

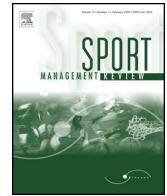


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# A typology of cause-related marketing approaches in European professional basketball

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### ABSTRACT

As professional sports organisations are increasingly engaging in Cause-Related Marketing (CRM), there is a growing interest in understanding to what extent Corporate Social Responsibility (CSR) can deliver win–win outcomes for both the organisation and society at large. In this article, the authors provide a typology of CRM approaches adopted by professional sports teams and demonstrate if and how they approach social responsibility from a marketing perspective. The authors use a qualitative method to explore CRM engagement of professional basketball teams in Europe. The findings show that CRM is more than an act of philanthropy to the majority of the sports organisations. The sport organisations envision a win–win situation either through increased revenue or improved stakeholder relationships, or a combination of both. The authors merge the CSR and CRM concept and contribute to the CRM literature by investigating it from a broad managerial and stakeholder perspective rather than from a unilateral consumer perspective. The model will assist sports managers in CRM decision-making, more specifically, in handling the paradox between commercialising CRM and safeguarding integrity.

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## 1. Introduction

Translating Corporate Social Responsibility (CSR) into marketing strategy is what briefly defines Cause-Related Marketing (CRM; Liston-Heyes & Liu, 2013). Over the past two decades, researchers have recognized the role of CRM in leveraging a firm's social responsibility activities in such a way that it enhances its reputation, profitability and sustainability (Liu & Ko, 2011; Pracejus & Olsen, 2004).

Professional sports organisations, like other for-profit organisations, are increasingly engaging in CRM (Inoue, Mahan, & Kent, 2013; Irwin, Lachowetz, & Clark, 2010). However, there is a lack of understanding as to why and how sports organisations engage in CRM (Roy, 2011). While CRM receives increased academic attention with regards to impact on consumer behaviour, the management point of view remains underexplored in the sports context (Irwin et al., 2010). We expand the CRM research domain from a unilateral consumer perspective towards a broader managerial and stakeholder perspective. The sports sector will especially benefit from a broader view on CRM, given the multitude of stakeholders (fans, players, sponsors, leagues, media, local community) influencing CRM decision-making (Babiak & Wolfe, 2009). We propose

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that marketing outcomes vary according to CRM approach, through distinct value propositions to stakeholders. Consequently, we contribute to the CRM literature by taking a stakeholder management perspective.

Researchers have noted the benefits of adopting a strategic and integrative approach towards social engagement (Austin & Seitanidi, 2012; Porter & Kramer, 2002; Seitanidi & Ryan, 2007). Equally, sports management scholars advocate this approach (Heinze, Soderstrom, & Zdroik, 2014; Inoue & Kent, 2014). However, the limited amount of CRM studies conducted in sport suggests that sports organisations approach CRM rather altruistically than strategically (Extejt, 2004; Kim, Kwak, & Kim, 2010; Roy & Graeff, 2003). Some of the positive financial outcomes, like increased purchasing intent or switching behaviour, have not yet been confirmed in sport (Extejt, 2004; Kim et al., 2010; Lachowetz & Gladden, 2002; Roy & Graeff, 2003). This may suggest that professional sports organisations consider CRM engagement more as a public relations necessity rather than as a marketing tool (Roy & Graeff, 2003). In this study, we investigate the different CRM approaches adopted by professional sports teams. Understanding why sports teams engage in CRM is relevant, because while an altruistic approach may be a worthwhile activity, it is perhaps not leveraging the full potential of a powerful sports team to make a difference for both the good cause and the sports team (Babiak & Wolfe, 2009; Heinze et al., 2014; Porter & Kramer, 2002). Categorising sports organisations based on CRM type addresses the need for a more comprehensive picture of the adoption and diffusion of the CRM phenomenon in sport (Roy, 2011).

By enlarging the view on CRM, we are intersecting partly with research on CSR management. Where CSR and CRM are closely related, both concepts are mostly studied in separate literature streams, namely management and marketing literature (Sheikh & Beise-Zee, 2011). Scholars usually define social responsibility as CSR from a managerial and stakeholder perspective and as CRM from a marketing perspective. The purpose of this study is to blend both concepts and investigate if and how CSR ideas are marketed into CRM strategies. In that sense, we add to the literature on CRM, taking a stakeholder and management perspective.

## 2. Literature review

### 2.1. Cause-related marketing in sport

The rise of CRM in sport is captured in a growing body of literature on the benefits of CRM for sports organisations (Kim et al., 2010; Lachowetz & Gladden, 2002; Roy & Graeff, 2003). CRM efforts can provide competitive advantages by enhancing the team's reputation and the consumers' attitudes towards the team. Furthermore, social engagement among sport organizations can have a significant impact on image of (Roy & Graeff, 2003) and loyalty towards the team (Lachowetz & Gladden, 2002). Other marketing benefits include increased word-of-mouth and merchandise consumption (Walker & Kent, 2009). Examples of sport teams engaging in CRM can be found throughout the big sports leagues in the US. For example, the Boston Red Sox raised money for cancer research through the Dana Farber Cancer Research Institute (Lachowetz & Gladden, 2002). Additionally, CRM can demonstrate concern and involvement in the local community, which can generate support from stakeholders (Sheth & Babiak, 2010). Playing for Success (an education and health program for children) is an example of a community relations initiative that is deployed by various professional sports teams in Europe. These kinds of collaborations can generate goodwill from stakeholders and provide a competitive advantage towards other teams in the league. According to Roy and Graeff (2003), engaging in CRM is as viable for professional sports organisations as for other product and services companies.

Moreover, professional sports organisations are ideal vehicles to engage socially, given their role model status (McGowan & Mahon, 2009; Smith & Westerbeek, 2007). Smith and Westerbeek (2007) described some unique aspects of sport that make these organisations well-suited, even better than traditional corporations, to engage socially. These include the engagement of mass media and its communication power, youth appeal, and positive health and social impacts. Moreover, sport merits an affinity from its consumers that only few regular brands can match. This enhances its receptivity for social responsibility messages toward consumers (Roy, 2011). Professional sports teams also believe they should give back to those who are less fortunate than themselves, and create a stronger bond between them and their local community (Lee & Ferreira, 2013). Fans or consumers even expect them to do so, as evidenced by Roy and Graeff's (2003) study, where 90% of the consumers agreed that professional sports teams should support community charities or causes. Similarly, scholars consider social responsibility as critical in bridging the gap between the stars that athletes have become, and their fans (Knecht, 2007). Thus, as their influence on communities can hardly be overestimated, professional sports organisations are well placed to engage in charity work (Smith & Westerbeek, 2007).

Whereas general management scholars advise a strategic and integrative approach to social engagement (Austin & Seitanidi, 2012; Porter & Kramer, 2002; Seitanidi & Ryan, 2007), it seems that only few sports organisations are managing it that way (Kihl, Babiak, & Tainsky, 2014; Sheth & Babiak, 2010; Walker & Kent, 2009). Researchers show that it is crucial for team credibility and outcome to proactively manage CRM initiatives rather than in response to pressures from stakeholders (Inoue & Kent, 2014). The Detroit Lions' case is considered a positively deviant case in which social responsibility is managed in a strategic and integrated way (Heinze et al., 2014). In addition to focusing on what is best for both the cause and the local community, the Detroit Lions develop partnerships that are mutually beneficial for themselves and their partners. The CRM collaborations allow the Lions and their partner Non Profit Organisations (NPO) to match needs and expectations, delivering maximal win-win outcome for the team, its stakeholders, and society (Heinze et al., 2014).

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