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Relationship commitment and value creation in sponsorship relationships

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ABSTRACT

Purpose: The sponsorship industry has evolved considerably in recent years due to the strategic business opportunities that it provides. Despite increased interest in sponsorship, analysis of the relationship between relationship commitment and value creation and of relationship commitment as comprising multiple types or components in the context of sponsorship relationships is lacking. To address these gaps, this paper analyzes relationship commitment (in terms of affective commitment and value-based commitment) as a significant mediating variable, and value creation in the context of sponsorship relationships.

Methodology/approach: A questionnaire was sent to Swedish Hockey League sponsors to collect data and to verify the study’s conceptual model and relationships. The response rate for the survey was 19.8%, that is, 122 completed questionnaires out of 616 sent. The respondents represented the most common industries in Sweden, but most of them belonged to the construction, repair, and electronics industries (18.0%), manufacturing and production industry (13.1%), and commerce industry (11.5%). Most sponsoring companies (30.3%) were categorized as medium-sized (50–249 employees). Most respondents (38.5%) had invested EUR 4300–15,000, whereas 11.5% had invested less than EUR 4300. Moreover, we found that most sponsors had been in their sponsorship relationships for more than 10 years (32.8%). Structural equation modeling (SEM) was used for the data analysis.

Findings: This study demonstrates that relationship commitment is an important driver of value creation in sponsorship relationships. Furthermore, the various forms of affective commitment and value-based commitment should not be considered merely components or forms but distinct types. Certainly, there is interaction between the two types, but sequentially in such a way that affective commitment is a prerequisite for value-based commitment. This means that a sponsor must have an emotional relationship with the sponsee in order to understand, perceive, and calculate the sponsorship relationship’s future business value in terms of profits and other benefits. This study also finds that value-based commitment is the most significant type of commitment in sponsorship relationships.

Research implications: The study demonstrates that shared values, trust, and affective commitment are fundamental conditions for value-based commitment. If the parties agree on how they should behave in the relationship, the rules and objectives that apply lead to the emergence of mutual trust, which in turn makes the parties want to continue the relationship for emotional reasons. But this is not enough for value creation; they must also see that there are future business benefits from the relationship. Therefore, the parties may or may not explicitly make calculations. If the calculations indicate that the long-term benefits of the relationship outweigh the short-term sacrifices, they are prepared to invest in the relationship, and this may lead to value creation. In other words, there is both interplay and tension between shared values, trust, and affective commitment, on one hand, and value-based commitment, on the other. Another theoretical contribution is that previous research has considered the links between relationship commitment and value but has ignored the different types of commitment that play key roles in the value-creation process; this study has addressed that oversight. The study demonstrates that affective commitment and value-based commitment have different roles and meanings. Affective commitment indirectly affects value creation, while value-based commitment directly affects value creation. Affective commitment has the role of partial mediator, while value-based commitment has the role of full mediator. Furthermore, they differ in their basic characteristics: affective commitment is an emotional aspect, while value-based commitment is a calculative aspect.

Originality/value/contribution: Previous studies have not analyzed the relationship between relationship commitment and value creation. However, this study demonstrates that relationship commitment is an important driver of value creation in sponsorship relationships. Furthermore, most previous research argues that relationship commitment consists of various components or forms that interact in parallel with each other. However, this study demonstrates that the various forms of affective commitment and value-based commitment should...
not be considered merely components or forms but distinct types. Certainly, there is interaction between the two types, but sequentially in such a way that affective commitment is a prerequisite for value-based commitment. Furthermore, previous studies have consistently noted that affective commitment is the most important component, form, or type of relationship commitment. However, this study finds that value-based commitment is the most significant type of commitment in sponsorship relationships.

**Introduction**

In recent years sponsorship has attracted academic interest (Drennan and Cornwell 2004; Farrelly and Quester 2003; Tyrie and Ferguson 2013). Corporate investments in the sponsorship industry in Sweden reached EUR 6.52 billion in 2013, an increase of 4.3% from the previous year (IRM 2013). Rifon et al. (2004) defined a sponsorship investment as when a “corporation (or other investor) creates a link with an outside issue or event, hoping to influence the audience by the connection” (p. 30). In such investments, cash and/or in-kind products/services are provided by sponsors to sponsees, resulting in associations with events or causes (Madill and O’Reilly 2010). When successful, sponsorships can create very good value for the sponsoring company (Tyrie and Ferguson 2013). Sponsorship involves a series of interactions and exchanges rather than single discrete transactions (Farrelly and Quester 2005). It is common for sponsorship relationships to last for many years. Sponsorship of an ice hockey team, for example, often means that sponsors are involved in many different activities organized by the hockey team with the aim of creating close relationships with its sponsors. Farrelly and Quester (2005) claimed that the value exchange becomes less distinct, as does the expected generated value, once the sponsorship transaction is completed. It therefore seems reasonable to analyze sponsorship from a relationship marketing approach.

Sponsors can have many different reasons for engaging in sponsorship. It is common to distinguish between economic and non-economic reasons for sponsorship, and different reasons can be associated with whether or not the sponsor’s business activities are located in the same place as the sponsored sport entity. Local companies sponsor local sports entities mainly for non-economic reasons, to strengthen the relationships with their employees, owners, customers, and society. Many employees like local sports teams, for example, they may watch ice hockey games and have children who play ice hockey. A firm may therefore spend large sums of money sponsoring local ice hockey, as it is important for the firm that its employees feel that their employer supports the local team. It is also common for a sponsor to rent a lounge at the hockey arena, which is principally used for entertaining customers, suppliers, employees, and municipal officials who attend games as well as for internal meetings (Roxenhall and Andrésen 2012). Companies lacking local business activities may sponsor local sports entities mainly for economic reasons, for example, to communicate with customers, increase sales, increase brand awareness, strengthen brand image and loyalty, and reach new markets (Biscaia et al. 2013).

Few studies have considered sponsorship activities fundamental to business-to-business (B to B) relationships. B to B relationships allow organizations to build competitive advantages and obtain better results (Čater and Čater 2010). Farrelly and Quester (2003) emphasized that a relationship approach is crucial in the sponsorship environment, as sponsorship value is based on both parties’ time and effort to reach predetermined and mutually beneficial goals. Furthermore, previous research has gauged sponsorship relationship value by the measurable gains achieved from previous collaboration and from partners’ perceptions of trust, commitment, satisfaction, and willingness to maintain the B to B relationship (Farrelly, Quester, and Burton 2006).

Relationship commitment has been acknowledged in the marketing literature as central to building long-lasting relationships and to achieving valuable outcomes (Anderson and Weitz 1992;
Ćater and Ćater 2010; Geyskens et al. 1996; Gilliland and Bello 2002; Morgan and Hunt 1994; Sharma, Young, and Wilkinson 2015). Hausman and Johnston (2010), Morgan and Hunt (1994), and Palmatier, Dant, and Grewal (2007) all found that commitment fosters collaboration. Ćater and Zabkar (2009) along with De Ruyter, Moorman, and Lemmink (2001) found that commitment fosters loyalty. Also associated with relationship commitment are improved relationship quality and supported relationship maintenance (Amy and Amrik 2002; Aurier and N’Goala 2010), knowledge sharing (Camelo-Ordaz et al. 2011), and purchasing (Stanko, Bonner, and Calontone 2007). Chadwick, Super, and Kwon (2015) and McElroy, Morrow, and Lacznia (2001) concluded that commitment fosters organizational efficiency, whereas other studies highlight its importance for better firm and network performance (Clarke 2006; Eisenberger et al. 2010; Lohtia et al. 2005; Sarkar et al. 2001; Wu and Cavusgil 2006), increased turnover (Meyer and Allen 1991), greater innovation (Olsén Hammarfjord and Roxenhall 2017), and various kinds of opportunism (Liu et al. 2010; Xin, Duff, and Hair 2010). However, studies analyzing the relationship between commitment and value creation seem to be lacking. There are three studies in this area, but they do not examine the precise relationship between commitment and value creation. Walter and Ritter (2003) claimed to have studied suppliers’ value creation but actually analyzed value capture, that is, the repayment suppliers receive from their customer relationships. Farrelly, Quester, and Burton (2006) analyzed the relationship between changes in sponsorship value and reciprocal commitment. Their results indicate that the commitment and will to cooperate act as strongly reinforcing agents, but that if reciprocity in the parties’ commitment is lacking, it can lead to serious relationship problems. Achtenhagen, Melin, and Naldi (2013) analyzed the link between relationship commitment and the strategizing of value-creation actions associated with new business models; they found, however, that commitment has a minor role and is not directly related to value creation.

However, prior researchers have emphasized that different types of commitment likely exist in interfirm relationships and that various aspects of commitment play different roles in the development of cooperation relationships (Sharma, Young, and Wilkinson 2015). In the marketing literature, many studies treat relationship commitment as a one-dimensional construct, but far fewer treat relationship commitment as comprising multiple types or multiple components. The latter studies have been conducted in contexts such as industrial distribution channels (Chang et al. 2012; Davis-Sramek et al. 2009; Gilliland and Bello 2002; Jain et al. 2014; Kim, Hubbard and Swain 2011; Liu et al. 2010; Sharma, Young, and Wilkinson 2015), manufacturing firms (Ćater & Ćater, 2010), the pharmaceutical industry (Hunter and Panagopoulos 2015), the printing and publishing industry (Chandrashekaran et al. 2000), service industries such as banking and insurance (Lam 2012; Malhotra et al. 2013; Verhoef, Frances and Hoekstra 2002), sports teams (Melancon, Noble and Noble 2011), telecom services (Gustafsson, Johnson and Roos 2005), travel agencies (Wieseke et al. 2007), and universities (Ganesan et al. 2010), but studies in the sponsorship relationship context are lacking.

Furthermore, several studies assume that the various forms of commitment are important mediators, but few studies in the marketing literature explicitly analyze their mediating roles. Seven studies explicitly analyze various forms of commitment as mediators. Interestingly, all these studies find that affective commitment and value-based commitment play mediating roles, but the findings regarding normative commitment are somewhat inconsistent.

In line with Sharma, Young, and Wilkinson (2015), we have identified two types of commitment, that is, affective and value-based commitment. Affective commitment refers to favorable feelings and attitudes toward the future business relationship, whereas value-based commitment refers to results in the form of profits, access to resources and information, and improved efficiency.

To build a valuable relationship, affective commitment and value-based commitment cannot stand on their own but are affected by relationship exchanges involving shared values and trust (Morgan and Hunt 1994). Regarding sponsorship, Farrelly and Quester (2005) found
that relationships lacking commitment, trust, or common goals are unlikely to succeed or realize strategic performance. They claimed that incorporating sponsorship into the strategic marketing plan and allocating resources to optimize that plan will significantly bolster commitment, leading to greater economic satisfaction and adding value to the company brand. This may in turn favorably affect a sponsor’s intention to renew the sponsorship contract.

In the above discussion, we have identified research gaps in the following areas: 1) analysis of the relationship between relationship commitment and value creation in the context of sponsorship relationships; 2) analysis of relationship commitment as comprising multiple types or components in the context of sponsorship relationships; and 3) analysis of relationship commitment as an important mediator in the context of sponsorship relationships. To address these gaps, this paper analyzes: relationship commitment (in terms of affective commitment and value-based commitment) as a significant mediating variable, the antecedents of relationship commitment, and value creation in the context of sponsorship relationships. We analyze two important antecedents to relationship commitment, namely, shared values and trust. The study is limited to Swedish sponsors of the Swedish Hockey League (SHL). The approach of investigating the sponsor’s rather than the sponsee’s perspective is logical as the sponsor is the party investing the most capital in the relationship. Furthermore, the value of sponsorship investments to the sponsee is fairly obvious, whereas the value to the sponsor is far less easily defined and measured.

The contribution of this study is as follows. Previous studies have not analyzed the relationship between relationship commitment and value creation. However, this study demonstrates that relationship commitment is an important driver of value creation in sponsorship relationships. Furthermore, most previous research argues that relationship commitment consists of various components or forms that interact in parallel with each other. However, this study demonstrates that the various forms of affective commitment and value-based commitment should not be considered merely components or forms but distinct types. Certainly, there is interaction between the two types, but sequentially in such a way that affective commitment is a prerequisite for value-based commitment. This means that a sponsor must have an emotional relationship with the sponsee in order to understand, perceive, and calculate the sponsorship relationship’s future business value in terms of profits and other benefits. Furthermore, previous studies have consistently noted that affective commitment is the most important component, form, or type of relationship commitment. However, this study finds that value-based commitment is the most significant type of commitment in sponsorship relationships. There are two strong reasons for this. First, value-based commitment has a strong direct effect on value creation in sponsorship relationships, which affective commitment does not. Second, value-based commitment has an important role as a full mediator, while affective commitment does not.

This article is structured as follows. First, we review the available literature treating the key concepts of sponsorship relationships. We propose a framework linked to two types of commitment, i.e., affective and value-based commitment, and their connection to value creation. These concepts are combined to form a conceptual model and seven hypotheses. Next, we present the methodology used to test the paper’s conceptual model and relationships on a sample of SHL sponsors, after which we present the results. Finally, the discussion and conclusions are presented, along with the study’s implications and ideas for further research.

Aspects of sponsorship relationships

Shared values

Values are fundamental elements of a company’s culture and help build confidence between the partners in a relationship (Morgan and Hunt 1994). To make a relationship successful, it is crucial that the parties share the same goals. If the parties can agree on what to expect from the relationship, this will increase their level of commitment (Johanson and Roxenhall 2009). Morgan
and Hunt (1994) argued that shared values constitute the extent to which parties share beliefs regarding the behaviors, goals, and policies that are appropriate within a B to B relationship. They defined shared values as the extent to which parties have common beliefs regarding the behaviors, goals, and policies that are important or unimportant, suitable or unsuitable, and right or wrong within a relationship. Moreover, the concept of shared values is also strongly connected to the expectations that each party has of a relationship before entering into it, and to the perceived benefits they experience afterwards (Johanson and Roxenhall 2009). Farrelly, Quester, and Burton (2006) found that the more a company invests in a relationship, the more sensitive it becomes to inequity, which ultimately makes it difficult to continue a relationship. It is therefore important that the parties in a relationship develop a common understanding of value and agree on their respective obligations to realize it. Based on the literature review and inspired by Morgan and Hunt (1994) definition of shared values, this study defines shared values as the extent to which the members of a sponsorship relationship share values regarding the behaviors, goals, and policies that are important or unimportant within the sponsorship relationship.

**Trust**

Like commitment, trust is crucial to any relationship. Previous research has proved that trust facilitates better cooperation, more functional conflict, and reduced uncertainty. Morgan and Hunt (1994) related trust to a partner’s willingness to depend on the other partner. This encourages businesses to invest in long-term relationships to improve cooperation, which is a factor contributing to competitive advantage (Morgan and Hunt 1994). Geyskens et al. (1996) stated that relationships based on trust are highly valuable and lead to better business outcomes, increasing parties’ desire to continue them. Johanson and Vahlne (2009) emphasized that trust plays a significant role in relationship development, constituting an important component in developing and learning new knowledge. In some cases, trust may be a substitute for knowledge, for example, when it has been observed in the absence of necessary market knowledge. Trust has also been demonstrated to be an indicator predicting the other party’s behavior. In the process of developing relationships, trust is treated as a major determinant of commitment if there is willingness and desire to maintain the relationship (De Ruyter, Moorman, and Lemmink 2001; Johanson and Vahlne 2009; Morgan and Hunt 1994; Rodríguez and Wilson 2002). In general, trust will produce outcomes that promote efficiency within the company as well as effectiveness and long-term exchanges between firms and end customers (Morgan and Hunt 1994). Johanson and Vahlne (2009) also argued that trust is crucial early in a relationship, because it can persuade both parties to share information and values and to formulate joint expectations.

Morgan and Hunt (1994) believed that trust is achieved when one exchange partner has confidence in the other partner’s reliability and integrity. Regarding the apparent outcomes of trust, the authors conceived of trust as a firm’s belief that another company with which it has a relationship will make mutually beneficial decisions. One can therefore expect positive outcomes from a partner on whom one can rely with assurance. Moorman, Zaltman, and Deshpande (1992) stated that if “one believes that a partner is trustworthy without being willing to rely on that partner, trust is limited” (p. 315). Farrelly and Quester (2005) suggested that if a sponsor invests additional resources in a relationship, the level of trust will increase. In sum, the definition of trust applied here is formulated by Morgan and Hunt (1994), and is constructed as the willingness to rely on a responsee in whom the sponsor has confidence.

**Affective commitment**

Affective commitment is strongly connected to shared values, trust, benevolence, and relationships. Affective commitment arises when the committed party feels psychologically bonded to the other party in the relationship (Bansal, Irving, and Taylor 2004; Fullerton 2005; Gruen, Summers, and Acito 2000). Though the affectively committed party may fail to gauge the economic and rational benefits of the relationship and find it hard to value its effects
based on economic calculations, the party nevertheless finds it meaningful to enter into and maintain the relationship. A party with affective commitment to a relationship wants to preserve the relationship for emotional reasons (Meyer and Allen 1991). Affective commitment also tends to be influenced by behavioral objectives such as investing in and building long-lasting relationships (Lovblad, Hyder, and Lonnstedt 2012; Sharma, Young, and Wilkinson 2015). A party with a higher level of affective commitment will stay in a relationship longer, as he or she will find the relationship more emotionally rewarding. An understanding of affective commitment is essential in a relationship context as it has been shown to influence relationship outcomes. However, research has demonstrated that affective commitment cannot compensate for inadequate results and performance (Sharma, Young, and Wilkinson 2015). Prior studies have found that affective commitment is the most crucial type of commitment when entering into and developing long-term B to B relationships (Allen and Meyer 1990; Sharma, Young, and Wilkinson 2015). Based on the above discussion, this study conceptualizes affective commitment as a sponsor being psychologically bonded to the sponsee based on how favorably it regards the sponsee.

**Value-based commitment**

Value-based commitment involves a desire for rational calculations of future values, such as forecasts of future gains in terms of time, effort, money, knowledge, etc. (Bansal, Irving, and Taylor 2004; Walter et al. 2003). Parties with a strong sense of value-based commitment tend to maintain relationships that are believed to confer benefits (Čater and Čater 2010). Sharma, Young, and Wilkinson (2015) found that relationship value is directly linked to value-based commitment, that is, value-based commitment increases in connection with cooperativeness, so partners tend to obtain greater value from a business relationship by working together, and are more likely to work together in relationships that offer greater value. In other words, if a relationship contains value-based commitment, it will likely be more profitable than a relationship without such commitment. Value-based commitment is conceptualized as the degree to which the sponsor is psychologically bonded to the sponsee on the basis of future business benefits from the relationship.

**Value creation**

It is crucial for organizations to find business opportunities that will increase their value and lower the cost of financing their efforts. In this article, value creation is conceptualized in terms of effectiveness, which is central to assessing business performance and external marketing value (Sheth and Sisodia 2002). Mouzas (2006) emphasized that effectiveness is expressible in terms of future business value. Effectiveness can be described in terms of quantifiable market success, such as sales growth, market share, customer satisfaction, and quality (González-Benito, González-Benito and Muñoz-Gallego 2014).

The extent of value creation in a relationship depends on the level of satisfaction with the goals set forth within the relationship agreement (Farrelly, Quester, and Burton 2006). Prior research has found that value is not created by a single factor, but by a process encompassing everything that occurs during the actual relationship. Tyrie and Ferguson (2013) suggested that the value that results from a relationship is based on perceptions of the relationship, which is constantly being evaluated. Perceptions of the relationship exchange are often used when making future decisions. Moreover, perceptions are important in shaping how partners view a relationship, which can be seen in a favorable or unfavorable light. Farrelly, Quester, and Burton (2006) referred to value as highly intangible and risk laden. B to B relationships are often difficult to link to specific occasions, as the value is often realized at various times and from multiple sources. The same researchers stated that it can take years for a partner to fully realize relationship value: the perceived value will always evolve, so neither party should assume that past contributions or processes will be viewed the same way in the future. This has been considered important in this study, as it implies that value creation comprises the sponsor’s perception of the value created by the sponsorship relationship in terms of effectiveness. Our definition of value creation
refers to the sponsor’s perception of market effectiveness, which is linked to market success, current satisfaction, and willingness to continue the relationship.

**Conceptual model**

As stated before, if the parties to a relationship share the same values in relation to the behaviors, goals, and policies for the relationship, their commitment will increase substantially (Friman et al. 2002; Morgan and Hunt 1994). Whether or not the parties share values depends on how well the values are distributed within the relationship and on how well the values fit the parties’ overall expectations. This means that, depending on what goals one party has regarding its relationship partner, it is crucial that the other party also consider these expectations when setting its goals. Otherwise, the two parties will not have common goals. Trust is important in that it connected to achieving corporate goals and solving problems. Sharing risks and rewards in a partnership relationship bolsters the win–win process of building mutual understanding and trust (Morgan and Hunt 1994). The above discussion leads to the following hypothesis:

**Hypothesis 1**: Shared values are positively related to trust.

Trust has been proven to be a core factor creating business value, with a positive direct effect on relationship commitment (Tyrie and Ferguson 2013), which in turn encourages parties to remain and develop trust in a relationship and thereby foster collaboration (Abosag and Naude 2014; Morgan and Hunt 1994). Affective commitment requires trust (Garbarino and Johnson 1999; Gilliland and Bello 2002; Morgan and Hunt 1994) in order for the parties in the relationship to be committed to one another. In addition, good experience (i.e., fulfillment of one’s wishes) is something that is required between committed parties (Garbarino and Johnson 1999). Organizational research has found very strong relationships between job experience and affective commitment and noted that trust affects the development of the latter (Irving and Meyer 1994; Meyer et al. 2002). Several empirical studies have also found that trust positively influences value-based commitment (Čater and Čater 2010). Geyskens et al. (1996) suggested that the calculative reasons for upholding a relationship depend on whether or not trust exists between the parties. Greater trust may lead to less emphasis of calculative motivations; instead, the focus shifts to a desire to maintain the relationship for emotional reasons. Sharma, Young, and Wilkinson (2015) suggested that trust has a stronger effect on affective commitment than on value-based commitment. This is likely because if the parties lack trust in one another, affective commitment is highly unlikely (Geyskens et al. 1996). Morgan and Hunt (1994) argued that when trust and commitment are present in a relationship, they will produce outcomes that promote value creation in terms of effectiveness. Further hypotheses are accordingly formulated as follows:

**Hypotheses 2a, b, and c**: Trust is positively related to a) affective commitment, b) value-based commitment, and c) value creation.

Affective commitment means that the relationship parties are emotionally connected to each other, grounded in mutual trust and shared values. The committed party does not consider only the economic and practical benefits of the relationship, finding it difficult to evaluate the relationship’s effects using economic calculations alone; nevertheless, involvement in the relationship still feels right. Strong affective commitment presupposes emotional reasons for continuing a relationship (Meyer and Allen 1991), and an emotional bond is of course an important basis for a long and lasting relationship. However, a business relationship cannot be based solely on emotional bonds, but requires that the parties also see future value in the relationship. Even an affectively committed party can calculate future value, such as future gains in terms of, for example, effort, cost, time, money, effectiveness, information, knowledge, and access to resources (Bansal, Irving, and Taylor 2004; Walter et al. 2003). Empirical evidence is missing in this area, the only relevant study we found being a recent one by Sharma, Young, and Wilkinson (2015), who found that affective
commitment is strongly associated with value-based commitment.

There is no reason for any company to invest both time and money in a relationship if no value is gained in return. However, while prior research into commitment has considered the link between relationship value and commitment, research is lacking regarding the types of commitment operative in value creation (Sharma, Young, and Wilkinson 2015). This underscores the importance of creating and developing value for the relationship partners in terms of both affective and calculative rationales, as they have different meanings in the value-creation process. However, Åsberg and Hessling (2015) found no significant relationship between affective commitment and value creation. Nonetheless, as many other researchers have stated, affective commitment is a key component in building valuable relationship outcomes. In addition, as Friman et al. (2002) concluded, commitment implies that a successful relationship will bring future business value. The following hypotheses are accordingly formulated:

**Hypotheses 3a and b:** Affective commitment is positively related to a) value-based commitment and b) value creation.

Previous studies have confirmed that there is a positive relationship between commitment of all types and relationship performance (Hausman and Johnston 2010; Morgan and Hunt 1994; Palmatier, Dant, and Grewal 2007; Sarkar et al. 2001). Parties with strong value-based commitment will maintain their relationship because they desire the future gains accruing from staying in the relationship (Cater and Cater 2010). Value-based commitment increases in line with parties’ willingness to cooperate, because parties tend to get greater value from a relationship by working together. Furthermore, parties are more likely to work together in relationships that are socially and economically beneficial. Value-based commitment can also be linked to how well the value is visualized and how realistic the value creation is (Anderson and Narus 1998). If the relationship outcomes do not meet expectations, disappointment will follow, which will in turn reduce the level of value-based commitment (Anderson and Narus 1998). Rajagopal and Rajagopal (2009) claimed that commitment is viewed as an essential indicator of relationship quality; simply stated, the more effective the relationship, the more committed the partners. Consequently, there is reason to believe that there is a relationship between value-based commitment and value creation, as summarized in the following hypothesis:

**Hypothesis 4:** Value-based commitment is positively related to value creation.

The conceptual model is shown in Figure 1. The arrows show the hypothesized direct relationships between the variables. Important indirect relationships exist as well. For example, shared values are expected to have an indirect effect on affective commitment, value-based commitment, and value creation mediated by trust. We have chosen not to hypothesize the indirect relationships, but we do conduct a path analysis to demonstrate the indirect and total effects of each variable. We also analyze the roles of trust, affective commitment, and value-based commitment as mediators. Finally, we assume that the conceptual model as a whole has significant explanatory value.

**Method**

**Sample and data collection**

To test the study’s conceptual model and hypotheses, we chose to examine companies sponsoring the Swedish Hockey League (SHL) during the
2014–2015 season. The SHL hockey organizations operating at that time were Brynäs IF, Djurgården Hockey, Frölunda Indians, Färjestad BK, HV71, Leksands IF, Linköping HC, Luleå Hockey, Modo Hockey, Skellefteå AIK, Växjö Lakers, and Örebro Hockey. The sports industry was chosen as a research object for several reasons: first, sponsors increasingly use large-scale sports entities in corporate and brand marketing strategies; second, sponsorships are a major source of revenue and other benefits for sports entities; third, and crucially in the present context, there is potential for all parties to such arrangements to obtain substantial value over the course of the relationship.

We chose to limit our population to sponsors who had invested EUR 4300 or more in the sponsorship. We chose this as a selection criterion because this level and above usually includes sponsors with a genuine commercial interest in the sponsorship investment in terms of increasing company revenues. Companies investing under EUR 4300 are more interested in other benefits, such as free game tickets and employee use of sports facilities. We wanted to capture sponsors who were in active relationships with the sponsored sports entities rather than those that only bought products or services and then had no further contact with the sponsee. Westberg, Stavros, and Wilson (2011) argued that sponsors who invest more in a relationship are more likely to maintain a long-term association with the sponsee organization, thereby providing greater insight into the relationship processes. On this basis, we set a minimum investment threshold to exclude companies having no direct relationship with or impact on the sponsee. Moreover, 34 of the 650 initially sampled sponsors were categorized as non-responders due to difficulties in finding proper contact details. The final sample size was 616 sponsors.

The contact information was found on each company’s website. Companies with websites that did not state email addresses were contacted by phone. As this study aimed to measure the sponsorship value from the sponsor’s perspective, it was essential that the right person complete the questionnaire. We tried to contact the most suitable respondents that the companies could offer. It was usually the CEOs and marketing managers who had the most knowledge and insight concerning the sponsorship relationship. Finally, we used the Netigate web application to distribute the questionnaire and to receive the respondents’ answers, though there were some limitations to this self-completing questionnaire design (Manfreda et al. 2008). As the respondents cannot directly question the researcher, respondents may be uncertain when responding to the items. This can increase the non-response rate, as respondents who do not understand the questions may decide to drop out of the questionnaire. This means that respondents to self-completion questionnaires have a relatively high tendency not to complete a questionnaire that is too extensive and/or complex. Due to these concerns, in combination with the fact that the questionnaire was distributed to the respondents during working hours, the lengths of both the questionnaire and its individual items were seriously considered beforehand. To counteract the possible lack of informed consent, an explanatory letter was sent in connection with the questionnaire to clarify the purpose of the research. All respondents were assured anonymity regarding both their company connections and the sponsored teams. The study’s results were shared
with participating companies that were interested in obtaining them. Our contact details were distributed in connection with the questionnaire.

The questionnaire was sent to 616 sponsors at the end of April and the beginning of May 2015. Two e-mail reminders were sent during the period in order to increase the response rate. The questionnaires were sent in a week that included a bank holiday (Friday). This may have lowered the response rate, as we found that many people took vacations during the resulting long weekend. Several automatic replies were received stating that contact persons were unavailable for various reasons.

There are always uncertainties regarding the correctness and reliability of a study’s findings. To prevent misunderstanding, explanatory letters were sent to the respondents clarifying the main purpose of this study, so they would understand the areas examined in this research. The explanatory letter also guaranteed respondent anonymity and contained contact details to obtain further information about the study. The response rate for the survey was approximately 20% (19.8%), that is, 122 completed questionnaires out of 616 sent.

The respondents represented the most common industries in Sweden, but most of them belonged to the construction, repair, and electronics industries (18.0%), manufacturing and production industry (13.1%), and commerce industry (11.5%) (see Table 1).

The number of employees was categorized as “fewer than 10,” “10–49,” “50–249,” and “250 and more.” This distribution was based on the EU definition of micro, small, medium-sized, and large companies. Table 1 shows that, though the participating companies vary in size, the different size categories are evenly distributed.

The investment amounts were divided according to how most of the hockey organizations categorized their sponsors (Bronze: EUR 4300–15,000, Silver: EUR 15,001–26,800, Gold: EUR 26,801–42,900, and Diamond: more than EUR 42,901). The respondents ranged widely in terms of how much they invested in the sponsorship relationship, but most of them (56.5%) invested EUR 4300–26,800. The durations of the sponsorship relationships are also evenly distributed (see Table 1).

Only 94 of 122 respondents completed the whole questionnaire. There may be several reasons for the drop-outs. One possibility is that respondents may have felt that there were too many questions. Another possibility is that some items were considered “unnecessary” to respond to or too subtle or difficult to understand. All surveyed companies sponsored one or more hockey organizations, Brynäs IF receiving the most sponsorship at 28% of the total value. Most sponsoring companies (30.3%) were categorized as medium-sized (50–249 employees). Most respondents (38.5%) had invested EUR 4300–15,000, whereas 11.5% had invested less than EUR 4300. Moreover, we found that most sponsors had been in their sponsorship relationships for more than 10 years (32.8%). The main reason for companies getting involved in sponsorship relationships was the possibility of allowing customers to attend hockey games (22.7%), closely followed by brand exposure (22.1%) and positive business image (18.5%). Miscellaneous other reasons were cited by the fewest respondents (5%). Apart from these reasons, some sponsors entered into their sponsorship relationships to help the hockey organization as well as to raise brand awareness in order to promote internal recruitment. Others said that they wanted to choose all the alternatives, as all applied to their businesses (see Table 1).

**Measures**

The questionnaire consisted of 32 items formulated as statements to be responded to using six-point Likert-type scales capturing how much the respondents agreed or disagreed, “1” representing strong disagreement and “6” strong agreement. The advantage of six-point scales was that they did not permit neutral answers, meaning that the respondents were forced to take positions (Roxenhall 2011). Neutral responses would be difficult to analyze as they do not indicate whether the respondents agree or disagree. Almost all the items in the questionnaire were closed-ended and contained fixed alternatives. We used items validated in previous studies in other contexts. We
assumed that some sponsors sponsored several hockey teams, meaning that they had to complete several surveys. For that reason, we chose the same design as Farrelly and Quester (2003) used, constructing the questionnaire with a minimal number of items, adapting the wording to fit the sponsorship context. All items in the questionnaire had to be completed before the respondent could submit the questionnaire.

Scale reliability was measuring by calculating the item loadings and errors (Acock 2013), and all values were found to exceed the recommended threshold (see Appendix A). We measured the convergent validity by calculating the item loadings and average variance extracted (AVE) and the discriminant validity by calculating the average shared squared variance (ASV). Twenty items were tested and six of them were dropped: two items were dropped because they had low loading values and the other four items were dropped because there were too many items for the construct addressed (i.e., value creation). We did not want the model to be too complex and we sought balance between the model’s variables in terms of number of items. Three to four items are quite enough to get individual factor measurement model statistically identified (Gefen, Rigdon, and Straub 2011; Iacobucci 2010). After dropping the items, the confirmatory factor analysis indicated acceptable model fit, but two items still had lower loading values than the recommended threshold of 0.70. However, all variables were considered acceptable because they all exceeded the AVE threshold of 0.50 and the ASV values of all constructs did not exceed the AVE threshold (Bagozzi and Yi 1988; Fornell and Larcker 1981; see Appendix A).

### Table 1. Sample characteristics.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency (n = 122)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range of industries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>7</td>
<td>5.7</td>
</tr>
<tr>
<td>Information and communication</td>
<td>8</td>
<td>6.6</td>
</tr>
<tr>
<td>Transport and logistic</td>
<td>11</td>
<td>9.0</td>
</tr>
<tr>
<td>Construction, repair, and electronics</td>
<td>22</td>
<td>18.0</td>
</tr>
<tr>
<td>Education and healthcare</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Commerce</td>
<td>14</td>
<td>11.5</td>
</tr>
<tr>
<td>Hotel and restaurant</td>
<td>4</td>
<td>3.3</td>
</tr>
<tr>
<td>Financial services</td>
<td>11</td>
<td>9.0</td>
</tr>
<tr>
<td>Manufacturing and production</td>
<td>16</td>
<td>13.1</td>
</tr>
<tr>
<td>Property management</td>
<td>9</td>
<td>7.4</td>
</tr>
<tr>
<td>Forestry, fishing, and agricultural operations</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>N/A</td>
<td>17</td>
<td>14.0</td>
</tr>
<tr>
<td>Firm size (employees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fewer than 10</td>
<td>18</td>
<td>14.8</td>
</tr>
<tr>
<td>10–49</td>
<td>35</td>
<td>28.7</td>
</tr>
<tr>
<td>50–249</td>
<td>37</td>
<td>30.3</td>
</tr>
<tr>
<td>250 or more</td>
<td>32</td>
<td>26.2</td>
</tr>
<tr>
<td>EUR invested in sponsorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 4300</td>
<td>14</td>
<td>11.5</td>
</tr>
<tr>
<td>4300–15,000</td>
<td>47</td>
<td>38.5</td>
</tr>
<tr>
<td>15,001–26,800</td>
<td>22</td>
<td>18.0</td>
</tr>
<tr>
<td>26,801–42,900</td>
<td>11</td>
<td>9.0</td>
</tr>
<tr>
<td>42,901+</td>
<td>15</td>
<td>12.3</td>
</tr>
<tr>
<td>N/A</td>
<td>13</td>
<td>10.7</td>
</tr>
<tr>
<td>Duration of sponsorship relationship (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–5</td>
<td>44</td>
<td>36.1</td>
</tr>
<tr>
<td>6–10</td>
<td>23</td>
<td>18.8</td>
</tr>
<tr>
<td>More than 10</td>
<td>40</td>
<td>32.8</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>12.3</td>
</tr>
<tr>
<td>Firm’s reason for sponsoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offering customers ability to attend hockey games</td>
<td>38</td>
<td>31.1</td>
</tr>
<tr>
<td>Social utility</td>
<td>12</td>
<td>9.8</td>
</tr>
<tr>
<td>To meet other entrepreneurs under more relaxed circumstances</td>
<td>21</td>
<td>17.2</td>
</tr>
<tr>
<td>Value for employees</td>
<td>20</td>
<td>16.4</td>
</tr>
<tr>
<td>Positive image for business</td>
<td>31</td>
<td>25.4</td>
</tr>
<tr>
<td>Brand exposure</td>
<td>37</td>
<td>30.3</td>
</tr>
<tr>
<td>Other reasons</td>
<td>8</td>
<td>6.6</td>
</tr>
</tbody>
</table>
Shared values were measured using two items adapted from Clarke (2006) capturing the extent to which the sponsor felt that it and the hockey organization had approximately the same values and beliefs about objectives, policies, and relationship management. Trust was measured using three items adapted from Morgan and Hunt (1994) capturing sponsor confidence in a hockey organization’s reliability and integrity, that is, the sponsor trusted the hockey organization, believing that it kept its promises, did as it said it would, and was honest. Affective commitment was measured using three items adapted from Gruen, Summers and Acito (2000) capturing the sponsor’s feelings for a hockey organization that make it want to continue cooperation. Value-based commitment was measured using two items adapted from Sharma, Young, and Wilkinson (2015) capturing sponsor willingness to continue cooperation with a hockey organization because it saw future value in and could benefit from the cooperation in terms of profits, efficiency gains, information, referrals, and resource access. Value creation was measured using four items adapted from Mouzas (2006) and González-Benito, González-Benito, and Muñoz-Gallego (2014) capturing the sponsor’s perceived value gained from cooperation with the hockey organization in terms of market effectiveness (e.g., customer effectiveness, competitiveness, stronger customer relationships, and new sales opportunity) (see Appendix A).

**Data analysis**

Structural equation modeling (SEM) and Stata 14.0 were used for the data analysis. There are no uniform guidelines for how large the sample size should be (Gefen, Rigdon and Straub 2011). The well-known rule of thumb is that at least 200 observations are required in order to use SEM analysis (Garver and Mentzer Gefen; Hoelter 1983), but this rule applies when the variables are not entirely reliable, effects are weak, and models are complex (Iacobucci 2010). Fewer observations can be used, however, when the variables are more reliable, the effects are stronger, and the models are not overly complex (Bearden, Sharma, and Teel 1982; Bollen 1990). Anderson and Gerbing (1991) found that the number of items influences the model fit indices: a variable consisting of only two items will likely lead to inaccurate measurements, but if it consists of three or more items the bias almost completely vanishes (Gerbing and Anderson 1985). In such cases, 100 observations are usually sufficient for convergence. Iacobucci (2010) argued that SEM modeling can work well even with fewer observations and items:

> Shoot for a sample size of at least 50. . . Ideally each construct would be measured by at least three indicator variables. If a few constructs are single items, that is probably okay. Constructs measured with four or more variables are probably excessive. (p. 95).

This has also been proven to work, and several SEM modeling studies published in reputable marketing journals use small sample sizes and complex models consisting of many variables each measured by few or single items (see, e.g., Čater and Zabkar 2009; Ferguson, Paulin, and Bergeron 2005; Grewal et al. 2013; Leonidou et al. 2014; Panagopoulos and Dimitriadis 2009). In line with Mathieu and Taylor (2006), the present study’s model makes assumptions that are part of robust theoretical constructs well established in the scientific community, uses operationalized concepts with precise construct validity, and is not too complex, consisting of only five variables, three of which are measured using three or more items. In other words, the study meets the conditions necessary to analyze the 94 observations using SEM modeling, so we are confident that the structural analyses adequately represent the sample data.

**Table 2. Descriptive statistics and correlations.**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shared values</td>
<td>3.537</td>
<td>1.221</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Trust</td>
<td>4.031</td>
<td>1.292</td>
<td>0.642***</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Affective commitment</td>
<td>4.421</td>
<td>1.141</td>
<td>0.497****</td>
<td>0.612***</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Value-based commitment</td>
<td>4.827</td>
<td>1.010</td>
<td>0.389**</td>
<td>0.514***</td>
<td>0.630***</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>5. Value creation</td>
<td>4.505</td>
<td>1.103</td>
<td>0.398**</td>
<td>0.375**</td>
<td>0.526***</td>
<td>0.646***</td>
<td>1.00</td>
</tr>
</tbody>
</table>

*p < .05, **p < .01, ***p < .001
Results

Descriptive statistics and correlations

The descriptive statistics include means and standard deviations. In the correlation matrix, we look for patterns and whether the relationships are positive or negative, how strong the relationships are, and whether or not they are significant. The results in Table 2 indicate that all variables are significantly positively related.

While analyzing the data, the question of multicollinearity arose. All correlations are weaker than 0.65, indicating no risk of multicollinearity. We therefore assumed that multicollinearity was not an issue in this study.

The structural equation model

The measurement model does a good job of fitting the data, i.e., the chi-square test is non-significant ($\chi^2_{64} = 79.053, p = 0.097$). Furthermore, we analyze the root-mean-squared error of approximation (RMSEA), comparative fit index (CFI), and standardized root-mean-square residual (SRMR) as measures of fit. All values are within the recommended thresholds (RMSEA = 0.050, CFI = 0.982 and SRMR = 0.053). The full SEM is the measurement model and structural (path) model combined. The full model (see Figure 2) fits the data reasonably well: $\chi^2_{66} = 83.520$ ($p = 0.07$), RMSEA = 0.053, CFI = 0.979, and SRMR = 0.061. For all constructs, the squared multiple correlations are as follows: trust, $R^2 = 0.575$; affective commitment, $R^2 = 0.640$; value-based commitment, $R^2 = 0.639$; value creation, $R^2 = 0.516$; and overall model, $R^2 = 0.820$.

The path analysis tests the multiple effects of the measured variables, providing a truer indication of the strength of associations between them. The direct effects of the variables on each other are the standardized beta coefficients taken from the structural model analysis. We counted the indirect effects by multiplying the sequential beta coefficients along any specified path (Deshpande and Zaltman 1982; Sharma, Young, and Wilkinson 2015). In conducting path analysis, we followed Sharma, Young, and Wilkinson (2015) suggestions, that is, the path analysis examines the direct effects, indirect effects, and total effects of the constructs (the total effects are the sum of the direct and indirect effects). Table 4 shows the various effects
on the constructs. We also conducted a mediation analysis. Traditionally, researchers have conducted multiple regressions to estimate the $X \rightarrow M \rightarrow Y$ relationship, but statistical researchers have more recently demonstrated that SEM modeling is a more efficient method for estimating these relationships. Mediation analysis is integrated into the SEM modeling and all three paths are fitted at once in a single model (Acock 2013; Iacobucci 2010). When conducting the mediation analysis, we followed Acock’s (2013) recommendations.

The results of the path analysis of direct effects shown in Figure 2, Table 3, and Table 4 indicate that four of the seven hypotheses are confirmed as follows: There is a significant positive relationship between shared values and trust ($\beta = 0.758, p = 0.000$), so hypothesis 1 is confirmed. There is a significant positive relationship between trust and affective commitment ($\beta = 0.800, p = 0.000$), a non-significant negative relationship between trust and value-based commitment ($\beta = -0.224, p = 0.355$), and a non-significant positive relationship between trust and value creation ($\beta = 0.128, p = 0.547$), so hypothesis 2a is confirmed and hypotheses 2b and 2c are rejected. Furthermore, there is a significant positive relationship between affective commitment and value-based commitment ($\beta = 0.968, p = 0.000$) and a non-significant negative relationship between affective commitment and value creation ($\beta = -0.132, p = 0.694$), so hypothesis 3a is confirmed and hypothesis 3b is rejected. Finally, there is a significant positive relationship between value-based commitment and value creation ($\beta = 0.748, p = 0.000$), so hypothesis 4 is confirmed.

The results of the path analysis of indirect and total effects shown in Table 4 indicate that shared values has a significant indirect effect on affective commitment ($\beta = 0.608, p = 0.000$), value-based commitment ($\beta = 0.418, p = 0.000$), and value

<table>
<thead>
<tr>
<th>Construct</th>
<th>$R^2$</th>
<th>$\beta$</th>
<th>$p$</th>
<th>Hypothesis tested</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>0.820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.575</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared values $\rightarrow$ trust</td>
<td>0.758</td>
<td>0.000</td>
<td>H1</td>
<td>Confirmed</td>
<td></td>
</tr>
<tr>
<td>Trust $\rightarrow$ affective commitment</td>
<td>0.800</td>
<td>0.000</td>
<td>H2a</td>
<td>Confirmed</td>
<td></td>
</tr>
<tr>
<td>Value-based commitment</td>
<td>0.639</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust $\rightarrow$ value-based commitment</td>
<td>-0.224</td>
<td>0.355</td>
<td>H2b</td>
<td>Rejected</td>
<td></td>
</tr>
<tr>
<td>Affective commitment $\rightarrow$ value-based commitment</td>
<td>0.968</td>
<td>0.000</td>
<td>H3a</td>
<td>Confirmed</td>
<td></td>
</tr>
<tr>
<td>Value creation</td>
<td>0.516</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective commitment $\rightarrow$ value creation</td>
<td>-0.132</td>
<td>0.694</td>
<td>H3b</td>
<td>Rejected</td>
<td></td>
</tr>
<tr>
<td>Trust $\rightarrow$ value creation</td>
<td>0.128</td>
<td>0.547</td>
<td>H2c</td>
<td>Rejected</td>
<td></td>
</tr>
<tr>
<td>Value-based commitment $\rightarrow$ value creation</td>
<td>0.748</td>
<td>0.000</td>
<td>H4</td>
<td>Confirmed</td>
<td></td>
</tr>
</tbody>
</table>

The significance levels shown here are for the unstandardized effects.

\* $p < 0.05$, \*\* $p < 0.01$, and \*\*\* $p < 0.001$
creation ($\beta = 0.330, p = 0.003$). Trust has a significant indirect effect on value-based commitment ($\beta = 0.775, p = 0.000$) and a non-significant indirect effect on value creation ($\beta = 0.306, p = 0.069$). Affective commitment has a significant indirect effect on value creation ($\beta = 0.725, p = 0.000$). When it comes to total effects, shared values has a significant total effect on trust ($\beta = 0.759, p = 0.000$), affective commitment ($\beta = 0.608, p = 0.000$), value-based commitment ($\beta = 0.418, p = 0.000$), and value creation ($\beta = 0.330, p = 0.003$). Trust has a significant total effect on affective commitment ($\beta = 0.801, p = 0.000$) and value-based commitment ($\beta = 0.551, p = 0.017$) and a non-significant total effect on value creation ($\beta = 0.435, p = 0.081$). Affective commitment has a significant total effect on value-based commitment ($\beta = 0.968, p = 0.000$) and a non-significant total effect on value creation ($\beta = 0.592, p = 0.089$). Finally, value-based commitment has a significant total effect on value creation ($\beta = 0.749, p = 0.001$).

The results of the mediation analysis shown in Table 5 indicate that shared values has a non-significant indirect effect on value creation mediated by trust ($\beta = 0.097, p = 0.549$) and a non-significant indirect effect on value-based commitment mediated by trust ($\beta = -0.170, p = 0.355$). Furthermore, shared values has a significant indirect effect on affective commitment mediated by trust ($\beta = 0.607, p = 0.000$). Trust has non-significant indirect effects on value creation mediated by affective commitment ($\beta = -0.106, p = 0.694$) and by value-based commitment ($\beta = -0.168, p = 0.371$). Finally, affective commitment has a significant indirect effect on value creation mediated by value-based commitment ($\beta = 0.724, p = 0.005$); this is full mediation because the direct relationship between affective commitment and value creation is non-significant (see Table 3).

The total sample was divided into three groups. The first group was divided into local and national sponsors, using “value for employees” as the company’s reason for sponsorship (see Table 1) as a proxy for local sponsor. The second group concerns the duration of the sponsorship relationship, and is divided into the short-term (<7 years) and long-term (>8 years) subgroups. The third group concerns how much the sponsors have invested in the sponsorship relationships and is divided into the <EUR 15,000 and >EUR 15,001 subgroups. Using the multiple-group analysis procedure, we estimated the hypothesized structural paths using Stata 14.2 (Acock 2013). The impact on the different hypothetical relationships is similar to the different groups with one exception: in terms of duration of sponsorship, we find that short-term sponsorship indicates that the relationship between value-based commitment and value creation is non-significant ($p = 0.067$), while long-term sponsorship indicates that the same relationship is significant ($p = 0.000$).

**Discussion**

It is crucial to treat the sponsorship relationship as a B to B relationship. In 2013, companies in Sweden invested more than EUR 650 million in sponsorship activities (IRM 2013). Sponsorship arrangements are increasingly being developed as new communication opportunities and brand-positioning strategies (Farrelly and Quester 2005; Grohs and Reisinger 2014; Westberg, Stavros, and Wilson 2011). The present empirical results help us better understand the critical success factors, such as shared values,
trust, affective commitment, value-based commitment, and value creation, that are increasingly important in developing valuable sponsorship relationships. The overall model and the variables (Figure 2) are largely explained (51.6–82%). The measurement and structural models both provide an excellent fit to the data. The model (Figure 2 and Table 4) contains four very strong direct effects, five strong indirect effects, and eight strong total effects. As expected, value-based commitment largely explains the variation in value creation. Value-based commitment also has a very important role as a mediator. Several of the indirect effects are exerted through value-based commitment, shared values being one such variable. It is also very interesting to note that shared values is the only variable that affects all other variables.

Shared values was tested against trust and, in line with prior research, a significant relationship was found between the two variables. As shared values has an impact on trust, our study reveals that, instead of having a direct effect, shared values has indirect effects on both affective and value-based commitment and, furthermore, on value creation as well. In line with Johanson and Roxenhall (2009), a relationship can strengthen if there are common goals and an understanding of both parties’ needs; this in turn increases the level of affective commitment. Affective commitment emerges if common goals can be agreed on. In this study’s results do not oppose those arguments, as shared values has an indirect effect on affective commitment mediated by trust. In fact, as previously noted, shared values is the only variable that has an effect on all constructs. This may strengthen the assertion that shared values are fundamental to company culture (Morgan and Hunt 1994). If values can be shared between parties, the relationship has a greater chance of succeeding, meaning that shared values create value in the long run. In addition, if shared values is the only construct that affects all the other constructs, it may be relevant to discuss whether shared values is an essential building block of long-lasting relationships.

Moreover, that shared values has an indirect relationship with value creation mediated by affective commitment and value-based commitment indicates that a party’s experienced benefits play a significant role in determining the level of satisfaction. That is, if a sponsor’s expectations of a relationship are met, the relationship will likely be marked by a high level of commitment. This also works the other way around, i.e., if a sponsor’s expectations cannot be met, affective commitment will decrease. Consequently, these results confirm the importance of honoring the other party’s expectations for the relationship to succeed. In line with Tyrie and Ferguson (2013), sponsorships can create extremely good value for the sponsor when successful; it should therefore be in both parties’ interests to maintain the relationship and fulfill common expectations.

In line with previous research results, this study found a significant relationship between trust and affective commitment. This indicates that if a party believes that the other party will be honest in the relationship, the level of affective commitment will increase (Abosag and Naude 2014; Morgan and Hunt 1994), similar to the familiar dynamics of personal confidence and friendship.

In contrast to Čater and Čater (2010) and Geyskens et al.’s (1996) findings, we did not find the relationship between trust and value-based commitment to be significant. This is in line with prior findings that trust has a stronger influence on affective commitment than on value-based commitment. This indicates that if parties trust one another, they may downplay economic motivations, instead emphasizing the wish to maintain the relationship due to emotional connections with the other party (Geyskens et al. 1996). Moreover, a direct effect of trust on value creation was not found; instead, our findings suggest that trust has an indirect effect on value creation mediated by affective commitment and value-based commitment.

In contrast to our results, previous research has found a significant relationship between affective commitment and value creation. We found that affective commitment has no direct effect on value creation whereas value-based commitment does. This is in line with the finding of Sharma, Young, and Wilkinson (2015) that no significant relationship exists between affective commitment and value creation. On
the contrary, Allen and Meyer (1990) proposed that affective commitment is the most important component of commitment when creating long-lasting relationships as well as being the driving force keeping business partners invested in relationships. As affective commitment is treated as a factor that psychologically bonds two parties (Gruen, Summers and Acito 2000), we expected to find a significant relationship between affective commitment and value creation. It could be said that affective commitment has an indirect effect on value creation fully mediated by value-based commitment. Furthermore, Farrelly, Quester, and Burton (2006) argued that, in the B to B relationship context, it is often difficult to link specific actions to specific values, as the values are often attributable to multiple sources and are realized at various times, and that years could be required to fully realize a given value.

What is interesting in our model is that there is a very strong significant positive relationship between affective commitment and value-based commitment. Table 2 shows that the correlation coefficient between the two variables is $\beta = 0.630$, but in Figure 2 the path coefficient between the two variables is $\beta = 0.968$. What does this indicate? The two variables do not measure the same thing, but the relationship between them is strengthened by the context of the variables included in the model. This is likely because value-based commitment is perceived to have a stronger impact on value creation than on affective commitment. Nevertheless, affective commitment is a variable that indirectly contributes to value creation through value-based commitment. This interesting finding has not been noted before. Previous studies analyzing the relationships between various forms of commitment have obtained different results. Bansal, Irving, and Taylor (2004) found no support for the relationship between affective commitment and continuance (i.e., calculative) commitment, while Fullerton (2005) and Liu et al. (2010) found a negative relationship between calculative commitment and affective commitment. However, these studies have operationalized calculative commitment as both locked-in commitment and value-based commitment, so their results are not comparable to those of our study.

Sharma, Young, and Wilkinson (2015), however, used value-based commitment, finding that it was positively related to business collaboration. The multi-group analysis also indicates that sponsors that have sponsored hockey teams for 8 years or more are more value-based committed and experience more value from the sponsorship relationship in question than do sponsors that have sponsored hockey teams for fewer than 8 years. This is an interesting observation, because previous studies have found that while calculative commitment predominates at the beginning of relationships, as the relationship develops over a long period, affective commitment increases and calculative commitment correspondingly decreases (Liu et al. 2010). As noted, however, previous studies have operationalized calculative commitment differently than is done here, so it is impossible to compare these results.

Moreover, the significant proven link between value-based commitment and value creation implies that, when there are incentives to make sacrifices within a relationship and one party makes such sacrifices, value will be an outcome and the relationship will strengthen. Value-based commitment is based on self-interest seeking rewards, which means that value-based commitment cannot stand on its own but is influenced by affective commitment; this likely indicates that, for value to accrue and for sacrifices to be made, affective commitment must exist. According to Gilliland and Bello (2002), it is easy for one party to end a relationship if no social bonds exist between the two parties. Interpreting this finding in light of our results suggests that, although value-based commitment is the most important source of value creation in a relationship, affective commitment is important because it creates emotional bonds and deters parties from ending the relationship. Our findings therefore indicate that the greater the value-based commitment, the more rewarding the relationship and, in addition, the greater the affective commitment, the higher the odds of building a long-lasting relationship.

Prior research implies that commitment is a critical success factor as it fosters long-lasting relationships (Gilliland and Bello 2002; Hagedoorn, Link, and Vonortas 2000; Meyer et al. 2002). As Farrelly and Quester (2005) suggested, behaviors
and outcomes make commitments valuable for sponsorships. Based on the present findings, we are prepared to agree with this statement, as value-based commitment has a crucial impact on value creation.

As this study and Farrelly and Quester (2005) have demonstrated, a B to B relationship without commitment cannot realize strategic business opportunities or, in turn, market position value. Moreover, value has been noted to be difficult to measure as it is highly intangible and risk laden. As pointed out by prior research, attitudes and feelings differ from person to person and are extremely hard to measure (Farrelly, Quester, and Burton 2006). Previous research has considered the links between value and commitment but ignored the different types of commitment that play key roles in the value-creation process (Sharma, Young, and Wilkinson 2015); this study has addressed this oversight.

Conclusions, limitations, and further research

This study contributes to the marketing and relationship commitment literatures by producing valuable insights into the relationships between relationship commitment in terms of affective commitment and value-based commitment as significant mediating variables, its antecedents in terms of shared values and trust, and value creation in the context of sponsorship relationships. The study demonstrates that shared values, trust, and affective commitment are fundamental conditions for value-based commitment. If the parties agree on how they should behave in the relationship, the rules and objectives that apply lead to the emergence of mutual trust, which in turn makes the parties want to continue the relationship for emotional reasons. But this is not enough for value creation; they must also see that there are future business benefits from the relationship. Therefore, the parties more or less explicitly make calculations. If the calculations indicate that the long-term benefits of the relationship outweigh the short-term sacrifices, they are prepared to invest in the relationship, and this may lead to value creation. In other words, there is both interplay and tension between shared values, trust, and affective commitment, on one hand, and value-based commitment, on the other. We suggest that shared values, trust, and affective commitment are unlikely to lead to value creation in itself, because value-based commitment must also be present. Moreover, the parties do not calculate future benefits if shared values, trust, and affective commitment are not present.

Another theoretical contribution is that previous research has considered the links between relationship commitment and value but has ignored the different types of commitment that play key roles in the value-creation process; this study has addressed that oversight. The study demonstrates that affective commitment and value-based commitment have different roles and meanings. Affective commitment indirectly affects value creation, while value-based commitment directly affects value creation. Affective commitment has the role of partial mediator, while value-based commitment has the role of full mediator. Furthermore, they differ in their basic characteristics: affective commitment is an emotional aspect, while value-based commitment is a calculative aspect. We therefore strongly suggest that relationship commitment should be considered as constituting multiple types or multiple components.

This research represents an important first step in testing and understanding the dynamics of relationship commitment and value creation. Considering the two types of relationship commitment provides a good foundation for examining sponsorship relationships, as both types likely exist concurrently and play different roles in most inter-firm relationships. It is hoped that these results can be helpful when evaluating, considering, and managing relationship value. However, as the relationships between the types of commitment and value creation constitute a field of research that has not been thoroughly explored, the present results should be interpreted with caution. We hope that this study can be replicated by other researchers in order to validate its results.

Whether these results can be applied to any sponsorship relationship in a business context is a question meriting further examination. The aim of this research was to study sponsorship in a broader context than just the sports industry, in this case hockey. In other words, one should not exclude that the research’s approach may be reflected in the results. Companies choosing to
sponsor hockey organizations may do so because it reflects their own interests or those of their target groups of customers. For example, some companies sponsoring SHL have been suppliers of sport equipment, while others have an interest in inviting customers to hockey events.

When a company decides to sponsor an organization, it is important that the sponsor and sponsee share the same ethical values for value to emerge. A company needs to take social responsibility and not sponsor an organization that may offend its customers, be perceived as unethical, or damage the company’s reputation. If sponsorships fail to deliver any of these conditions, the relationship would be valueless for the sponsoring party. Not only would it be valueless but also a loss in terms of investment. The importance of a well-functioning relationship in terms of high levels of shared values, trust, affective commitment, and value-based commitment can therefore not be underestimated when businesses review their sponsorships.

**Implications for business marketing practice**

Sponsorship relationships are a type of B to B relationship in which both parties are active. For example, hockey teams are not passive, but are constantly seeking sponsors because public revenue is insufficient to finance hockey players’ very high salaries. The sponsors are also active in choosing which hockey team to sponsor. The reasons for entering into the relationship may differ between sponsorship and a standard business-to-business relationship. Sponsors can have various reasons for engaging in sponsorship. We argue that the reasons for sponsorship can depend on whether or not the sponsor’s business activities are located in the same place as the sponsored sport entity. Local companies sponsor local sports entities mainly for non-economic reasons, to strengthen the relationships with their employees, owners, customers, and society. Many employees like local sports teams. For example, they may watch ice hockey games and have children who play ice hockey. A firm may therefore spend large sums of money sponsoring local ice hockey, as it is important for the firm that its employees feel that their employer supports the local team. It is also common for a sponsor to rent a lounge at the hockey arena, which is principally used for entertaining customers, suppliers, employees, and municipal officials who attend games as well as for internal meetings. Companies lacking local business activities may sponsor local sports entities mainly for economic reasons, for example, to communicate with customers, increase sales, increase brand awareness, strengthen brand image and loyalty, and reach new markets.

This study demonstrates that relationship commitment in terms of affective commitment and value-based commitment is an important driver of value creation in sponsorship relationships. The study also demonstrates that shared values, trust, and affective commitment are fundamental conditions for value-based commitment. If the sponsor and sponsee agree on how they should behave in the relationship, the rules and objectives that apply lead to the emergence of mutual trust, which in turn makes the parties want to continue the relationship for emotional reasons. It is important that the sponsor and sponsee feel they have common goals in the sponsorship. This is strongly associated with the expectations that they had upon entering into the relationship and with the benefits that they experienced from the sponsorship. Whether sponsor and sponsee reach these goals depends on how clear they are and on how well they fit the parties’ expectations. If the sponsor and sponsee have shared values regarding behaviour, goals, and policies, the affective commitment will increase.

But this is not enough for value creation; the sponsor must also see that there are future business benefits from the sponsorship. Therefore, the sponsor more or less explicitly makes calculations and evaluates the rewards and costs associated with the sponsorship in question. The rewards consist of future benefits in terms of, for example, time, effort, money, cost reduction, efficiency, information, knowledge, and access to resources. The benefits a sponsor experiences are very important for its commitment, and the perceived benefits are strongly related to the sponsor’s expectations before the relationship began. If a local sponsor expected that the employees’ children would play ice hockey in the sponsee’s
hockey arena and that does not happen, disappointment is not far away and the value-based commitment decreases. If the calculations indicate that the long-term benefits of the sponsorship outweigh the short-term sacrifices, the sponsor will be prepared to invest in the sponsorship relationship, and this may lead to value creation. In other words, there is both interplay and tension between shared values, trust, and affective commitment, on one hand, and value-based commitment, on the other. We suggest that the parties’ shared values, trust, and affective commitment are unlikely in themselves to lead to value creation for the sponsor, because value-based commitment must also be present on the part of the sponsor. Moreover, the sponsor does not calculate future benefits if shared values, trust, and affective commitment are not present. Certainly, there is interaction between the two types of commitment, but sequentially in such a way that affective commitment is a prerequisite for value-based commitment. This means that a sponsor must have an emotional relationship with the sponsee in order to understand, perceive, and calculate the sponsorship relationship’s future business value in terms of profits and other benefits.

In conclusion, sponsor value-based commitment cannot stand on its own but is affected by shared values, trust, and affective commitment. It is therefore important to build trust, to create a shared understanding of the expected outcomes, and to realize these outcomes to achieve superior value and build successful sponsor–sponsee relationships. Such relationships require more management than do the arm’s-length relationships common in sponsorship agreements.

**Note**

1. Scale reliability was calculated as $(\sum \lambda)^2/((\sum \lambda)^2 + (\sum \theta_{ij}) + 2(\sum \theta_{ii}))$.

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### Appendix A. Measures of constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Wording</th>
<th>Standardized item loadings</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>All items</td>
<td>AVE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>After dropping items</td>
<td></td>
</tr>
<tr>
<td>Shared values</td>
<td>SV1</td>
<td>We are in agreement with the hockey organization about how we should work together</td>
<td>.736</td>
<td>.697</td>
</tr>
<tr>
<td></td>
<td>SV2</td>
<td>Our values are in line with the hockey organization's values</td>
<td>.803</td>
<td>.824</td>
</tr>
<tr>
<td></td>
<td>SV3</td>
<td>It is important to us that we have the same values as the hockey organization</td>
<td>.520</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SV4</td>
<td>If our values had not matched the hockey organization's values we would never have sponsored them</td>
<td>.336</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>TR1</td>
<td>We have trust in the hockey organization</td>
<td>.838</td>
<td>.838</td>
</tr>
<tr>
<td></td>
<td>TR2</td>
<td>The hockey organization is honest and reliable</td>
<td>.876</td>
<td>.876</td>
</tr>
<tr>
<td></td>
<td>TR3</td>
<td>The hockey organization keeps its promises</td>
<td>.787</td>
<td>.787</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>AC1</td>
<td>We feel a strong sense of belonging to the hockey organization</td>
<td>.741</td>
<td>.741</td>
</tr>
<tr>
<td></td>
<td>AC2</td>
<td>We feel a strong connection to the hockey organization</td>
<td>.587</td>
<td>.587</td>
</tr>
<tr>
<td></td>
<td>AC3</td>
<td>It feels right to continue the cooperation with the hockey organization</td>
<td>.891</td>
<td>.891</td>
</tr>
<tr>
<td>Value-based commitment</td>
<td>VB1</td>
<td>We want to continue the cooperation with the hockey organization because we believe it is good for our business</td>
<td>.885</td>
<td>.885</td>
</tr>
<tr>
<td></td>
<td>VB2</td>
<td>We want to continue the cooperation with the hockey organization because we believe that it will bring us future benefits</td>
<td>.836</td>
<td>.836</td>
</tr>
<tr>
<td>Value creation</td>
<td>VC1</td>
<td>We believe that the relationship with the hockey organization has given us opportunities to interact with other companies</td>
<td>.756</td>
<td></td>
</tr>
<tr>
<td></td>
<td>VC2</td>
<td>We believe that the relationship with the hockey organization has strengthened our brand image</td>
<td>.808</td>
<td>.839</td>
</tr>
<tr>
<td></td>
<td>VC3</td>
<td>We believe that the relationship with the hockey organization has strengthened customer effectiveness and competitiveness</td>
<td>.815</td>
<td>.845</td>
</tr>
<tr>
<td></td>
<td>VC4</td>
<td>We believe that the relationship with the hockey organization has created stronger and better relationships with our stakeholders</td>
<td>.856</td>
<td>.912</td>
</tr>
<tr>
<td></td>
<td>VC5</td>
<td>We believe that the relationship with the hockey organization has created new sales opportunities</td>
<td>.868</td>
<td>.678</td>
</tr>
<tr>
<td></td>
<td>VC6</td>
<td>We believe that the relationship with the hockey organization has increased customer satisfaction</td>
<td>.685</td>
<td></td>
</tr>
<tr>
<td></td>
<td>VC7</td>
<td>We believe that the relationship with the hockey organization has given us new customers on new markets</td>
<td>.782</td>
<td></td>
</tr>
<tr>
<td></td>
<td>VC8</td>
<td>We believe that the relationship with the hockey organization has given us new customers on existing markets</td>
<td>.814</td>
<td></td>
</tr>
</tbody>
</table>