Business Horizons (2015) xxx, xxx—xxx

Available online at www.sciencedirect.com

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Evaluating sponsorship through the lens of the resource-based view: The potential for sustained competitive advantage

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KEYWORDS
Sport sponsorship;
Resource-based view;
Marketing management;
Competitive advantage;
Olympic Games

Abstract The resource-based view (RBV) of the firm has become a prominent management theory that firms can use to analyze resources as potential sources of competitive advantage. Theorists have suggested sponsorship of sport properties as one such resource, yet specific cases of sponsorship's role in a firm's achievement of a sustained advantage over competitors have yet to be explored. This article illuminates the case of Visa's longstanding global sponsorship of the Olympic Games, which was initiated and leveraged to counteract competitor American Express' advantage with global business travelers. Evidence is presented that supports Visa's achievement of a competitive advantage during the term of the sponsorship. The case is then used to develop a conceptual model based on the RBV to identify the key characteristics of sponsored properties capable of assisting the sponsoring firm in achieving a sustained competitive advantage. From a managerial perspective, the model is designed to assist marketing managers tasked with the identification and evaluation of potential sponsorship properties.
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1. The resource-based view: An introduction

Viewing firm resources as a potential source of competitive advantage has been a foundation of the strategic management literature for more than 3 decades. Among the most influential theories that view firms as a broader set of resources is the resource-based view (RBV) of the firm (Barney, 1991; Wernerfelt, 1984). The RBV of the firm theorizes that a firm's resources constitute a potential source of competitive advantage (Wernerfelt, 1984) and identifies a series of empirical indicators with which to identify resources capable of providing such an advantage (Barney, 1991).

Sponsorship has previously been explored as a potential source of competitive advantage by

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http://dx.doi.org/10.1016/j.bushor.2015.11.001

several authors, including Amis, Pant, and Slack (1997); Fahy, Farrelly, and Quester (2004); Papadimitriou and Apostolopoulou (2009); and Cobbs (2011). However, past studies viewing sponsorship through the lens of RBV have failed to demonstrate how this perspective can be utilized to assist marketing managers in identifying sponsored properties (e.g., sport teams, leagues, or mega-events such as the Olympic Games or World Cup) that may have the potential to provide the sponsoring firm with a competitive advantage. While several studies have used the sponsorship context to illuminate the indicators of a resource capable of providing a firm with a competitive advantage, existing studies have not specifically linked characteristics of the sponsored property to such resource indicators or followed up with market data to substantiate the sponsoring firm's achievement of an advantage over competitors. Rather, scholars to date have focused on the resources held by the sponsoring firm itself, or how the firm applied various marketing tactics to leverage the sponsorship to achieve its stated objectives (i.e., activation of the sponsorship).

Therefore, this article seeks to advance the application of the RBV to potential sponsorship properties by demonstrating how the theory can be utilized by firms seeking a competitive advantage. A case study approach is used to analyze the characteristics of a sponsorship property that has assisted the sponsoring firm in attaining a competitive advantage. Based on the case of Visa's longstanding sponsorship of the Olympic Games, we developed a conceptual model to assist marketing management decision making by explicating aspects of sponsorship properties most likely to provide a competitive advantage for the sponsoring firm. We highlight empirical evidence demonstrating how the association assisted Visa in achieving an advantage over its key competitor, American Express. Secondary sources reveal that Visa's initial motivation in embarking on the partnership was its intense competition with American Express, specifically in crafting strategies to reach the lucrative business travel consumer (Payne, 2012).

The choice of the right sponsorship property is an ongoing challenge for marketers (Stotlar, 2004). Furthermore, the economic downturn placed even more scrutiny on all marketing expenditures, particularly for investments in non-traditional marketing tactics such as sponsorship (Jensen & Cobbs, 2014); this, in turn, magnified stress in the relationship between the sponsoring firm and property (Farrelly & Quester, 2005). Given this accountability movement, utilization of the RBV has important implications for both brand marketers seeking to identify sponsorship properties that have the potential to provide a competitive advantage for the sponsoring firm and organizations seeking additional revenue from sponsorship.

1.1. Foundational works on RBV

As detailed by Hult (2011), the classic point of origination for resource-based theories and the foundation for the RBV is the theory of the growth of the firm, which addressed the acquisition of marketing resources that can be applied by a firm to establish a position in the marketplace (Penrose, 1959). However, the usefulness of analyzing firms from the resource perspective was not popularized until the development of the resource-based view of the firm by Wernerfelt in 1984. RBV theorizes that a firm's resources are a potential source of competitive advantage—that is, a firm's ability to implement a value-creating strategy not simultaneously being implemented by any current or potential competitor (Wernerfelt, 1984). The subsequent literature on the RBV has examined the types of resources capable of providing a firm with a competitive advantage, with Barney's (1991) framework considered the foundational work utilizing this perspective.

According to Barney (1991), there are three key tenets of the RBV. First, firm resources are heterogeneously distributed across firms and any differences among these resources are stable over time. Second, there is an explicit link between a firm's resources, its management of them, and sustained competitive advantage. Third, there are a series of empirical indicators of the potential for firm resources to generate a sustained competitive advantage: value, rareness, imitability, and substitutability. Barney also classified resources into three categories: physical capital resources, human capital resources, and organizational capital resources—with specific examples including the firm's strategic planning function, information processing systems, and positive reputation.

As it relates to the four indicators of value, rareness, imitability, and substitutability, the conditions of necessity and sufficiency to produce a sustainable competitive advantage vary. Each indicator could be considered necessary, but not individually sufficient, to create an advantage that is sustainable over the long term. For example, many physical resources (e.g., a sport team's stadium) are valuable in that they allow for an organization to exploit marketplace opportunities (e.g., demand for sport spectatorship); yet similar physical resources are possessed by most or all industry competitors (i.e., they are not rare). Therefore, such resources are necessary for competition in the industry, but

not sufficient for producing a competitive advantage (Barney, 1995). Other resources, such as a sport team's expertise in social media, might be considered valuable and rare but are imitable (e.g., through a team's relationship with a digital media agency), and as a result lead only to a temporary competitive advantage. In such cases, the value and rareness of the resource are necessary and jointly sufficient for a competitive advantage, but lack the inimitability needed for a sustained advantage.

2. Applying the RBV to sponsorship

Applying the RBV to marketing envisions the marketing organization as a bundle of strategic marketing resources which are heterogeneously distributed across competitive organizations (Hult, 2011). Realizing the potential value of marketing-related resources requires coordination with other important functions throughout the organization and other elements of the marketing mix, such as sponsorship-linked marketing activities (Cornwell, 1995). Given this perspective, the RBV is highly applicable to marketing-related investments such as sponsorship. Corporate sponsorship is defined by Meenaghan (1983, p. 9) as "the provision of assistance either financial or in-kind to an activity by a commercial organization for the purpose of achieving commercial objectives." Consistent with the resource-utilization perspectives of Hult, Ketchen, and Slater (2005) and Ketchen, Hult, and Slater (2007), investments in sponsorship should be viewed as an opportunity to create a competitive advantage for the investing organization (Papadimitriou & Apostolopoulou, 2009). To properly leverage these investments, numerous organizational functions—such as related advertising and media programming—must be aligned in order to effectively realize the potential value of each sponsorship investment (Cornwell, 1995).

Amis and colleagues (1997) authored the first extension of the RBV to sponsorship. They examined various sponsorship cases in order to illuminate Barney's (1991) conditions for resources capable of providing a sustained competitive advantage. The authors contrasted the sponsorship agreements between Owens Corning and the Canadian freestyle skiing team, and a multinational consumer products company called MARAP (a pseudonym created by the authors) and Canadian amateur athletes. They argued that in contrast to MARAP's sponsorship, Owens Corning's sponsorship was an example of a heterogeneous distribution of resources, virtually nonimitable and nontradable, with *ex-ante* limits to competition. Therefore, they argued it was the sponsorship's lack of imitability and substitutability that ensured it was successful for Owens Corning.

Fahy and colleagues (2004) built upon the work of Amis et al. (1997) and extended the application of the RBV to sponsorship by illuminating the key characteristics of the sponsoring firm. In doing so, the authors made an important distinction between tangible assets, intangible assets, and capabilities. Tangible assets allocated toward sponsorship include the considerable resources necessary to effectively leverage the association with the sponsored property, such as advertising, public relations, and point-of-purchase or sales promotions. According to Fahy et al. (2004), these tangible assets provide a barrier to entry for many firms, but are highly imitable and cannot be relied upon to provide a competitive advantage. Furthermore, sponsorships capable of providing a competitive advantage must also be supported by a high level of intangible assets—such as brand building related to achieving an image match between the sponsoring and sponsored brands—and deployment of organizational capabilities. Lastly, the authors proposed that a competitive advantage is more likely to occur in situations where causal ambiguity exists, making it challenging for competitors to understand and replicate.

Papadimitriou and Apostolopoulou (2009) next utilized the RBV to examine the activation of seven sponsorships of the 2004 Athens Olympic Games. Activation of the rights acquired as part of the sponsorship transaction focuses on how the contractual relationship with the sponsored property is leveraged via marketing activities to accomplish the sponsoring firm's objectives (Cornwell, 1995). They utilized the conceptual framework created by Fahy et al. (2004) to examine each sponsor's tangible assets, intangible assets, and capabilities, and concluded that the most active sponsors in activation approached the sponsorship opportunity as a resource capable of a sustainable competitive advantage. A key contribution of the study is that while all sponsors appeared to possess the assets and capabilities to activate their sponsorships, the authors contend that only a few sponsors effectively enlisted those resources properly.

Most recently, Cobbs (2011) took a legal perspective of the RBV in analyzing two prominent court cases based in sport sponsorship. Interestingly, the courts in both cases found the sponsors' contractual category exclusive position—barring competitors from sponsoring the sport—to be inimitable through sponsorships with other sport properties. In other words, a sponsor's unique association with a particular sport cannot be

substituted or imitated with a sponsorship in another similar sport or event.

2.1. Realizing a competitive advantage via sport sponsorship

One aspect missing from these prior studies is evidence of an achieved and sustained competitive advantage for the sponsoring firm. Though Amis et al. (1997) examined each of Barney's (1991) indicators of resources capable of providing a sustained competitive advantage, they stopped short of empirically substantiating that an investment in sponsorship assisted the firm in actually realizing a sustained competitive advantage. Likewise, missing from the conceptual model developed by Fahy et al. (2004) is a focus on the sponsored property itself. Instead, the authors outlined important characteristics of the sponsoring firm, including assets and the capabilities needed to excel in sponsorship. The authors suggested that future research should be undertaken to illuminate cases in the sport marketing context whereby firms were able to acquire resources that actually helped the company gain a competitive advantage over a long period of time. Both Amis et al. (1997) and Fahy et al. (2004) suggested that a long-term study may help to determine whether a sponsorship exhibiting resource-based indicators was successful in creating a competitive advantage for the firm.

Moreover, an examination of a sponsorship that involves vast financial and organizational resources and has been in place for a considerable amount of time can provide further insight into the nature of a sponsored property capable of providing a sustained competitive advantage. In turn, this may assist corporate decision makers struggling to identify the right types of sponsorship properties with which to partner. In this contemporary era of heightened accountability for brand marketers to justify return on investment (e.g., Jensen & Cobbs, 2014), prudent executives—especially those at publicly traded companies that must answer to shareholders—are likely to only continue a sponsorship when the association provides the firm with some form of competitive advantage.

3. The case of Visa and the Olympic Games

The case of how Visa was able to realize a competitive advantage over American Express and other competitors by utilizing its global sponsorship of the Olympic Games provides the extensive sponsorship duration and information sources required for RBV analysis. Both Papadimitriou and Apostolopoulou (2009) and Dollinger, Li, and Mooney (2010) previously extended RBV to mega-events such as the Olympic Games, identifying several opportunities arising from relationships with such entities. To that end, a detailed examination of the value, rareness, imperfect imitability, and substitutability of the Olympic Games as a sponsorship property may help explicate the characteristics of a sponsorship property that has provided such an advantage, thereby helping marketers more readily identify properties with such potential.

In his book *Olympic Turnaround*, former International Olympic Committee (IOC) marketing head Michael Payne (2012) detailed the circumstances surrounding Visa's sponsorship of the Olympic Games, which began in 1986 and continues today (Preuss, 2004). When the first global Olympic sponsorship program (The Olympic Partners programme, or TOP) was developed in 1985, the architects of the program contacted the management team at Visa. Visa's vice president of marketing, Jan Soderstrom, had recently joined the firm from Atari (Payne, 2012). Soderstrom saw firsthand the potential in Olympic sponsorship when Atari served as a local sponsor of the 1984 Summer Olympics in Los Angeles. American Express, which had also been a sponsor of the 1984 Games, had already passed on the TOP opportunity. The rationale for the decision was that American Express did not want to allocate marketing resources to markets where it did not do business at the time (Hill, 1996). As Payne explained, the new management team at Visa was looking for a way to move the Visa brand upmarket (i.e., make the product more appealing to a higher income consumer) to compete with American Express. At the time, the Visa brand was not only seen as being inferior to American Express but also as less accepted globally (Payne, 2012). "Visa had a good, if unspectacular, reputation for reliable and convenient cashless payment products," noted Davis (2012, p. 245).

Payne (2012) illuminated Visa's objectives at the time, which were to supplant American Express as the corporate card of choice for high net worth business account holders and to gain an image of international acceptability. BBDO, Visa's advertising agency at the time, supported the idea of the sponsorship and created a proposed tagline: "Bring your Visa card, because the Olympics don't take American Express" (Payne, 2012, p. 85). Visa was still a private company in 1985 and debated whether to make the $14.5 million annual sponsorship investment in the Olympic Games. The key deciding factor was a speech by Visa Senior Vice President of Marketing John Bennett, who believed the partnership

could be leveraged to gain market share from Visa's fiercest competitor. Bennett told board members that investing in the Olympic sponsorship was "going to stick the blade into the ribs of American Express" (Payne, 2012, p. 85). The board provided its approval to pursue the sponsorship, and Visa allocated $25 million to advertise its initial Olympic association (Hill, 1996).

3.1. Business results

Within a few years Visa had overtaken American Express as the global travel card of choice among business travelers, and internal surveys found that its brand perception grew over 50% after 1986 (Payne, 2012). A study conducted at the 2010 Winter Olympic Games in Vancouver found that fans of the Olympics overwhelmingly identify Visa as an official partner of the U.S. Olympic Team (Broughton, 2010). Nearly two-thirds (65.7%) of avid fans and almost half (45.8%) of casual fans recognize Visa as an official sponsor, compared to just 7.1% of avid fans and 4.7% of casual fans for competitor MasterCard (Broughton, 2010). Another study from the same time period found that among Olympic sponsors, Visa's awareness (66%) ranks alongside Coca-Cola (68%) and McDonald's (68%; Performance Research, 2010). The same study found that fans also rate Visa among the best in "doing the most to support the Olympic Games" and "showing the spirit of the Olympics" (Performance Research, 2010).

While some may suggest that increases in awareness do not necessarily translate directly into increased purchase or use intention, Visa's internal research suggests otherwise. "Those who are aware of our Olympic sponsorship are more likely to use the Visa card than those who are unaware," stated Michael Lynch, the former senior vice president of event and sponsorship marketing for Visa (Foster & Chang, 2003, pp. 14—15). Visa Executive Vice President of Brand Marketing Becky Saeger (2002, p. 30) added: "Research shows sponsorship awareness drives Visa brand preference."

Thus, not only has Visa enjoyed a significant lift in awareness levels during the term of the sponsorship, but the firm has also realized improved business performance. "Visa has enjoyed important gains in awareness, as one might expect. . . . These increases played a key role in driving the company's financial performance improvements in the past 25 years" (Davis, 2012, pp. 149—150). Since undertaking the Olympic sponsorship, the number of credit cards issued by Visa has grown from 137 million to 1.8 billion (Davis, 2012), its operating revenues have grown to more than $10.4 billion (Visa Inc., 2012), and its transaction volume increased from $111 billion to $5.6 trillion (Davis, 2012).

Furthermore, since the initiation of the Olympics sponsorship in 1986, Visa's global market share (based on volume) has increased from 37% to 57.3%; comparatively, MasterCard holds 31.8% of the market share, American Express holds 8%, and Discover holds 1.4% (Davis, 2012). At its most recent fiscal year end, Visa's market capitalization stood at $108.9 billion compared to $63.5 billion for American Express, $60.6 billion for MasterCard, and $20.7 billion for Discover (Biesada, 2013). "Although both MasterCard and American Express enjoyed growth," noted Davis (2012, **p. 255**), "neither witnessed the same degree of success during this time." In addition to financial gains, Visa typically processes more than twice as many transactions as MasterCard (Biesada, 2013), and appears to be operating much more efficiently as well: It employs just 8,500 individuals worldwide compared to 63,500 for American Express, 13,009 for Discover, and 7,500 for MasterCard (Biesada, 2013).

In terms of business results attributable to the sponsorship of the Olympic Games, Visa reported that for those consumers who used Visa, tourism expenditures increased 63% during the 2008 Olympics in Beijing and 81% in 2010 in Vancouver compared to the same period of the previous year (Visa Inc., 2011). Similarly, during the 2002 Winter Olympic Games, sales using Visa products increased 30% from the previous year and 23% from the previous month (Foster & Chang, 2003). At those Winter Games, the percentage of hotel reservations made with Visa cards increased to 55% from 46% the previous year (Foster & Chang, 2003). One Visa Olympic-themed promotion, which advertised that a percentage of every card transaction would benefit the U.S. Olympic Team, increased transactions by more than 17% (Foster & Chang, 2003). No other promotion had resulted in more than a 3% increase.

Though these results show firm-related outcomes directly resulting from an investment in sponsorship, given the integrated nature of sponsorship-linked marketing approaches (Cornwell, 1995), marketers continue to struggle to isolate and disentangle the effects of sponsorship from other marketing activities (Jensen & Cobbs, 2014). One related challenge is the continued failure to integrate investments in sponsorship into marketing mix modeling (MMM) approaches (Jensen & Hsu, 2011). Therefore, it should be noted that Visa, in addition to allocating considerable resources toward leveraging the Olympic sponsorship—estimated by Davis (2012) at more than $1 billion over 30 years—used numerous other approaches that may have also

contributed to its achievement of a competitive advantage during the term of the sponsorship.

4. The Olympic Games and RBV

Based on Payne's (2012) account of the meetings that preceded Visa's decision to join the first TOP program, it is clear that a prevailing factor in the decision was the sponsorship's potential to provide the firm with a competitive advantage over American Express. Furthermore, evidence suggests that Visa's association with the Olympics played a considerable role in Visa becoming the dominant firm in its category. For Visa, differentiation among its competitors was "based on associating with the Olympics as a renowned, external event with a prestigious reputation and exclusive stature," explained Davis (2012, p. 248). Even so, what elements of a sponsorship of the Olympic Games provided Visa's marketing team with the ammunition to achieve a competitive advantage over its key rival American Express? Are there characteristics of the property that matched those outlined in the resource-based view? A starting point to more closely scrutinize the applicable characteristics of the Olympic Games is Barney's (1991) indicators of a resource's potential to provide sustainable competitive advantage: value, rareness, imitability, and substitutability.

4.1. Value

A global sponsorship of the Olympic Games provides, among other assets and rights, the ability for a brand to associate itself with one of the most recognized and admired symbols in the world: the Olympic rings (Davis, 2012; Preuss, 2004). According to the IOC, the Olympic rings are the visual representation of the Olympic brand and embody the vision, mission, values, and working principles of the Olympic movement (International Olympic Committee, 2010). The interconnected rings, one for each continent that competes in the Games, symbolize the Olympic values of excellence, friendship, and respect. These values are at the core of the Olympic brand and are based on the Fundamental Principles of Olympism established in The Olympic Charter. According to Matt Beispiel, a former Visa vice president (Roche, 2000, p. E01):

> Those five rings really are very, very meaningful. . . .Our hope, with all of our marketing efforts around the Olympic Games, is that all of the goodwill and good feelings that people have [about] those five rings will attach to the Visa brand.

These positive universal values give the Olympic brand a powerful, emotive, and unique identity that transcends sport and resonates strongly with people of all ages and cultures from all over the world (International Olympic Committee, 2010). "The Olympic values of excellence, respect and friendship extend beyond sports and encompass the pursuit of a quality life overall," said Davis (2012, p. 206). "In this regard, all TOP sponsors share Olympic values." Very few sport-related brands not only transcend sport but also resonate so strongly and universally with consumers. Given this aspirational image, the considerable value in the Olympic brand for sponsors is realized by transferring the positive image of the Olympics to sponsoring brands (e.g., Gwinner & Eaton, 1999). It is the Olympics' unique image, first and foremost, that makes it so exceedingly valuable as a sponsored property.

4.2. Rareness

The rareness of an image association with the Olympics is based predominantly on its incredible reach. According to Nielsen (2008), the 2008 Beijing Olympics attracted 4.4 billion viewers worldwide—roughly 70% of global population at the time. In the U.S., the 2012 Summer Olympic Games were watched by more than 219 million viewers, which earned it the distinction of being the most-watched event in U.S. television history (Crupi, 2012). Globally, 220 countries broadcast the 2012 Games to an audience of more than 3.6 billion (International Olympic Committee, 2014). According to IOC research commissioned in 2008, 96% of people can correctly identify the Olympic rings (International Olympic Committee, 2014).

As raised in the case details above, part of what attracted Visa to the Olympic sponsorship was the opportunity to associate itself with a property that enjoys global awareness. Indeed, broad reach is one of the cornerstones of Visa's sponsorship evaluation criteria (Davis, 2012). "Olympic brand equities include being at the pinnacle of its category; having universal appeal; standing for excellence; having broad-based consumer awareness and acceptance; having global reach with local impact and participation; and standing for leadership," explained Tom Shepard, Visa's executive vice president of international marketing, partnerships, and sponsorships (Foster & Chang, 2003, p. 5).

While another property may be just as recognizable in a particular region—and its fans just as engaged—the reach is often limited to a smaller

group of local consumers, such as the followers of a city's or university's football team. In such cases, though the local property is both instantly recognizable and beloved, the sheer scope is not capable of providing a large, multinational firm with a sustainable competitive advantage on a national or global basis. This global reach is what contributes most significantly to the rareness of an Olympic sponsorship, thereby matching Visa's broad audience objective; no other property enjoys such global awareness. In addition, the ability to utilize its broad reach to target a specific segment of consumers was also very attractive to Visa at the outset of the sponsorship. As noted, Visa planned to take advantage of the sponsorship to enhance its image of global acceptance among global business travelers, a key segment of the market in the payment system category (Payne, 2012). Thus, in addition to global reach, it is also the ability to target a specific consumer segment important to the sponsor that makes the Olympic sponsorship property so rare. Because no other sponsored property combines such broad reach, awareness, and targeting capability, each of the 11 TOP sponsors paid an average of $87 million during the most recent quadrennial to associate their brand with the Olympic values (International Olympic Committee, 2014).

4.3. Imperfect imitability

A symbol such as the Olympic rings may be valuable and rare, but if a competitor can also leverage an association with the rings or a similar symbol, this rival association can severely influence the sponsored property's imitability. Barney's (1991) characterization of inimitability is that if a rival firm does not possess these resources, it cannot obtain them. Not only does a worldwide Olympic sponsorship provide a brand with exclusivity in its product category for both the Summer and Winter Olympic Games, but the sponsorship also provides exclusivity with all of the National Olympic Committees (NOCs) participating in the TOP program (International Olympic Committee, 2010). In Visa's case, this exclusivity clause means Visa is the sole payment card and payment system for the Games and nearly every nation's Olympic team. At the creation of the TOP program, 154 of the 167 existing Olympic NOCs agreed to join the program; the 13 countries that refused to participate—including North Korea and Cuba—did so for political reasons (Payne, 2012). In fact, the British Olympic Association was forced to end its lucrative, long-term association with American Express once Visa agreed to join the TOP program (Payne, 2012). The exclusivity inherent in the TOP program ensured that once Visa secured the payment card category, it was impossible for competitors American Express and MasterCard to leverage the Olympic rings in marketing communications (Davis, 2012). This assurance has been maintained for nearly 30 years (Preuss, 2004). According to Payne (2012, p. 143):

> The TOP program was designed to be as ambush-proof as possible, providing partners with one of the highest levels of protection of any major sports property. The company not only sponsors the event, but all of the teams participating in the Games, and becomes a partner of the governing body, the IOC.

4.4. Substitutability

In addition, the IOC's aggressive policing of use of the Olympic rings, safe zones around Olympic venues, and unique legislation such as the controversial Rule 40 assures that companies who are not Olympic partners cannot leverage the Olympic movement or attempt to create a meaningful substitute. Rule 40 is a unique provision in the IOC bylaws designed to help protect sponsors. As the London Organising Committee (2011) explained in its handbook entitled *Limited Rule 40 guidelines: What athletes and agents need to know*, Rule 40 prohibits athletes from promoting or appearing in advertising during a period around the Games unless the brand is an official Olympic sponsor. This means that during the month-long period surrounding the Olympics, athletes are not permitted to publicly acknowledge or endorse personal sponsors that may compete with official Olympic sponsors (Whiteside, 2012). An athlete found guilty of violating the rule can have his or her medals stripped and can be banned from Olympic competition indefinitely.

Protection from ambush marketing by competitors is one of the aspects of Olympic sponsorship that make it so desirable (Pitt, Parent, Berthon, & Steyn, 2010). The IOC's aggressive protection on behalf of Olympic sponsors to ensure the lack of substitutability by rival sponsors is exemplified by a story involving Visa and its aforementioned competitor American Express (Payne, 2012). In 1986, American Express launched a promotional campaign in Asia that featured the use of Olympic medallions from the Olympic Heritage Committee in Switzerland, a fictional organization. Once the IOC heard about the promotion, it faxed a letter to American Express Chairman Jim Robinson explaining that if the campaign proceeded, the IOC would call a press conference to announce that American Express was damaging the Olympic movement, and would encourage all cardholders to cut up

their cards. Within a few hours, American Express canceled the campaign (Payne, 2012).

This case further illustrates the primary contention of Cobbs (2011) regarding how the exclusivity provisions included within a sponsorship agreement are crucial in enhancing the inimitability of the resource and its capacity to create a competitive advantage for the sponsoring firm. Moreover, the IOC's aggressive protection of its sponsors from ambush marketing demonstrates the importance of not just the exclusivity provisions in the sponsorship agreement, but also the sponsored property's willingness to go to great lengths to enforce them. Payne (2012, p. 278) wrote: "Sponsors need to know that they can invest in the Olympic movement and be certain that they are not going to be undermined by a last-minute surprise promotional campaign by their competitor."

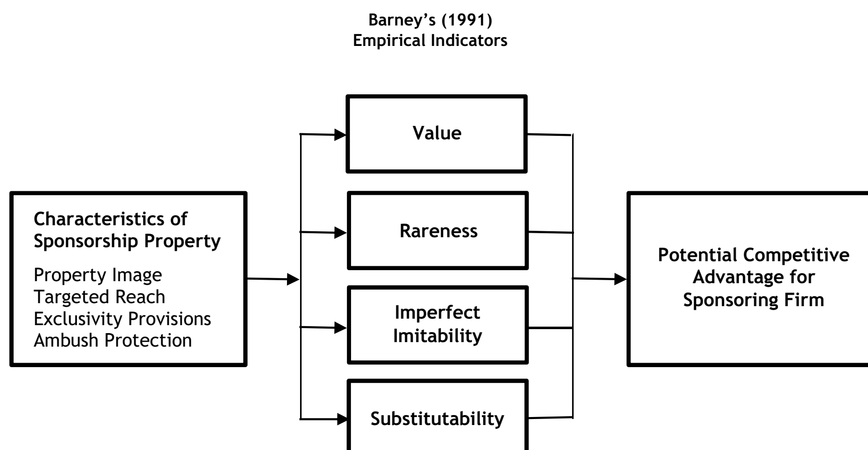
The rare and valuable nature of the opportunity for a sponsoring firm to associate itself with the Olympic values globally, along with the imperfect imitability via exclusivity provisions and lack of substitutability via ambush protections, are reflected in this article's conceptual model of an RBV of sponsored properties (Figure 1). This framework is applied to the case of Visa and the Olympic Games to demonstrate how a sponsorship opportunity can be evaluated in light of Barney's (1991) indicators. A particular sponsored property rarely reflects all of these criteria; however, the framework can nonetheless be utilized to help identify sponsorship opportunities capable of achieving at least a partial or temporary advantage over competitors—a strong image, targeted reach, and some degree of category exclusivity or ambush protection—if not a fully sustainable advantage that demonstrates all four indicators.

5. Managerial implications

The case study approach used in this article and the resulting conceptual model can be helpful for marketing managers evaluating potential sponsorships and for properties seeking to demonstrate the potential value and opportunities that sponsorships of their organization may provide. Given the aforementioned challenges in identifying and evaluating sponsorship properties, marketing managers may utilize this framework to help investigate and compare the characteristics of sponsored properties. An analysis of the case study of Visa and the Olympic Games, which has helped Visa not only substantially increase its awareness and global perception but also significantly increase market share, provides valuable insights for brand marketers seeking a competitive advantage through sponsorship.

Consistent with the preconditions identified by Amis et al. (1997), the model suggests that a sponsorship property exhibiting Barney's (1991) empirical indicators may have the potential to provide a firm with a sustained competitive advantage. First, primary among these indicators is the level of exclusivity provided via the sponsorship, as it helps ensure the imperfect imitability of the resource. The higher the level of exclusivity afforded the sponsor, the greater the chance that the sponsoring firm's association with the property may provide the sponsor with a sustained advantage over a competitor, because exclusivity ensures the competitor is not able to leverage an association with the same organization during the same time period. Based upon the findings presented here, managers would be wise to ensure the exclusivity afforded it via the contractual sponsorship relationship is as broad as

Figure 1. Conceptual model for the use of RBV in identifying sponsorship properties capable of providing competitive advantage to the sponsoring firm



possible in barring potentially competitive product categories.

Second, the model reflects that various policies the property may have in place—and are willing to bring to bear—to help ensure the sponsor is not the victim of ambush marketing (e.g., Sandler & Shani, 1989) are critically important as well. While the sponsor may have ironclad exclusivity provisions outlined in the sponsorship contract, if the property is not willing to assist the sponsoring firm by enforcing these provisions (e.g., the IOC's actions to protect Visa from ambush activity by American Express), it may be considerably easier for a competitor to identify a potentially substitutable property to sponsor and leverage. Such actions may result in confusion on the part of the consumer at the buying decision stage, considerably reducing the chances the sponsor is able to achieve a competitive advantage via the sponsorship. The responsibility falls to managers at sponsoring firms at the negotiation stage to investigate whether a sponsorship property is willing to enforce exclusivity provisions and potentially protect the sponsoring firm from a competitor's ambush marketing activities.

Third, marketers would also be keen to review research related to the organization's reach, as the more wide-ranging and targeted the reach of the sponsored organization, the rarer the association may be in regard to the sponsored property's potential to impact a greater number or specific profile of consumers. Finally, the image associated with the sponsored property among target consumers can serve as a measurement of the value of the brand association opportunity. For example, the image of the Olympic rings is highly recognized, and therefore valuable and without a clear substitute, which enhances the sponsoring firm's ability to leverage the association to achieve an advantage over competitors.

It should be noted that if a sponsoring firm engages a property that helps the firm achieve a competitive advantage, the firm still must take a long-term approach to the sponsorship if the advantage is to be sustainable. As illustrated in the case of Visa taking over MasterCard's global World Cup sponsorship (Cobbs, 2011), any advantage achieved via sponsorship will quickly be eroded once an exclusive sponsorship ends. Anecdotal evidence suggests that many of the world's most valuable brands, such as Coca-Cola (Choi, 2008), frequently engage in long-term sponsorships that can last for decades. Likewise, research has revealed several benefits to long-term investments in sponsorship—such as stronger influences on consumer-based brand equity (Cornwell, Roy, & Steinard, 2001), enhanced consumer perception of congruence or fit (Olson & Thjømøe, 2011), and a stronger association between the sponsor and property in a consumer's memory (Cornwell & Humphreys, 2013). Still, due to the contractual nature of sponsorship, most relationships between the firm and property will dissolve at some point and any advantage achieved will likely decay over time (Quester & Farrelly, 1998).

5.1. Future research on sponsorship and RBV

Several areas of the RBV of sponsorship should be explored for future research. Consistent with the recommendations put forth in prior work (Amis et al., 1997; Fahy et al., 2004; Papadimitriou & Apostolopoulou, 2009), empirical testing is needed to clarify boundary conditions and explore various sporting contexts beyond the few investigations thus far. Similar to the approaches of Amis et al. and Papadimitriou and Apostolopoulou, this future work may feature surveys of marketing managers to determine their agreement on the specific characteristics of a sponsored property that has provided their sponsoring firm with a sustained competitive advantage. The shared characteristics of the selected sponsored properties could then be analyzed according to the RBV theory. Other future research could include interviewing or surveying consumers to decipher which brands in a product category enjoy a competitive advantage over others in brand image and associated sponsorship engagement.

To further validate the model, an in-depth analysis of other case studies may be warranted. Though a contention in this article is that firms would not invest considerable resources in a sponsorship for more than 25 years unless it was providing a competitive advantage, in-depth analyses of the practices of other sponsoring firms could provide further empirical tests of this assumption. In addition to successful sponsorships undertaken by multinational brands, in-depth analyses of unsuccessful sponsorships may also prove fruitful in helping to validate the model. For example, a case analyzed by Cobbs (2011) showed that while the World Cup is undoubtedly an inherently valuable event with extensive reach, its lack of ambush protections proved to be a severe limitation for sponsor MasterCard. Competitor Visa was able to engage in negotiations with FIFA for the sponsorship during MasterCard's term, despite the fact that MasterCard had a contractually obligated exclusive negotiating period. These actions led to Visa taking over the payment services category. Contrast the actions of FIFA with that of the IOC, which aggressively protected Visa from the potential for ambush by competitor American Express.

The importance of the property's image can be illustrated by another example: The Radisson hotel chain suspended its sponsorship of the Minnesota Vikings' National Football League (NFL) team after the team's star player was indicted on child abuse charges. A Radisson spokesperson said that the incident created an image disconnect for the hotel brand, which boasts a ''commitment to the protection of children'' (Riley, 2014). As a result, the value of the sponsorship's image association to the team no longer contributed to a competitive advantage for Radisson. In a final example, unlike the Olympics, the National Basketball Association (NBA) has limited control over the on-court sneakers worn by its players. Consequently, the league's exclusive apparel sponsor, Adidas, recently declined to renew its sponsorship of the NBA when so many of the league's players wore the competitor's (Nike's) shoes on the court—essentially creating substitute NBA affiliation apart from league sponsorship (Manfred, 2015). Further examinations of leading multinational firms with long-standing, and short-lived, sponsorships should be examined in an effort to illuminate other cases in which a sponsorship may or may not have played a role in assisting a firm to realize a sustained competitive advantage.

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