likely it is that the members of the sponsoring relationship start to combine additional resources and build unique position in the industry through co-creation. Moreover, the implementation of activities provides a great possibility for sharing of know-how, and therefore both partners can develop new capabilities and resources for future usage and reference. (Urriolagoitia & Planellas 2007: 165-166.)

“[...] we have hospitality services in matches and then we have continuous visibility around the chest area in player jerseys. Moreover, we have visibility on all the youth player jerseys. Additionally, we are very visible in the Helsinki Cup tournament, which relates to Honka as it is one of the owners of the tournament.”
(Volkswagen)

“We have done some marketing activities together with the players of Honka, social media videos, which tells that Volkswagen is here and taking part to the activities of Honka. Furthermore, in the match events, we have brought our cars to the stadium, and we have garnered a lot of interest towards our cars, and we have guided them to our sales points, and emphasized that by using keyword such as Honka to get the buying process going.” (Volkswagen)

“With Volkswagen, visibility is major factor, but in addition, they have been really easy to work with. There are many factors connected to the Esport Group, as Esport is offering Volkswagen’s employees different set of sport packages, which brings us new clients, not only for the Honka, but for the whole group.” (Account, Communications & Event Manager)

“Our match events have gotten a lot more professional, when our partners are displaying their products. For example, Volkswagen has brought their cars to our games, from which we both get positive visibility.” (Account, Communications & Event Manager)

“In the case of Puma, it serves our brand formation and image, because in addition to delivering equipment for us, they deliver for the youth department as well, which enhances the unity of our football club’s image and how we present ourselves.” (General Manager)

“In the case of Pizza Hut, the visibility and the functionality are important factors, why the partnership works. We have built a concept of “Pizza Hut’s best places”

in the match events, through which we get benefits such as marketing material that can be used in our and their advertising channels.” (Account, Communications & Event Manager)

Especially in the case of the City of Espoo, the value co-creation activities stem from the platform. The City of Espoo acts as a platform that brings together all the top sport organizations together to brainstorm and share ideas and activities that have proven to be successful. Sharing of capabilities and know-how is useful for all the parties that take part in these meetings. Since the resources in sports organizations are often very limited, these meetings are valuable, because some of the activities can be replicated in different organizations, and some activities can be performed in collaboration to increase the image and brand of multiple actors.

“[...] we have established marketing and event collaboration group in which we jointly ponder how we can add value to the sponsors” (City of Espoo)

“We have been successful in connecting different sports organizations within Espoo, and we have acted as a sort of glue and connective force that brings the organizations together. This has increased the interaction between the organizations, and we feel we have very important role in this.” (City of Espoo)

“[...] we have not had the possibilities to finance top sport separately from the sport and youth services department, but what we can do is to give functional, marketing and communication support in the framework of our financial situation.” (City of Espoo)

“The city of Espoo is such an important stakeholder for us that it is difficult to specify all the activities that we perform. We are probably interconnected to the City of Espoo through 10-12 different partnerships in this football context. We are renting out the area from them, and many of the players are going or have gone to schools in Espoo, so the collaboration is immensely vast.” (General Manager)

The data collection is highly correlated to the activities. Without proper collection of data of the activities, it is very difficult to discern the outcomes of conducted activities, and therefore measure the effectivity. Moreover, the data collection is important for the sports organization itself as the conducted activities and processes are collected in the form of reports, and thus, it makes it easier to replicate actions, and in the case of personnel changes, the activities and capabilities conducted by certain personnel, do not leave the sports organization. According to the interviews, the partners and Esport Honka are willing to share data openly as long as the data to be shared is defined beforehand. The data itself is welcomed, but rather the analyzation of that data could provide even more added value to the partnerships. Therefore, data collection and the analyzation of data are highly important activities that the sports organizations should consider in enhancing their offering in partnerships. As presented in the quotes below, currently Esport Honka is not utilizing data in almost any sort of activity. Therefore, it is difficult to increase the understanding of customers and provide customer profiles for partners.

“Our system collects all the possible data concerning ticket sales, such as, the amount of sold tickets, the time of sales and point of sales. Furthermore, we get data from marketing activities that we analyze by utilizing different tools, for example, Google Analytics. By utilizing our tools, we can bring valid analyze for our partners, which they can use to develop their business” (Tiketti)

“All the data that we could receive would be more than welcome. The measurement and analyzing of our visibility package sound like a very interesting proposition.” (Tiketti)

“We believe in open conversation, and that it takes us to the right direction forward. We do not have anything that we could not show to the sport clubs if it is beneficial for the clubs.” (Puma Finland)

“[...] concerning data, all mathematical stuff interests us. For example, it can provide data on development of attendances, and if there is something that we could help the club to develop further. Secondly, how our car sales volume is developing compared to the development of the club. “(Volkswagen)

“If we define the data to be shared beforehand, we are ready to share it with certain conditions. These conditions refer to our core activities that we are not willing to share yet. Predetermined, relevant and right information we are willing to share, because without sharing there can be no development” (Pizza Hut Finland)

“We have a commercial department in which the employees have knowledge on what kind of data are we collecting. I feel that this is a sector, which by gathering relevant information and analyzing it, could lead to improvements in our decision-making.” (General Manager)

“[...] I believe to the sharing of data and knowledge sharing is something that everyone can benefit from. It could be done anonymously or semi-anonymously as well. I think that the clubs in Veikkausliiga should share ticket sales data and this sort of stuff. Who buys, on what days, what age groups etc., we should definitely develop that. They do it a lot in Sweden, basically all the customer data and customer behavior data are open for all the football clubs.” (General Manager)

“Collecting data is a huge challenge. We have not really done any collecting, but Esport is gathering data on its own customers. The utilization of data consists of monthly, weekly and special offer letters for the members of the database, but nonetheless it is utilized in too small quantities.” (Account, Communications & Event Manager)

“For example, we should be able to tell our partners information about our match events, not only the number of spectators, but rather what kind of spectators? Are these spectators recurrent? We do not have any data on these customers, and we cannot tell our partners what kind of customers we have and what are their point of interests.” (Account, Communications & Event Manager)

“First of all, we could get data from Tiketti, but which we have not used yet. We should construct customer feedback possibility to the Tiketti system as well. These actions are the easy ones that we could start gathering data for analyzation in the context of Honka.” (Account, Communications & Event Manager)

“Of course, it is shame that we do not have the resources or understanding yet, how much data defines the business and how much data could provide for us. Tiketti has very specific data on all the buyers and on the behavior, but we do not analyze or take advantage of that.” (Account & Event Manager)

“[...] Tiketti has given us valuable information concerning how we should plan and time our marketing campaigns, meaning that we can direct our common efforts to maximize the value of our campaigns in sense of timing.” (Account & Event Manager)

Contemporary sponsorship deals are strategic in nature and they represent a significant component in the costs associated with marketing, nevertheless according to research, there is a lack of examination of performance measurement systems in the context of sponsorships (Delaney, McManus & Lamminmäki 2015: 29). The performance of sponsorships is measured through incorporating an extensive set of financial and non-financial metrics. In addition, the performance measurement systems have formal and informal measures to value the effectiveness. According to Delaney et al. (2015: 35), even though informal measures, such as, gut feel, intuition, trust and personal relationship are used to measure the performance of sponsorship in many companies, they are not utilized while presenting sponsorship performance for the senior managers, but rather they are utilized for internal use only. Gordon et al. (2017: 4), present that the most used method for measuring the performance of sponsorship is to measure the quantity of exposure the sponsoring brand achieves through media coverage of the event. Exposure consists of name mentioning and logo appearances in a certain period of time and space (event). The monetary value is realized by calculating the cost of advertising compared to the achieved exposure. As many partners have visibility packages from Esport Honka, the calculation of brand exposure could provide highly valuable information for the partners, which is

noticeable as well in the interviews. Nevertheless, the brand exposure measurement is not the only method to measure success of sponsorships. In most cases, the metrics are chosen according to which person and for what purpose the measurement is done for. For example, a public entity, such as city in this case, might find the impacts of regional development and communal wellbeing more relevant than the return on invest to shareholders. (Gordon et al. 2017: 11.) According to the literature, other metrics than brand exposure used in sponsorships are awareness, recognition and recall rates, sponsor image, purchase intentions and word-of-mouth communication (Christensen 2006: 64; Gwinner & Swanson 2003: 276). Nevertheless, the evaluation of sponsorships is still in its early stages as there is a lack of established theoretical frameworks that could explain consumer's decision-making process in detail (Athanasopoulou et al. 2015: 553).

“It is easy to measure the effectivity of ticket sales. Although, we have visibility package as well from Esport, which is a lot harder to measure. For example, we know the rough number of people who visit Esport complex and walk past the screens and billboards, but we do not get more detailed information on that.”
(Tiketti)

“[...] we have calculated the amounts that we invest to partnerships with the sport clubs with utmost care. We define, with the sports organizations, the target levels of our benefits and the return on our invest. This is monitored through retail distributors, which is shown as sales made to the youth teams of the sports organizations.” (Puma Finland)

“Additionally, we have made media surveys with some of the sport clubs to evaluate how much visibility we have had in local media. This is something that should be able to be performed with every sports organization that we work with, but we have not had that possibility with Honka yet.” (Puma Finland)

Data collection and analysis has been part of professional sports for a long time already, but the utilization of data in partnerships has been lacking. Utilization of data in understanding customer behavior and demographics gives possibilities for sports

organizations to offer profiles on customers for the partners. These customer profiles are much more effective and interesting, in the sense of marketing reach for the partners, and could become competitive advantage for the sports organization if they can leverage them. (Jalonen et al. 2017: 85-90.) According to the interviews, the possibilities for better segmentation and understanding of customers could lie in cooperative activities, such as integrating Kesko's K-Plussa card system into the customer database of Esport. Since Kesko have already highly detailed data on large mass of Finnish citizens, Esport Honka could possibly gain highly valuable information on their customers if they were to use K-Plussa card while conducting purchasing activities.

“We have thought that the whole mass of Esport customers should be segmented and it should be segmented through existing segments. We are part of Kesko Group in Finland and we have close to all the people in Finland in our customer data base through K-Plussa card. We have already created segments for them, and these segments could be integrated to the customers of Esport.” (Volkswagen)

“The common identifier could be the K-Plussa card, which on a functional level could mean, for example, that all the members of Honka get the K-plussa points for car services, which brings the mass back to us, or that those who have the K-plussa card could train whole winter at the Esport complexes with certain benefits.” (Volkswagen)

“We need to think about segmenting our customers. It is important information for our partners if our customers are children, adults, working men, CEOs or pensioners. For a partner that is doing only B2B, the children segment is probably not interesting at all for example.” (Account & Event Manager)

4.5. Transform and adjourn

The fourth stage of partnership is the evaluation phase. Common practice in this stage is the evaluation of the objectives of the partnership, which are often done in mutual

meetings or in internal meetings. The evaluation can be based on what objectives and in which manner the objectives have been achieved throughout the period of partnership. Furthermore, the evaluation meetings set ground for the continuation or termination of partnership as the outcomes of the co-creational activities are measured. In addition, the evaluation meetings can provide valuable insights into future performance of the partnership as these can be used for modifying the context of the partnership into a more value adding relationship. Clear communication helps to build a strategy for the future modifications of the partnership and to review the activities that need altering. Moreover, the meetings can help the sports organizations to understand the needs of the sponsors in more comprehensive manner as they receive direct feedback. Thus, the sports organization should take an active strategic perspective to these meetings and commit into information sharing to provide meaningful metrics for evaluating the performance of the partnership. The meaningful metrics are an important source for joint long-term planning and understanding the key-drivers of the sponsor's needs. (Farrelly et al. 2005: 61.) Furthermore, Gordon et al. (2017: 10) point out that sponsors should consider not only financial metrics, but rather focus on stakeholders that are highly important to the sponsorship relationship and how these groups are affected, because these relational elements are key factor in determining success in the longer time-scale.

According to the interviews, the metrics used for evaluation in the case study are multifaceted. The metrics are both quantitative and qualitative, and financial and non-financial in nature. Firstly, most of the metrics revolve around the return on the sponsor company's investment, and how the demand of the products of the sponsor has developed during the partnerships. Secondly, the visibility is measured through calculating media coverage. Thirdly, in the case of City of Espoo, the metrics are considering more the impact on the larger society and the community itself. From the perspective of Esport Honka, there are no clear-cut metrics to evaluate the success of partnership other than if the sponsor decides to continue or not, and if they continue, are the sponsors investing with a larger amount than in previous contract. Based on the interviews, the metrics to evaluate partnerships are definitely lacking and need serious consideration and reform to measure the real impact of the partnerships.

“We have positive feeling about this partnership. We have few season cards, and other elements such as personnel well-being and job place community activities through the partnership with Esport.” (Tiketti)

“If we think about where we are looking for growth, the segments are training, football and floorball in indoor sports. Partnership with Esport provides all these segments for us. We have labeled this partnership as strategic, and we have only one strategic partnership in this context in whole Finland.” (Puma Finland)

“Measurement requires that we understand where most of the people associated with Honka reside, principally in Espoo. Therefore, we need to direct these people to our retail outlet in Espoo and if the person says that I have something that connects himself to Honka, we know what kind of different services and in what price do we offer him.” (Volkswagen)

“Normally, when we measure things such as partnership with Honka, we register that this lead has come from Honka and during time we can measure how many Honka players or people associated with Honka used our services. That is the economic value that includes turnover value and earnings value. Then we can cross-reference that value to our invested sponsoring value. This is the most simplistic method.” (Volkswagen)

”[...] our metrics are not absolute in this case, we can only assume that some of the metrics point to the direction that, for example, if our restaurants’ turnover in the proximity of Urheilupuisto have risen, there might be indicators that Esport has played part in it. Nonetheless, it is a sum of many causes. We see that our investment versus the benefit we get is definitely positive, especially since the partnership has developed abundantly in the second year.” (Pizza Hut Finland)

In addition to evaluating the financial impact of the partnership, Puma Finland has conducted media coverage surveys based on the visibility of the partnership. While it can be very difficult to measure the exact amount of turnover generated by the media coverage

in the partnership, media coverage can be measured quantitatively, and the traffic to web sites can be analyzed. The quality of media time and media publications are also key factors while evaluating the media coverage.

“When we try to measure how many new customers and consumers we have acquired, it is difficult. But through our actions, for example, how much we have gained media coverage, and how much that has led to traffic to our site or Honka’s site we can measure. Nevertheless, we cannot measure if customer buys product, because we do not have own sale functions.” (Puma Finland)

“Media values vary, some of the publications in certain medias have higher value, for example, if they have more airtime or column time on major news or on major newspapers. It is a good way to evaluate the progress of the sport club as well.” (Puma Finland)

“The greatest and most important benefits are, for example, that we get national visibility through Honka, Honka is often in the media, mostly in positive manner. Additionally, we have great visibility in the metropolitan area through partnering with Honka.” (Puma Finland)

According to Delaney et al. (2016: 30), non-financial metrics are growing in importance for the managers to evaluate the overall performance of partnerships. Non-financial measures, such as awareness, customer preference, loyalty and satisfaction, can be linked to the financial measures like sales, market share, profits, return on investment and cash flow (Lehmann & Reibstein (2006: 9). Furthermore, the non-financial metrics can provide explanations what are the key drivers behind the financial metrics and since financial metrics are always lagging, non-financial metrics can help managers in predicting areas of improvement in performance (Kaplan & Norton 2001: 87). Based on the interviews, the sponsors or Esport do not incorporate systematic use of non-financial metrics in the evaluation partnerships but rather some of the partnerships are valued either on financial terms or according to “gut feeling”.

“[...] we do not measure success of partnership only on financial basis, but rather by the will of partner to develop common causes and we value open communication and we can get things working.” (Pizza Hut Finland)

From the point of view of Esport Honka, the only real metric that arises is whether the sponsor wants to continue or not. Currently, there is no systematic evaluation of activities within the partnership, but rather the partnership is evaluated based on the feeling between the sponsor and Esport Honka in the meetings. This could become a hindrance in the future if the partners want to have more concrete data and analysis of the activities conducted in the partnerships. Therefore, it is crucial for Esport Honka, to develop a systematic measurement system that can provide metrics to value the co-creational activities in the partnerships. Moreover, by being able to measure certain activities, the measurements could be used as a benchmark for references of the capabilities of Esport Honka in case of new partnership acquisition. Furthermore, as many of the partners have raised the issue of measuring the return on the sponsoring investment, it could add huge value and credibility to the relationship if Esport Honka was able to measure the how much value the activities in the relationship bring to the partners. While creating a measurement system, it is vital to implement holistic set of metrics that could consider all the stakeholders affected by the partner relationships (Gordon et al. 2017: 10). This is especially the case with the city of Espoo, since the main goals in partnership differ from the typical commercial relationships. Thus, creating a measurement system that can measure both financial (ROI and growth in sales) and non-financial elements (brand awareness, channel preferences, customer loyalty, satisfaction and retention) of the partner relationships is important in order to deliver added value to both the sponsors and to Esport Honka itself.

“We have not gathered data on why some of the partners have quitted with us or why they have continued, we lack the metrics that could be utilized in our active functions.” (Account, Communications & Event Manager)

“One clear metric for evaluating success of partnership is that if the partner continues with same invest, or do they want to raise the investment, because of the additional value that we can provide for them.” (Account & Event Manager)

“Our partnerships with Volkswagen and Pizza Hut Finland have been working well and our communication is easy and fluent. We have been successful in planning and implementation of different visibility packages and hospitality services.” (Account, Communications & Event Manager)

“[...] the way I see it, that if we want to attract bigger companies as partners, we need to provide metrics to justify the investments made to the partnerships. Moreover, the creation of measurement system that we can follow is a challenge for us.” (Account, Communications & Event Manager)

“So far Pizza Hut Finland has been one of the partners that has asked us the possibilities how to measure how much we have been able to contribute to their increasing customer demand. Nevertheless, we have not had the tools to measure it. This could be solved by implementing a certain code to a flyer, which points out that this customer has come through Esport.” (Account & Event Manager)

Production of reports of the executed activities can be used as a reference point for the stage of negotiation of new partnerships, and they provide legitimacy and accountability for the outcomes of the activities. According to the interviews, the accountability of the outcomes and production of reports would be highly valued and could provide important leverage why the sponsors would continue to do business with the sports organization. Therefore, it is vital for sports organization to invest great effort in the production of reports. Moreover, the documentation of activities can provide useful references, not only in the sense of reporting, but more as a learning process, which can help to pinpoint bottlenecks and faults in the activity processes. The documentation helps in replicating the activities, which could be used with other partnerships as well.

“We get a whole lot of reports, but we do not have time to analyze them. If you share data with us, it is one thing, but if you were to analyze the data and deliver it to us, it would be highly beneficial.” (Pizza Hut Finland)

“Nonetheless, we need to measure the quantitative value and qualitative value as well. The qualitative value could be measured, for example, by conducting qualitative researches, maybe once a year, for the members of the Honka community. Based on the answers to these qualitative researches that should be conducted on yearly basis we can understand the current situation and start to design activities for the next functional year.” (Volkswagen)

“We could additionally conduct customer questionnaires if our partners’ brands have gained added value and if people are more aware of the existence of our partners, and do they find the brand more credible. There are numerous ways to do this, but we should be able to take advantage of them.” (Account & Event Manager)

Contract renewal negotiations are an important point in every sponsorship relationship. During this period, the outcomes of the partnership are evaluated against the set goals and decisions for continuity or ending are on the table. Based on the interviews, hitting the financial targets are important together with constant development of the relationship. Reasons for terminating or discontinuing partnerships consist of unprofitable business, change in values, damaging activities of the sports organization or sponsor, changes in operating environment and change in leadership. Inter-personal relationships are important for managing partnerships in the term of continuity, trust and confidence. Moreover, it is difficult to develop partnerships if the personnel responsible for these relationships are constantly changing. According to research of Morgan, Adair, Taylor & Hermens (2014: 275), confidence and trust play major role in managing contractual negotiations. The value of inter-personal relationships, especially during negotiation and renewal phases, is high, and the inter-personal relationships could become a break-it or make-it asset that defines the continuity of the partnership.

“We might consider ending partnership if there are discrepancies with our values. Additionally, if the business becomes unprofitable. On this aspect we need to consider as well that in sponsoring relations, some of the years during partnership might not be good and we need to think long-term.” (Tiketti)

“If we were to consider terminating our partnership, I can consider following things; racist activity from our partners in football context or if there might be change in owner base that might fundamentally change the partnership to a direction that does not align with our vision.” (Puma Finland)

“One of the main factors for terminating partnerships is the owner of the business. If the costs were to rise significantly and we would not have metrics to justify these costs and point out that we get return on invest, it might become risky to continue.” (Pizza Hut Finland)

“Other factors could be misbehavior of actors in our partnership, such as things would occur that does not fit to our brand, we would have to consider terminating.” (Pizza Hut Finland)

“We might consider terminating the partnership with Puma if there were quality issues, uncertainties with delivery or if the price would increase significantly. Furthermore, if there were issues with production such as child labor abuse, we would have to terminate probably.” (General Manager)

“Moreover, in the case of Puma Finland, there are two important factors such as that our contract is running out after next year, which brings always doubts, secondly there is going to be key personnel changes, when the Country Manager of Puma Finland will move to different organization.” (General Manager)

“With the City of Espoo, the factors that might affect our relationship are the environment where we conduct our business and the facilities. If the facilities do

not develop from the current stands now or in future, we might have to consider ending the collaboration.” (General Manager)

According to the interviews, there has been development in the partnerships and the first year is often used to getting to know each actor better and understanding common methods of operation. In the second year, activities conducted in the operating environment become more stable and actors can utilize more efficiently resources and get the job done. Esport Honka have encountered some growth pains, as they have risen from lower divisions to the highest level on professional football in Finland in quick timescale, and the business side of the sports organization has not been able to keep up with the speed of change. Moreover, as organizational change and the learning process might take time, and the organization has undergone certain personnel changes, has caused hindrance to change management and setting up continuity of processes. Partnerships on the highest level vary greatly compared to the lower levels, as they become more commercial in nature and expectations arise, therefore ensuring proper resources become critical for sports organizations to deliver on value promise.

“In our case with Honka, we have learned from the initial activities and we understand the operating environment much better now on the second year. First year was building things from scratch and now it works much smoother.” (Tiketti)

“First year was experimental, second year was much more systematic and now we are thinking about what is the next step? Do we stay at this level or can we develop our collaboration to next level?” (Pizza Hut Finland)

“We do not use everything optimally in which communication plays major part. The change of personnel on both sides has been big, the resources have been limited and the activities have not been routinized yet.” (Pizza Hut Finland)

“The positive aspects of partnering with us, is that we are pretty stable and professional actor. On negative side if we should use a term negative, we are

pretty new actor in football, and therefore some of our processes have not become established yet and might not work in the most optimal way.” (General Manager)

“We started as a small actor on the third highest level of football in Finland without any visibility or real commercial value and now we are an actor with three football teams with established status in Veikkausliiga, which entitles to certain media visibility and we can actually offer some real value for our partners.” (General Manager)

As with any company that lacks experience, knowledge and resources to manage all the requirements for business development, it leads to a situation in which the daily business is handled as first priority and time for future planning and development is seen as secondary. According to the interviews, and based on the observations of the author, by structuring and defining processes in partnerships, such as communication, pricing, scheduling and managing partnerships, can help in reducing the time required to manage every partnership as unique relationship. As Esport consists of different business units, and boasts a certain competitive advantage in the possibilities that they can include in their offering, the communication between the business units in innovating and packaging these offerings becomes crucial. Without constant communication and knowledge-sharing, the collaboration between business units can deteriorate and the value promise to the partnerships can end up as an activity that destroys value.

“For example, we have not had any methodological way on how to manage these partnerships. We need more planned and thorough thinking on how to manage them on daily basis. We need to construct a yearly calendar, which states when and what kind of activities we should perform to increase value for our partnerships.” (Account, Event & Communications Manager)

“From positive point of view, we have a very vast set of offerings. The only problem arises in the packaging of these offerings that we have not been really good at it and we are struggling with how to show the diversity of the capabilities

that we can bring to the table in the partnerships.” (Account, Communications & Event Manager)

The near future of Esport Honka has many implications to the partnerships. In its two seasons on the highest level, Esport Honka has established itself as a prominent top team in Finnish Veikkausliiga. The success in the sporting side of the business helps sports organizations to attract sponsors. Furthermore, the stadium project in Espoo is finally moving forward, and the new stadium can provide better facilities to serve the needs of the spectators and the partners (Helsingin Sanomat 2019). From the point of view of value co-creation in partnerships, the new stadium holds few possible promising implications: *1. through digitalization of new stadium, spectators can be targeted with more relevant advertisements on the display screens and 2. better facilities in the stadium can be used to organize network events for partners, in which co-creational activities between different partners can be formed.*

“The new stadium is definitely something that we want to develop in our partnership. The way how our department can affect to the stadium project is that we would like to move our premises to the stadium complex and therefore the construction process would become more sensible in financial terms.” (City of Espoo)

“The stadium would make it easier to attend to the needs of all our stakeholders in a more comprehensive manner. On the consumer and partner side, all the services associated with football will be enhanced.” (General Manager)

In order to take full advantage of the new possibilities that the new stadium provides in the sense of attracting spectators, it is necessary for Esport Honka to have a more comprehensive understanding of its core customer groups. Understanding of customers consists of data, such as, income level, purchasing behavior, media usage, preferences, lifestyles and values. This data can be gathered through multiple contact points and through structuration and analytical use of this data, the sports organizations can create

influential and value adding experiences in collaboration with partners to cater to the needs of spectator groups. (Jalonen et al 2017: 89.)

In the case of Esport Honka, the use of current contact points is lacking and the data that the sports organization knows about its customers is not detailed. Therefore, in order to maximize the use of the new stadium, Esport Honka needs to start setting contact points that actually gather data and allocate personnel to analytics that can go over the data and segment the customers to groups in order to create customer group profiles. Creation of these contact points should have high priority in the future, and the creation can be achieved either by developing capabilities internally to support these activities or develop externally these capabilities in collaboration with a partner. One possible method could be to collaborate with K-Caara, which is part of the Kesko Group, to use K-Plussa card as a contact point in transactions. There were approximately 3,5 million K-Plussa card holders in Finland in September 2019 (Kesko 2019). If K-Plussa card were to be used in transactions within the Esport premises, Esport could learn to understand the customers' purchasing behavior and preferences in a more comprehensive way, depending on the contract that defines how much of the data is shared and how the data is analyzed between Esport and Kesko. Moreover, through segmentation, customers can be grouped, and these groups can be used as a sales point for current and future partners in order for the partners to perform more targeted advertising.

Secondly, sports organizations need to recognize that the corporations that pursue their target groups through sports are not principally limited to a certain sport. The corporations find it more relevant to partner with sports organizations that can help them to deliver their message to selected target groups in an authentic and influential way. Therefore, it is essential for sports organizations to focus on understanding its offering rather than selling it. This means that sports organizations need to learn what brands are trying to achieve with collaboration, and to whom the brands are trying to deliver messages. In order to achieve this state, the sports organizations must be able to segment and profile the customers that visit their events. Conducting target-based messaging on spectator profiles is much more influential than trying to reach all the spectators simultaneously. Thus, in a small sized sports market like Finland, it makes more sense for the sports

organizations to collaborate with different entities to come up with interesting and clearly defined spectator profiles. (Jalonen et al. 2017: 90.)

The current trend in sports is to involve the fans to the event in more engaging way. Spectators are not anymore seen as passive information users, but rather they contribute to generating content in the event (Hajli 2013: 2083). The development of the internet of things and display screen technologies could provide an adept platform for real-time bidding possibilities for different spectator profiles. Especially in the case of reaching the millennials who are technology savvy generation, the sports organizations need to develop concepts in collaboration with partners to match the needs of millennials and the younger generations that are growing to become possible future fans. (Jalonen et al. 2017: 90.) Therefore, sports organizations in collaboration with partners, should come up with activities during the game events that involve spectators at the stadium and spectators through broadcasting medias to enhance value co-creation.

“On functional level, we want to develop our marketing and communicative activities and use the match events as platforms for our own networks.” (City of Espoo)

“The development objects for the future are organizing pre-game events and networking events for which we have amazing resources, but what we have not been able to take advantage of yet.” (Account, Event & Communications Manager)

The second important aspect that the new facilities can provide in the future is a modern space in which networking events within the game events can be organized. These networking events are mainly meant for business partners to establish new business contacts and increase the value of current contacts. The role of Esport Honka in these networking events would be to act as a platform that provides both a place and context for networking to occur. As being a partner for many different corporations from a large set of industries, Esport Honka would be in an ideal position to bring corporations together and increase the possibility of deal-making and innovation through mediating

between different partners. Moreover, the more partners the network can attract to the match events in which the networking takes place, the value of the network increases exponentially as every new partner not only brings the resources, knowledge and capabilities of their own corporation but also the value adding networks of their corporation (Olkkonen 2001: 309). The networking events are great place for knowledge-sharing as it might be difficult to get a large number of partners to same room without a set agenda. Thus, formal and informal knowledge-sharing on best practices within partnerships could be acquired, and Esport Honka could use this information to enhance the value creation activities of each partnership. Therefore, in order for Esport Honka to fully maximize the potential of the network it is vital to communicate and prove the usefulness of the concept in the early stages of introduction.

5. CONCLUSIONS

One of the main drivers of sports business is the uncertainty of result of the performing teams. The uncertainty provides a great asset for sport fans, and a possibility to build stories that can unite, divide and integrate people from larger communities and from different backgrounds. Nevertheless, while the sporting side of the business relies heavily on uncertainty, it is important to recognize that the business side of the sports should not be based on uncertainty. Moreover, while the game itself is based on uncertainty, the stakeholders of the sports organizations do not expect activities that enhance the feeling of uncertainty in every other aspect than the game itself, but rather these activities should be planned and based on the knowledge. In other words, sports organizations need to understand their stakeholders in order to maximize the possibilities to win on and off the field. Maximizing the possibilities to win on the field is heavily based on the overall quality of the team. The quality of the team can be increased by acquiring better players, better staff, better facilities or implementing better methodologies to improve processes how teams are managed. As with any other businesses in most cases, the more quality a business wants to acquire, the more the business needs to pay to get this quality. Therefore, sports organizations need more money to reach their core mission, which is most often, trying to win their competition. In the context of professional football, the sources of revenue consist of winning competitions, selling assets, such as players, match day revenue, merchandize, media broadcast, and partnerships. In the context of Finnish professional football, merchandize and media broadcast have minimal effect to the turnover of the clubs and since winning prizes and selling players is highly uncertain business, thus the revenue from partnerships is very important if not the most important source of long-term and stable revenue for the clubs. Following this logic, it is only natural to research partnerships between sports organizations and sponsors and how value is co-created in this relationship and the network that both are part of.

In order to obtain extensive understanding of the topic being studied, this study applies two research objectives:

- 2) *What activities drive the development of partnerships?*
- 3) *Which resources, capabilities and knowledge add value to the partnership?*

These research objectives were useful in the search of answers to the main research question of the study:

- 1) ***How is value co-created in partnerships between sponsor and sponsored sports organization?***

5.1. Key findings

The key findings of this study consist of answers to the research questions. Furthermore, the answers to these questions have been divided into their own sections within this chapter.

Activities that drive the development of partnerships

Development is a process in which something grows or changes to better from initial state to a more advanced one. In the context of this study, the aim is to recognize the activities that can help the partnership between a sponsor and sports organization to develop to a more useful and productive relationship. In order to evaluate the development in the relationship, it is important to measure the initial state and the objectives that the partnership wants to achieve. Nevertheless, according to O'Reilly & Madill (2012: 64), large number of sponsors and sponsees start partnerships without clearly defined and measurable objectives. Without defining the goals and objectives, it is difficult for the sports organization to demonstrate the fit and the synergy possibilities for the sponsor (Farrelly et al. 2005: 61). Hence, the evaluation of development can become difficult, as it is the case with some of the case companies interviewed for this case study. The lack of clearly defined metrics to evaluate the achievement of objectives reduces the evaluation process to "gut feeling". Although the feeling and relational aspect of the partnership can be good, the effectiveness of sponsorship needs to be measured against

set corporate strategic objectives, such as, marketing communications (to increase sales, raise brand awareness, and promote image transfer), relationship marketing (to build relationships with key customers and partners/properties), networking (to establish strategic relationships), and resourcing (to achieve a competitive advantage) (O'Reilly & Horning (2013: 425). Moreover, since corporations are investing significant amounts in sponsorships, it requires a systematic approach to understanding and implementation of sport sponsorship to maximize the value of the investment (Lee & Ross 2012: 157). Therefore, in order to evaluate the development of partnerships, sponsors and sports organizations need to implement a formal stance towards ensuring strategic objectives within the partnership are met (Athanasopoulou et al. 2015: 553). Especially, the sports organizations should consider providing clearly defined metrics to measure the development and effectiveness of the partnership, because sponsorship is more of a core business for the sports organizations than it is for the corporations, which means that the sports organizations should take the lead.

For sports organizations it is crucial to understand their core pillars that define the boundaries that they can operate in. In the case study, the boundaries consist of the environment, such as, the location of the sports organization and the level in which the sports organization operates. The core pillars are made of the available resources, capabilities, knowledge and networks. Through exploring the boundaries and pillars, the sports organizations should realize and understand the potential offerings it is able to provide for possible partners. Moreover, the boundaries and the pillars define the story of the sports organization that it wants to develop in collaboration with all the stakeholders for all the stakeholders. In order for the story to have maximum impact, the sports organizations need to understand their stakeholders. The stakeholders consist of employees, players, coaches, partners, spectators, fans, media, city and community of the sports organization. In the context of this study, it is highly vital for the sports organizations to understand how these different stakeholders affect each other in the stakeholder network. Corporations are interested of the mass that attends the events; therefore, it is crucial for sports organizations to gather data on the spectator preferences, in order to appeal to the needs of the partners. The city and the community wish to increase the well-being of the citizens and increase the feeling of togetherness. The

spectators are expecting functional, emotional and informative experiences. As these stakeholders are all involved in co-creating the story, it requires large amount of collaborative activities to make all the parties feel valued and engaged.

Looking explicitly from the lens of partnerships, the co-creative activities between sponsor and sports organization in this study are mostly based on the visibility, in which the marketing activities are planned in collaboration to enhance the brand image and association of the partner. The effectiveness of the activities increases through time, as first year of the partnership is getting used to each other, and second year is more productive as partners learn during the process and understand the needs of each other more comprehensively. From the perspective of Esport Honka, it is crucial to develop a systematic structure for managing partnerships. Moreover, in order to realize the full potential of the Esport Group, it requires strategical approach to the issue and collaboration between the business units of the group. New innovative offerings could be developed through collaboration between Esport Honka, different Esport business units and partners. Hence these new innovations could have the potential to become a base for sustainable competitive advantage.

Value-adding resources, capabilities and knowledge in partnerships

Taking advantage of resources, capabilities and knowledge requires constant systematic evaluation of the current practices involving these factors and innovating new practices involving these factors in a different method. Value-adding resources, capabilities and knowledge can be created internally within the Esport Group, in collaboration with partner or in larger network context involving a multitude of stakeholders. All the resources, capabilities and knowledge from different stakeholders are constantly combined in the creation of stories. Since sports organizations cannot be the only entity in creating a story, it needs to involve other stakeholders to the story-creation process. Nevertheless, the input of sports organization in the creation of stories is vital. Therefore, sports organizations should consider what sort of story elements they can offer for their partners. Idealistically, sports organizations should offer a platform that delivers and creates stories to the different stakeholders in collaboration. (Jalonen et al. 2015: 82.)

Platform as a value proposition from a sports organization gives the participants possibility to co-create value in mutual and reciprocal process. Different actors, such as sports organizations, sponsors and fans can combine their resources on a platform and create value in interaction. (Woratschek et al. 2014b: 11.)

In the context of the study, which focuses on partnerships, it is important to understand the role of partners and the sports organization in this value co-creation process. The role of sports organization is highly relevant as it is main stakeholder and the core actor that provides the platform and combines all the stakeholders together. Strictly from partnership point of view, sports organization needs to first and foremost understand the needs of the partner and secondly understand how the sports organization can answer to the needs of the partner. According to the literature, the needs of the partners are the strengthening of their brand awareness, visibility, the image and the profile of the sponsored target (Valanko 2009: 52), public awareness of a company or brand and the changing of brand image (Farrelly et al. 2006: 1017; Meenaghan et al. 1999: 340), forging political and business linkages (Gardner et al. 1988: 45), personal interests of senior executives (Meenaghan 1983), improvement of employee relations (Berrett 1993), field testing new potential products (Abratt et al. 1987), establishing a competitive presence globally (Ruth et al. 2003: 20), targeting consumers through their lifestyles and interests (Bennett et al. 2004: 239; Roy et al. 2004: 186), influence the perceptions and purchase behaviors of target consumers, business partners and other influential stakeholders (Farrelly et al. 2006: 1017). As most of these needs revolve around either strengthening the brand of the company, it is necessary for the sports organizations to understand the customers that attend the events and the segments that partners want to reach. Profiling of customers and fans according to socio-demographic factors such as age, gender, education, level of income and place of residence is not enough in the future, because these factors are just part of explaining the human consumption behavior. (Jalonen et al. 2017: 82.) Therefore, utilization of data from different sources can bring added value to all the stakeholders taking part in the value co-creation process, as better understanding of consumers can help the sports organizations together with sponsors and consumers to create stories that resonate with all the actors. Thus, analyzing customer data can and should be used to enhance the stories to bring extra value to the collaboration platform,

and to take advantage of the special characteristics of sports as a vehicle to deliver authentic and emotion full stories that appeal to sport fans.

Value co-creation in partnerships between sponsor and sports organization

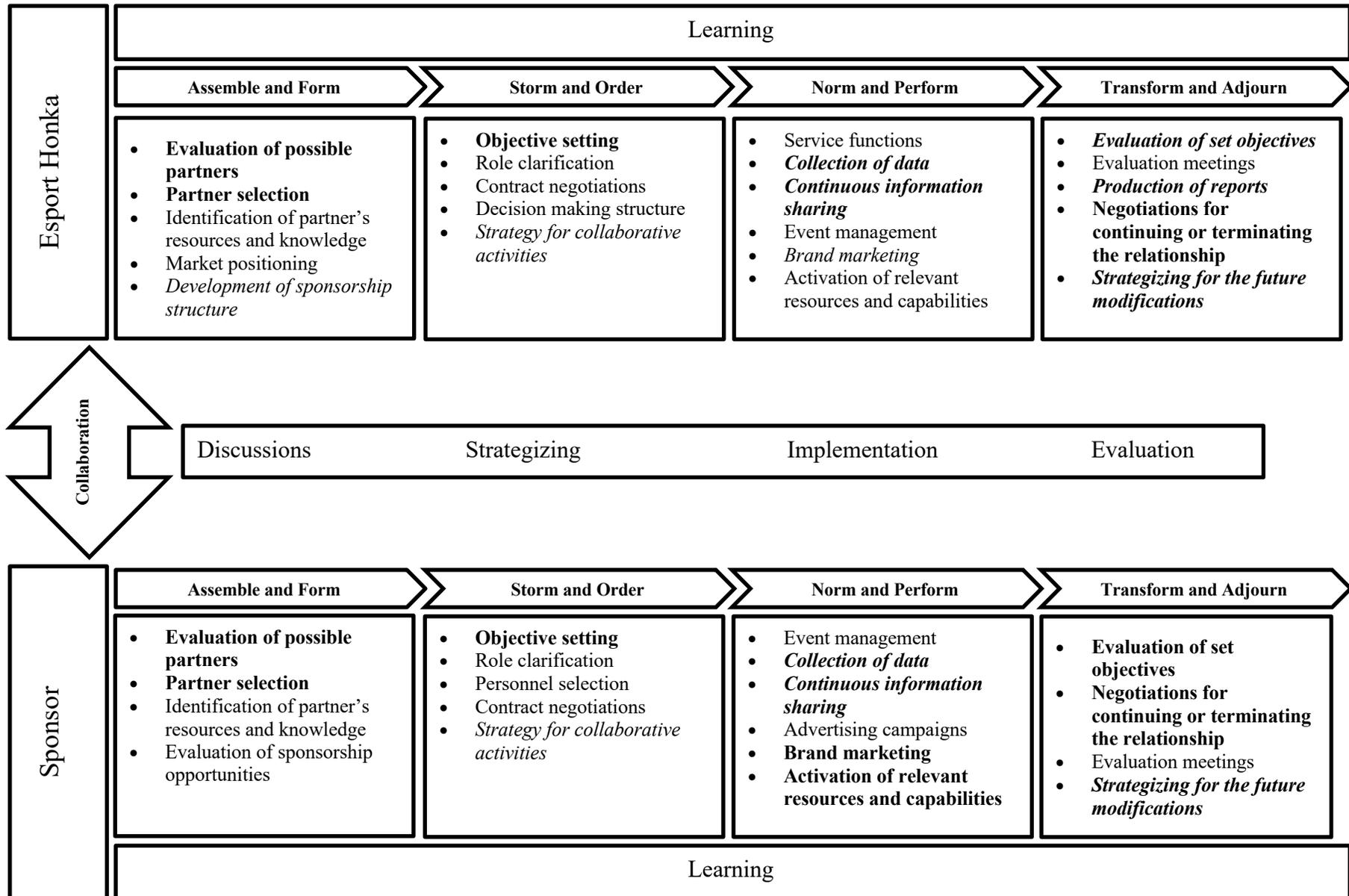
Value co-creation in the partnership between sponsor and sports organization happens in the network of all the stakeholders of the sports organization (Woratschek et al. 2014b: 18). The sponsors create value by providing products and services to the events in collaboration with sports organization and at the same time sponsors use the events as platform to present these products and services to customers, while simultaneously enhancing the brand of the sponsor. Therefore, the role of sports organization is crucial as a platform owner in connecting different stakeholders, such as sponsors and spectators together in an event to make the co-creation of value possible. Moreover, the platform can bring sponsors and their corresponding networks together in an event that can help in creating new relationships between sponsors through networking during the match event. Sponsors can get in touch with each other and simultaneously to their respective networks (Demir et al. 2015: 293). Furthermore, sports organizations can act as natural mediators between the city and the sponsors, by involving all the stakeholders to mutual marketing campaigns to improve the social responsibility aspect of the stakeholders. Thus, the most important role of a sports organization in creating value is managing the stakeholders. By managing the network of stakeholders correctly, and providing ample platform, in which the resources of stakeholders can be integrated should be the top priority of every sports organization. Through integration of resources, value can be co-created, and the co-creation of value can come out as a positive experience for all the stakeholders involved.

In the context of the study, the value co-creation process in partnership between sponsor and sports organization boils down to the relationship. Firstly, by defining the strategic fit between sponsor and sports organization is crucial in order for the partnership to work in the first place. Secondly, understanding the needs of the sponsor is highly valuable as the needs are drivers for setting objectives and in order to reach objectives, identifying the resources, capabilities and knowledge on both sides of the relationship is highly useful in achieving the objectives. In addition to identifying the resources available, it is crucial

for sports organization to understand the spectators in order to engage them properly to the value co-creation (Demir et al. 2015: 289). Managing the sports organization is at the same time managing the story that the organization wants to tell. Sponsors want to be part of this story, and the story can be authentic, when the values of the partners align. Authenticity can be based on many factors such as how the message of sponsor comes out in the story of the sports organization. Sponsors that conduct long-term partnerships with sports organizations during good and bad times are able to add authenticity to the story. It is vital for sponsors to be able to have an influence in the story to ensure that the planned message goes through. Thus, for sponsor it is strategically important to make right choices when deciding which sports organization to collaborate with. Choosing of sports organizations should be based on the reasoning of what kind of image the corporation is aiming to build when they enter or demolish co-creating activities according to winning or losing within sporting community. (Jalonen et al. 2017: 80-81.) The impact of a story is enhanced by the authentic consumer presence within the story line and consumer stories are often found more reliable than common corporate marketing. According to Gosline, Lee & Urban (2017: 11) consumer stories could increase consumers will to purchase by 32 per cent compared to typical corporate marketing. Stories that take advantage of sports are catalyst for emotions and symbolisms that hold extraordinary power. Moreover, the stories give sports organization's brand a differentiator that can be used to gain competitive advantage and differentiate itself from the competitors, while at the same time providing feeling of togetherness within community. (Jalonen et al. 2017: 79.)

As presented in the findings, the lack of data is a major gap in the current sponsorship structure of Esport. Without data from the activities of the partnership, it is difficult to measure and evaluate the success of partnership. Moreover, the lack of data from the consumer side can become a hindrance that disables the sports organization to reach the potential in the offerings and therefore becomes less interesting in the eyes of sponsors. The **Figure 9** in the next page presents the modified framework of value co-creation activities in sponsorship based on the findings and analysis of the interviews. The most important aspects of the current partnerships according to the interviews are **highlighted**, and the parts that require development in the future are in *italic*.

Figure 9. Modified framework of value co-creation activities in sponsorship.



5.2. Theoretical implications

Considering the theoretical contributions of this study, this thesis offers a theoretical framework for value co-creation in partnerships in the context of sports. Furthermore, the framework gives insight for both sponsors and sports organizations to understand important aspects of value creation in each stage of partnerships. While the framework is constructed to match to the needs of specific type of partnerships that occur in sports, through modifying the content of the stages, the framework could be applied to different industries as well. The traditional literature of sports management has been criticized for not considering all the aspects of value creation in sports (Woratschek et al. 2014b: 6), and while research has been conducted lately on how value co-creation occurs in partnerships, the literature has focused on meso-level. This thesis' focus lies in the exploration of a case company, Esport Honka and selected partnerships of the sports organization, and aims to illustrate how value co-creation occurs in certain specific market in specific settings.

While the football markets vary in size and in influence around the world, nevertheless they share same characteristics with each other, and the findings can be used in developing partnership strategies in different markets. Furthermore, this study contributes to the existing research by applying theoretical framework to practical settings and increasing the knowledge of the value co-creation process of sports organization. Moreover, this study applies stakeholder management methods in the sports environment, which is critical part for any sports organization in order to understand the value co-creation process.

5.3. Managerial implications

In terms of managerial implications, this study offers valuable observation of how partnerships function between sponsors and sports organization. Furthermore, the thesis provides practical knowledge on the activities that occur in partnerships. Moreover, the

resources, capabilities and knowledge applied by different actors in the value co-creation network are presented and analyzed to shed light to the value co-creation process. The thesis contributes directly to the sports organizations and to sponsors by pointing out crucial bottle necks that might hamper the value co-creation and offers developmental suggestions how to address these issues based on the literature. Furthermore, as this case study is conducted with an intention to provide developmental actions for a specific sports organization, this study aims to point out crucial factors that sports organizations need to consider while developing their sponsorship strategy.

5.4. Suggestions for future research

As this study has been conducted as a case study that explores a specific football club in a specific market, it would make sense to validate the results in different settings. For example, applying the theoretical framework in different sports or in different geographical areas and markets could provide valuable information on how value co-creation works in these different settings. Moreover, as sponsors that enter in to partnership with sports organizations, come from different industries, it could be fruitful to study, which companies from which industries can benefit most from the partnership with sports organization and how value co-creation activities differ between companies from different industries. Furthermore, conducting a longitudinal study on the development of the partnerships and how value co-creation activities change and evolve, could provide valuable knowledge on the topic. Longitudinal studies on the development would be highly important, since according to the literature and the interviews, the partnerships improves during time and value co-creation activities evolve through continuous learning.

Since the study focuses on the dyadic relationship of sports organization and its sponsors, and value co-creation involves more stakeholders, therefore, conducting a research on the value co-creation activities between sports organizations and different stakeholders, such as, spectators or media, could provide another point of view to the value co-creation in the nexus of sports.

5.5. Limitations

The limitations of the study align with the suggestions for future research. Since the study is conducted as a case study of a specific sports organization with special characteristics, the results might not correlate with sports organizations from different markets. Secondly, as this study has been conducted in the timespan of half a year, the development of the value co-creation activities is difficult to measure as the timespan is limited. Therefore, conducting a following longitudinal study could provide beneficial knowledge how the phenomena evolves. Lastly, as the author of this study, has been employed by the sports organization of the case study in the roles of a professional athlete and a thesis worker, the possibility for biased mindset exists. From another point of view, the fact that the author has worked in the sports organization could have been advantageous as extracting some of the information might have otherwise been unavailable for a person with different background.

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APPENDICES

APPENDIX 1. Interview structure (Sponsor)

Interviewee

Title

Company/Organization

Date/Duration

Stage 1: Assemble and Form

1. How does your company decide on entering into a partnership with sports organization?
2. What is your company looking for from a partnership with sports organization?
3. In your opinion, what are the most important benefits of partnering with sports organization?
4. What is the value of your company's investment into the partnership with sports organization and does your company feel that they are getting adequate return of investment?

Stage 2: Storm and Order

5. What are your company's objectives for partnership with sports organization?
6. Which persons are responsible for managing the partnership relationship?
7. What kind of activities are you looking for in a partnership that can increase the value acquired in partnering with sports organization?
8. How much resources are you willing to invest into the above-mentioned activities in partnerships?
9. What are the most important aspects in negotiating partnership contract with sports organization?

Stage 3: Norm and Perform

10. How does the planning process for collaborative activities occur in partnership?
11. How many times do you perform these aforementioned activities together in partnership?
12. How does your company collect data from the activities in partnership?
13. How much data do you share with your partners?

Stage 4: Transform and Adjourn

14. How do you evaluate the success of partnership with sports organization?
15. What kind of KPIs is your company using for the evaluation process?
16. If your company doesn't evaluate the success of partnership, how valuable would you perceive it if your partner evaluates it and would share the evaluation data with you?
17. What activities in the partnership have your company been content with?
18. How does your company experience the partnership?
19. In your opinion, how beneficial do you see the partnerships for your company?
20. In your opinion, how would you develop partnership with sports organization?
21. What are parts of the partnership process that in your opinion should be changed?
22. What are the reasons that your company might consider renewing partnership?
23. What are the reasons that your company might consider ending partnership?

APPENDIX 2. Interview structure (Esport Honka)

Interviewee

Title

Company/Organization

Date/Duration

Stage 1: Assemble and Form

1. How does Esport decide on entering into a partnership with a sponsor?
2. What is Esport looking for when forming a partnership with sponsor?
3. In your opinion, what are the most important aspects of partnering with sponsor in addition to the money received from sponsorship?
4. How Esport differentiates itself to sponsors from competitors and what kind of value does the sponsors get from Esport?
5. What does Esport invest into the partnership with sponsor?

Stage 2: Storm and Order

6. What are Esport's objectives for partnership with sponsor?
7. Which persons in Esport are responsible for managing the partnership relationship?
8. What kind of activities are you looking for in a partnership that can increase the value acquired in partnering with sponsor?
9. How much resources are you willing to invest into the above-mentioned activities in partnerships?
10. What are the most important aspects in negotiating partnership contract with sponsor?

Stage 3: Norm and Perform

11. How does the planning process for collaborative activities occur in partnership?

12. How many times do you perform these aforementioned activities together in partnership?
13. How does Esport collect data from the activities in partnership?
14. What kind of data is Esport collecting that is beneficial to partnerships?
15. How much data do you share with your partner?
16. What kind of tools do you use to collect and analyze this data?

Stage 4: Transform and Adjourn

17. How do you evaluate the success of partnership with sponsors?
18. What kind of KPIs is your company using for the evaluation process?
19. What kind of activities have had the best impact on the sponsorship satisfaction?
20. In your opinion, how beneficial do you see this specific partnership for Esport?
21. In your opinion, how would you develop partnership with sponsor?
22. What are the parts in the partnership process that could be changed to increase the value of partnership?
23. What are the reasons that Esport might consider renewing partnership?
24. What are the reasons that Esport might consider ending partnership?

APPENDIX 3. Modified framework of value co-creation activities in sponsorship.

