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KEY FACTORS INFLUENCING CORPORATE SPONSORSHIP DECISIONS FOR
INDEPENDENT MUSIC FESTIVALS

Bachelor Thesis

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I have written this Research paper/Bachelor Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

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Introduction

Independent music festivals have become increasingly important cultural platforms that support artistic diversity, community identity, and alternative forms of cultural expression (Getz, 2010). At the same time, these festivals operate in a challenging economic environment characterised by rising costs, increasing competition, and growing audience expectations. As a result, corporate sponsorship has emerged as a crucial source of financial support (Meenaghan, 2001), even for festivals that traditionally emphasise independence and cultural authenticity (Anderton, 2011). Understanding the factors that influence corporate sponsorship decisions in this context is essential for both festival organisers seeking sustainable funding and companies aiming to maximise the value of sponsorship partnerships (Andersson et al., 2013). Although sponsorship has been widely examined in relation to mainstream events, independent festivals remain less studied (Anderton, 2011).

Independent festivals have been especially under-researched in post-Soviet regions. The collapse of socialist regimes between 1989 and 1991 triggered profound political, economic, and social restructuring processes across East-Central Europe (Light et al., 2025). These transformations reshaped development trajectories and significantly affected sectors such as tourism. As highlighted by Light et al. (2025), post-socialist restructuring constituted a major political, economic, and social upheaval that disrupted existing systems and development paths. Research on post-Soviet countries shows that large-scale events, like festivals, are closely linked to more general political, economic, and governance structures in the context of events and cultural development (Makarychev & Yatsyk, 2016), reflecting interactions between domestic institutional contexts and global event dynamics. Thus one would assume that in post-Soviet countries like Latvia, large-scale events are often connected to broader political and economic goals, such as national image-building and governance strategies, rather than being driven purely by market forces (Makarychev & Yatsyk, 2016).

Because of its unique institutional and historical background as a part of the post-Soviet area, countries like Latvia could pose unique challenges in event management and sponsorships that the broader research community might not be aware of. Although Latvia is now a part of the European Union and operates within market-based economies, their economic and governance structures have developed through the recent transition process, which continues to influence business environments and cultural sectors. Existing research suggests that post-socialist countries operate as hybrid systems, where older institutional structures coexist with developing market-based practices (Stark, 1996). This

makes Latvia a relevant setting for exploring corporate sponsorship in independent music festivals, as sponsorship decisions are likely shaped by these evolving conditions. At the same time, most research on festivals and sponsorship decisions previously focused on larger Western countries, while post-socialist and smaller regional markets remain relatively underexplored. Focusing on Latvia therefore helps address this gap and contributes to a more context-sensitive understanding of how sponsorship decisions are made and what are the key factors influencing it. This thesis aims to identify the key factors shaping corporate sponsorship decisions for independent music festivals with a particular focus on Latvia.

To achieve the aim of this bachelor's thesis, the following research tasks are set:

1. To define corporate sponsorship and summarise key theoretical approaches explaining sponsorship decisions.
2. To review research on sponsorship in music festival settings, including key benefits and risks.
3. To systematise the main factors that influence sponsorship decisions based on prior studies.
4. To explore how these factors appear in practice through interviews with companies operating in Latvia.

To achieve these aims, a literature review was conducted using keywords such as “festival,” “sponsorship,” “Latvia,” and “independent.” After identifying relevant academic sources, their reference lists were further examined to locate additional studies, alternative perspectives, and regionally comparable research. Based on the reviewed literature, the key factors influencing corporate sponsorship decisions were identified and synthesised into broader thematic categories presented in the following sections. These themes were subsequently used to develop the semi-structured interview questions (Appendix A).

1. Theoretical Background of Corporate Sponsorship

Corporate sponsorship has developed into a significant strategic instrument within modern marketing and financial management, particularly in the context of events and festivals. Unlike traditional income sources such as ticket sales, sponsorship represents a structured exchange relationship in which organisations provide financial or in-kind resources in return for specific commercial benefits offered by the sponsored entity (Andersson & Getz, 2008). This exchange-based understanding distinguishes sponsorship from purely philanthropic activities and positions it as a strategic component of organisational marketing and communication efforts. Historical research suggests that in ancient Rome, wealthy individuals often financed public spectacles, such as gladiatorial games, as a means of enhancing prestige and public standing (Veyne et al., 1990; Futrell, 2006). Although these early forms of patronage differ from contemporary corporate sponsorship, they illustrate the longstanding link between financial support, public visibility, and reputational benefits.

The modern understanding of corporate sponsorships emerged in the late twentieth century due to the significant expansion of company marketing strategies, particularly in the 1980s and 1990s, to integrate sponsorship into their strategies. In the United States, this period saw major sporting events adopt corporate naming rights, such as college bowl games incorporating sponsor names into their official titles such as the FedEx Orange Bowl and Sunkist Fiesta Bowl (Cornwell, 2008; Meenaghan, 1991). These developments reflect a shift towards sponsorship as a deliberate branding tool, combining the financial necessity of event funding with sponsors' growing need to compete for consumer attention in increasingly saturated markets. Several theoretical frameworks help explain why firms engage in corporate sponsorship. One such framework from which sponsorships can be examined is the relationship marketing perspective. Relationship marketing, as the name already indicates, focuses on building long-lasting relationships between the brand, company or product, and their customers or consumers at large (Möller & Halinen, 2000). One of such tools, to build a relationship with (potential) customers is indeed sponsorships. Sponsorships enable organisations to build these long-term relationships with stakeholders by fostering emotional connections through shared experiences, such as cultural or sporting events (Cornwell, 2008).

Another way to look at sponsorship is from a strategic management perspective. Strategic management evaluates business operations and goals in a holistic view beyond the day-to-day operations while considering how all stakeholders and other parts (e.g. technology, processes, or the environment) align to reach the objectives of the company

(Alharbi, 2024). Within strategic management sponsorship can be interpreted through the resource-based view. In this, sponsorships contribute to the development of intangible assets such as brand equity and corporate reputation that may provide a competitive advantage (Barney, 1991; Cornwell & Maignan, 1998). In addition, stakeholder theory highlights the role of sponsorship in strengthening relationships with key stakeholder groups, including customers, communities, and public institutions, thereby enhancing organisational legitimacy and social acceptance (Freeman, 1984; Roslan et al., 2023).

Table 1

Definitions of sponsorship from previous research

Source	Definition of sponsorship	Main Characteristics
Andersson & Getz (2008)	Sponsorship within festivals is discussed as part of stakeholder support and resource dependency, where organisations provide support that contributes to festival sustainability and viability.	Stakeholder support; festival sustainability; organisational exchange; resource dependency
Meenaghan (1983: 1991)	Sponsorship is “an investment, in cash or kind, in an activity, in return for access to the exploitable commercial potential associated with that activity.”	Commercial investment; exchange relationship; access to commercial potential; marketing communication tool
Meenaghan (2001)	Sponsorship is described as a marketing communications activity that creates emotional connections between consumers and sponsored properties through goodwill, image transfer, and involvement.	Emotional connection; image transfer; consumer involvement; relationship-building
Cornwell & Maignan (1998)	Sponsorship is examined as a strategic marketing activity connected to communication objectives, brand awareness, and corporate image development.	Strategic marketing communication; brand image; sponsorship management; corporate reputation
Cornwell (2008)	Sponsorship-linked marketing is presented as a strategic branding and communication practice embedded within broader marketing activities.	Sponsorship-linked marketing; integrated communication; branding strategy; consumer engagement
Anderton (2011)	In music festivals, sponsorship is positioned between commercial objectives and cultural authenticity, reflecting	Commercialisation; cultural authenticity; festival funding; organisational strategy

increasing dependence on corporate funding within festival organisation.

Source: compiled by the author based on Meenaghan (1983; 1991; 2001), Andersson and Getz (2008), Cornwell and Maignan (1998), Cornwell (2008), and Anderton (2011).

1.1. Corporate Sponsorship and Its Importance to Music Festivals

Building on the theoretical understanding of corporate sponsorship as a strategic marketing and relationship-building instrument, music festivals represent a concrete context in which these theoretical principles are applied in practice. Sponsorship enables firms to enhance intangible assets such as brand equity, reputation, and stakeholder relationships through associative and experiential mechanisms that are particularly salient in festival environments characterised by immersion and social interaction (Kim et al., 2023; Meenaghan, 2001).

Empirical research supports the relevance of sponsorship within music festivals. Rowley and Williams (2008) demonstrate that music festivals provide sponsors with valuable experiential exposure and represent an important revenue source for festival organisers. Their findings suggest that sponsorship contributes not only to financial sustainability but also to brand awareness and recall among festival audiences. Anderton (2015) further confirms that sponsorship has become a structural component of contemporary festival organisation rather than a supplementary marketing activity. Rowley and Williams' (2008) research is based on questionnaire-led empirical data collected from music festival audiences in the United Kingdom, examining how attendees perceive sponsor presence and how sponsorship influences brand recall and brand-related attitudes. Rather than focusing on a single event, their study treats music festivals as a broader category of experiential marketing platforms, highlighting the importance of live music contexts in shaping consumer–brand interactions. The authors also note that sponsorship effectiveness is influenced by the perceived appropriateness of the sponsoring brand, indicating that audience acceptance plays a key role in determining sponsorship outcomes (Rowley & Williams, 2008). According to Anderton (2011), the increasing professionalisation of the festival sector and rising operational costs have intensified festivals' reliance on corporate sponsorship, while sponsors benefit from embedding their brands within culturally meaningful experiences. Drawing primarily on the British music festival context, Anderton traces this shift to developments from the mid-1990s onward, when the rapid expansion and formalisation of the UK festival sector coincided with

increasing costs related to infrastructure, health and safety regulations, licensing, and security requirements (Anderton, 2011; Anderton, 2015). He argues that these pressures transformed sponsorship from a peripheral or contested funding source into a central organisational strategy, particularly in a volatile festival market where many events struggle to survive long-term (Anderton, 2015). Taken together, these studies illustrate how the core objectives of corporate sponsorship - such as image transfer, emotional engagement, and long-term relationship building- are realised within the music festival context.

Historically, many music festivals originated as independent, artist-driven, and community-oriented events with minimal corporate involvement. Early festivals were often financed through ticket sales, volunteer labour, and public or cultural funding, reflecting an emphasis on artistic expression and countercultural values rather than commercial objectives (Anderton, 2011). In this context, corporate sponsorship was frequently viewed with scepticism, as it was perceived to threaten the authenticity and independence of the festival experience (Anderton, 2011). Over time, however, rising production costs, increasing regulatory requirements, and higher audience expectations have significantly reshaped the economic conditions under which music festivals operate, altering the financial realities faced by festival organisers (Anderton, 2015; Berael et al., 2024; Getz & Page, 2016). Research indicates that even independent music festivals have become increasingly reliant on corporate sponsorship to ensure financial viability, maintain artistic quality, and remain competitive in crowded festival markets (Getz & Page, 2016). As a result, sponsorship has shifted from being an optional or even controversial addition to becoming a critical resource for sustaining independent festivals while balancing commercial partnerships with cultural identity.

1.2. Challenges and Risks of Corporate Sponsorship in Music Festivals

Despite the growing importance of corporate sponsorship for music festivals, academic literature identifies several challenges associated with its increasing presence. One key concern relates to the commercialisation of cultural events. Anderton (2011) argues that increased corporate involvement may create tension between commercial objectives and the artistic or community-oriented values upon which many music festivals were founded. For festivals that rely on perceptions of independence and cultural credibility, such tensions may pose a risk to their identity and long-term legitimacy.

From the audience perspective, sponsorship does not always produce uniformly positive outcomes. Rowley and Williams (2008) show that while sponsorship can enhance brand

awareness and recall, its effectiveness depends on how sponsorship is perceived and integrated into the festival environment. Their findings suggest that poorly executed or overly intrusive sponsorship may reduce its intended impact, creating potential risks for both festival organisers and sponsors if sponsorship activities are not aligned with audience expectations. Another challenge concerns the fit between the sponsoring brand and the festival. General sponsorship research highlights that low perceived congruence between a sponsor and a sponsored event can weaken sponsorship outcomes and limit positive brand associations (Cornwell, 2008). Although this literature is not exclusive to music festivals, it is applicable to festival contexts where audiences often form strong emotional connections with the event. Inappropriate sponsor selection may therefore even undermine sponsorship effectiveness rather than enhancing it or having a net zero effect.

In addition, evaluating sponsorship outcomes presents a further challenge. Cornwell and Maignan (1998) note that sponsorship effects are often indirect and long-term, complicating the assessment of effectiveness and return on investment. This issue is particularly relevant in music festival contexts, where sponsorship objectives may focus on image enhancement or relationship building rather than immediate sales outcomes. Cornwell (2008) further emphasises that sponsorship is typically embedded within a broader marketing communications mix, making it difficult to isolate the specific contribution of sponsorship activities from other promotional influences. As a result, commonly used evaluation measures - such as media exposure, brand recall, or audience awareness - may fail to capture deeper outcomes related to attitude change, brand meaning, or emotional attachment. As a result, both sponsors and festival organisers may face uncertainty when assessing the success of sponsorship arrangements. This uncertainty can create strategic risk, as sponsors may question the value of continued investment, while organisers may struggle to demonstrate sponsorship effectiveness when negotiating future partnerships or justifying sponsor integration within the festival environment (Cornwell, 2008).

1.3. Factors Influencing Corporate Sponsorship Decisions

Corporate sponsorship decisions are shaped by a combination of strategic, relational, organisational, and contextual factors (Cornwell, Weeks, & Roy, 2005; Johnston, 2015). Academic literature demonstrates that companies do not rely on a single criterion when selecting sponsorship partners; instead, decisions reflect multiple objectives and constraints

that vary across organisations and sponsorship contexts (EVM Institute, 2024; Papadimitriou et al., 2008)

One of the most frequently identified factors influencing sponsorship decisions is the strategic marketing value of the sponsorship. From this perspective, companies primarily evaluate sponsorship opportunities based on their potential to support brand-related objectives, such as increasing brand awareness, strengthening brand image, and reaching specific target audiences (Cornwell & Maignan, 1998; Grohs & Reisinger, 2013), as discussed above. Meenaghan (2001) argues that sponsorship has evolved into a core element of integrated marketing communications, with firms prioritising events that offer strong audience alignment and communication effectiveness. Sponsorships are therefore more likely to be selected when they provide access to clearly defined consumer segments and opportunities for meaningful brand exposure.

Closely related to strategic marketing considerations is the concept of sponsor–event fit, which has been widely discussed in sponsorship research. Gwinner and Eaton (1999) emphasise that firms assess how well a sponsored event aligns with their brand identity, values, and symbolic meaning. When audiences perceive a logical and credible connection between the sponsor and the event, sponsorship outcomes such as brand image enhancement are more likely to occur. Conversely, low perceived congruence may weaken sponsorship effectiveness and create scepticism among consumers. As a result, companies tend to favour sponsorships where the thematic or cultural characteristics of the event complement their desired brand positioning (Gwinner & Eaton 1999, Hutabarat & Gayatri, 2014). Beyond marketing and image-related factors, sponsorship decisions are also influenced by relationship-oriented considerations. Farrelly and Quester (2005) highlight that sponsorship should be understood as an ongoing exchange relationship rather than a one-time transaction. From this perspective, factors such as trust, commitment, shared values, and the quality of interaction between sponsor and sponsored organisation play a significant role in decision-making. Firms may therefore prefer sponsorship partners that demonstrate openness to collaboration and a willingness to build long-term partnerships, even if immediate exposure benefits are limited. Internal organisational factors further shape sponsorship decisions (Weber & Hsu, 2020). Papadimitriou, Apostolopoulou, and Dounis (2008) note that sponsorship choices are influenced by company-specific characteristics, including available financial resources, managerial attitudes towards sponsorship, organisational experience, and strategic priorities. This suggests that sponsorship decisions are not purely market-driven but

are also shaped by internal decision-making structures and resource constraints. As a result, similar sponsorship opportunities may be evaluated differently across organisations depending on internal conditions. Another important factor influencing sponsorship decisions relates to corporate social responsibility and legitimacy considerations. Maignan and Ferrell (2004) argue that firms increasingly engage in activities that enhance their social legitimacy and demonstrate responsiveness to stakeholder expectations. Sponsorship of cultural and community-oriented events can serve this purpose by signalling social engagement and alignment with societal values. In this context, companies may select sponsorship opportunities that contribute to positive stakeholder perceptions, even when direct commercial returns are difficult to measure.

Finally, sponsorship decisions are constrained by perceived risks and uncertainty. Cornwell, Weeks, and Roy (2005) point out that firms often face challenges in evaluating the effectiveness of sponsorship investments due to difficulties in measuring outcomes and isolating sponsorship effects from other marketing activities. Concerns related to return on investment, reputational risk, and sponsorship clutter may discourage companies from engaging in certain sponsorships, particularly when outcomes are uncertain (Anderton, 2015; Cornwell, 2008). These considerations can lead firms to adopt cautious approaches when selecting sponsorship partners. Taken together, existing research suggests that corporate sponsorship decisions are influenced by a complex interaction of marketing objectives, perceived fit, relationship quality, organisational characteristics, legitimacy considerations, and risk assessment. Understanding how these factors interact is essential for explaining why companies choose to sponsor certain events while rejecting others, particularly in the context of independent music festivals where commercial and cultural considerations are closely intertwined.

2. Empirical Study of Key Factors Influencing Corporate Sponsorship Decisions

2.1. Methodology of the Empirical Study

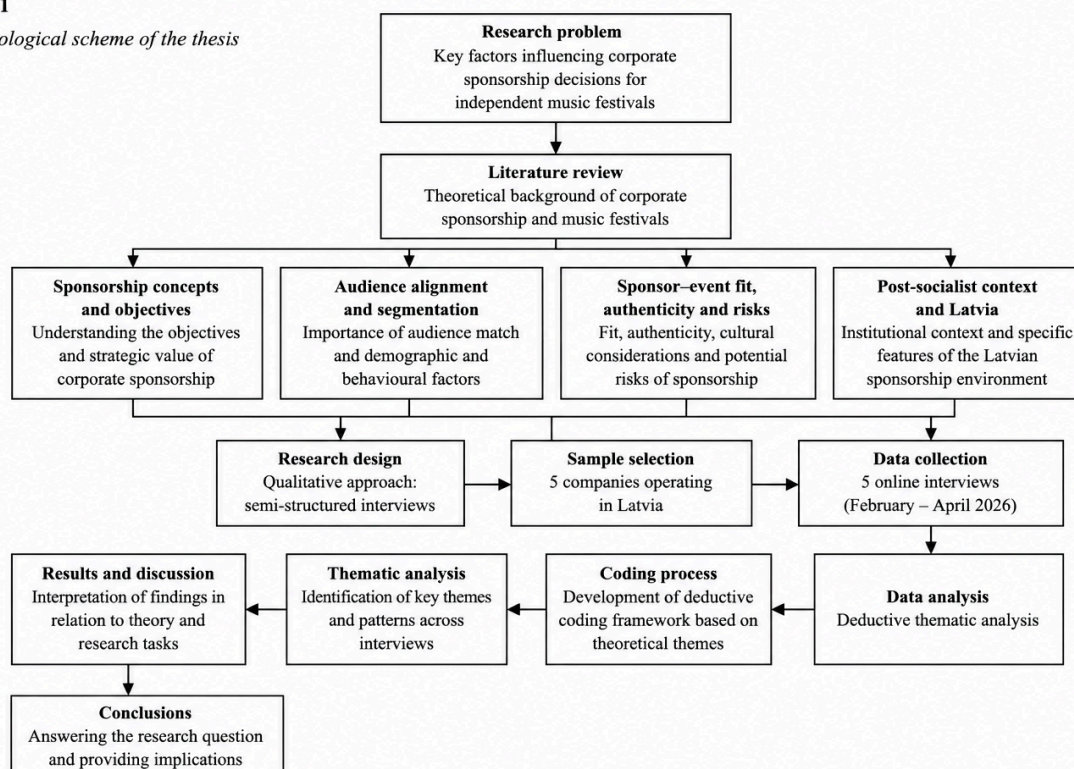
While the theoretical part of this paper summarised factors influencing corporate sponsorship decisions, the empirical part examines how these factors are understood and applied in practice by companies operating in Latvia. The purpose of the empirical section is to gain detailed insights into how sponsorship opportunities are assessed, which criteria are prioritised, and how companies evaluate the value and risks of sponsorship partnerships—particularly in contexts that involve cultural events such as music festivals. To achieve this,

the study used semi-structured interviews with representatives of five different companies. These companies were selected because they are consumer brands with experience in sponsorship and brand partnerships, making them suitable informants for exploring real decision-making processes. Participants were informed about the purpose of the study, participation was voluntary, and interview data were anonymised during transcription and analysis

The coding framework was developed using a deductive thematic analysis approach. Initial coding categories were derived from the theoretical framework and interview themes presented in the methodology section. During analysis, interview excerpts were coded according to recurring concepts related to sponsorship objectives, audience alignment, sponsor–event fit, organisational considerations, and risk evaluation. The coding structure was subsequently refined to ensure consistency between the theoretical and empirical sections of the study.

Figure 1

Methodological scheme of the thesis



Note. Compiled by the author.

2.1.2. Research Design

The aim of this study is to identify and analyse the factors that influence corporate sponsorship decisions in relation to independent music festivals. To achieve this objective, a qualitative research design was adopted. Qualitative research methods are particularly suitable for exploring complex decision-making processes and understanding the perspectives and experiences of individuals involved in organisational activities (Bryman, 2016). Because corporate sponsorship decisions frequently entail strategic factors that may not be simply measured by quantitative data or publicly reported, the use of interviews proved especially appropriate for this study. Alternative research methods, such as surveys or quantitative questionnaires, were considered but were not selected as the primary method for this study. Surveys typically require predefined answer options and structured questions, which may limit the ability of respondents to elaborate on complex decision-making processes. In contrast, interviews allow participants to provide more detailed explanations and discuss multiple factors that influence their sponsorship decisions. Flexibility is particularly valuable when studying organisational decision-making, where different companies may prioritise different criteria when evaluating sponsorship opportunities (Silverman, 2013). For these reasons, semi-structured interviews were selected as the most appropriate method for investigating corporate sponsorship decision-making in the context of independent music festivals.

2.1.3. Sample Selection

The empirical research focuses on companies operating in Latvia that have experience with event sponsorship or marketing partnerships. Samples were taken from five different industries that have worked with independent music festivals in Latvia (tobacco industry, energy drink industry, non-alcoholic soft drink industry, alcoholic industry specifically beer). The study would strive to make a selection of companies from different sectors, allowing for a broader perspective on sponsorship decision-making. Participants were selected using purposive sampling, which is commonly used in qualitative research to identify individuals who possess relevant knowledge or experience related to the research topic (Bryman, 2016).

Purposive sampling allows focus on participants who are directly involved in the processes being studied. In this case, company representatives responsible for marketing, partnerships, or sponsorship decisions were selected as interview participants. Their professional roles provide them with practical experience and insights regarding how companies evaluate potential sponsorship opportunities and decisions.

Table 2

Overview of Interview Participants

Participant	Industry	Position	Interview Duration
P1	Energy drink industry	Brand Manager	38 minutes
P2	Tobacco industry	Marketing and Partnerships Manager	42 minutes
P3	Alcoholic beverage industry (beer)	Sponsorship and Events Coordinator	45 minutes
P4	Non-alcoholic soft drink industry	Marketing Specialist	39 minutes
P5	Alcoholic beverage industry	Brand Manager	52 minutes

Source: compiled by the author

To ensure firm and firm representative confidentiality, the names of participants were anonymised and replaced with participant codes (P1-P5). All of the participants hold a position directly related to marketing, sponsorship, or partnership, allowing them to provide insights into corporate sponsorship decision-making processes.

2.1.4. Data Collection

Data was collected through semi-structured interviews conducted online, mostly on the platform "Zoom." Conducting the interviews online offers practical advantages, such as flexibility in scheduling and accessibility for participants, while still allowing for interactive discussion. Each interview is expected to last approximately 30-45 minutes.

Before the interviews, participants received a short explanation of the purpose of the study and how the collected data will be used. Participation is voluntary, and interviewees may withdraw at any stage without providing a reason. With the participants' consent, the interviews were audio-recorded in Latvian to ensure accurate transcription and analysis. The interview questions are based on the theoretical framework presented earlier in the paper.

This approach ensured that the interview structure was grounded in existing academic research while allowing flexibility for participants to elaborate on their experiences and perspectives. The semi-structured format enabled the exploration of both anticipated factors identified in the literature and additional insights emerging from practical decision-making contexts. All questions were open-ended. As the interviews are semi-structured, some questions and general themes will be set out beforehand. The themes are as follows: ‘Sponsorship objectives and strategic marketing value’, ‘Target audience and audience alignment’, ‘Sponsor–event fit and brand congruence’, ‘Authenticity and cultural considerations’, ‘Internal organisational factors’, ‘Risk, evaluation, and return on investment’, ‘Independent music festivals specifically’ and “The curation citation of sponsorship in Latvia “. The interview questions were developed deductively based on the theoretical framework and research tasks of the study. Key themes identified in the literature review, including sponsorship objectives, audience alignment, sponsor–event fit, authenticity, organisational factors, and sponsorship risk evaluation, were transformed into broader thematic interview categories. Open-ended questions were then developed within each category to encourage respondents to elaborate on their experiences, perspectives, and organisational practices. The interview guide was designed to maintain consistency across interviews while allowing flexibility for participants to discuss additional factors emerging from practical sponsorship decision-making contexts. The interviews were transcribed manually after completion to support thematic analysis and coding.

Examples of explicit pre-defined questions can be seen in Appendix B. These themes were designed to ensure consistency between the theoretical and empirical sections of the study. Questions within each category were intended to explore how companies assess sponsorship opportunities, what criteria they prioritise, and how they evaluate both benefits and risks.

2.1.5. Data Analysis

According to Braun and Clarke (2006), deductive thematic analysis is a qualitative analytical method where their objectives and preexisting theoretical notions serve as a guide for topic formulation and coding. The analysis process began with repeated reading of the interview transcripts to familiarise the researcher with the data and identify recurring patterns

related to sponsorship decision-making. Initial coding categories were derived from the theoretical framework and research tasks presented in the literature review. These categories included sponsorship objectives, audience alignment, sponsor–event fit, authenticity, organisational factors, long-term cooperation, and sponsorship risks. During coding, interview excerpts were grouped according to these predefined conceptual categories while remaining open to additional insights emerging from the empirical material.

To find similar patterns and connections between concepts, codes were grouped into more general thematic groups following the initial coding procedure. The findings were then compared with existing academic literature to assess whether the empirical material supported, extended, or nuanced previous research on corporate sponsorship decisions in independent music festival contexts.

2.2. Strategic and Marketing Considerations

The results of the empirical study, which was based on semi-structured interviews with representatives of businesses that support music festivals, are presented in this part. The study is organised around major topics that emerged from the data, such as audience alignment, brand-event fit, return on investment, risk considerations, and long-term collaboration. The topics of this section are taken from the Interview Questions Theme section (Appendix B)

2.2.1. Sponsorship Objectives and Strategic Marketing Value

The findings from my interviews indicate that companies primarily approach festival sponsorship as a strategic marketing activity aimed at increasing brand visibility, strengthening market presence, and most importantly increasing their sales in order for the cooperation to be successful for both parties. Across all five respondents a common pattern emerged: sponsorship is not viewed as a purely symbolic activity, but rather as a practical

tool to ensure exposure, association with the specific culture and festival, and consumer engagement.

For example, one company representative stated that “ the main objective is to be present at the event as a product,” this suggests the importance of physical presence and direct potential consumer interaction, which in the long term can yield a long lasting loyal customer for the company. At the same time, differences were observed, a larger company with more than 40 well established brands in the Latvian market emphasised measurable outcomes such as: amount of sales in the duration of the sponsorship “*Our main goal when participating in music festivals is to sell as much of our product as possible.*” However, literature suggests that relying solely on financial metrics such as sales may provide an incomplete evaluation of sponsorship effectiveness. Meenaghan (2013) argues that “a purely ROI perspective is not appropriate in all instances” and highlights the importance of considering broader return-on-objectives (ROO), including brand engagement and relationship-building outcomes

These results imply that both short-term and long-term marketing goals influence sponsorship decisions. While some businesses prioritise short-term, tangible outcomes like sales, others place more value on being physically present by interacting directly with customers in order to develop long-term brand relationships. In line with Meenaghan (2013), this indicates that sponsorship effectiveness cannot be assessed solely through financial returns, but must also account for broader objectives such as engagement and brand association. Therefore, depending on the company's strategic aims, sponsorship strategies indicate a compromise between short-term performance and long-term brand growth rather than a single dominant method. Meaning each company depending on their size, values and strategic goals can choose which strategy they use.

2.2.2. Target Audience and Audience Alignment

Audience alignment emerged as one of the most critical factors influencing sponsorship decisions. All respondents highlighted that understanding festival audiences' demographic and behavioural characteristics is essential for effective sponsorship. This finding is consistent with existing research, which emphasises that event audiences are heterogeneous and that effective marketing requires profiling attendees based on their characteristics, needs, and behaviours in order to guide decision-making and improve

targeting (Tkaczynski & Rundle-Thiele, 2011, p. 426). This is particularly visible in how respondents described their collaborations with independent music festivals, which often included assessing the cultural atmosphere of the event, the organisers, and the audience, rather than relying solely on numerical projections. The results from interviews suggest that companies are willing to accept a smaller reach if the audience attending the music festival is more clearly defined and aligned with their product. All of these independent music festival specificities can differ depending on the festival format. For example, with genre changes, audience values and what they are seeking can also change, as festivals reflect different cultural identities and social meanings depending on their format and context (Getz, 2010; Anderton, 2011). One response pointed out that their company modifies its product selection based on the expected audience profile of the event. They stated: “We have a beer brand targeted towards a younger audience, where the average consumer is 18-35 years old, characterised by a light beer and modern bottle design. At the same time, we also offer a dark beer that has been present in the Latvian market for decades, with a more classic design and an average consumer aged 35-55.” This finding was also observed, by the tobacco company that the independent music festivals audience must align with their companies target audience, the characteristics that matter are if the people attending the event are actively smoking on a daily basis, only then they have a chance of generating more sales.

In addition, some companies highlighted that audience fit is not only about demographics but also about values and preferences. “To assess whether a festival is capable of reaching our consumers, research must be made, and information from the organizers must, to some degree, be shared.” This illustrates that companies do not approach sponsorship passively but engage in audience analysis prior to the event, which enables them to adapt their product offerings to specific event contexts, particularly when they have the flexibility to adjust their product selection.

2.2.3. Sponsor-event Fit and Brand Congruence

Findings from the interviews about sponsor-event fit and brand congruence indicate that corporate sponsorship decisions are affected by audience compatibility, socially accepted norms, and the professionalism of the organisation producing the festival. For example, one of the companies operating in the tobacco industry stated: “We haven’t cooperated with festival ‘Laba Daba’ because their motto is about health and sober partying [...]”

These findings are supported by existing literature, which emphasises that sponsorship effectiveness depends on the perceived congruence between the sponsor and the event, including alignment in values, image, and target audience (Cornwell, Weeks, & Roy, 2005). Furthermore, sponsorship is influenced by the transfer of image and associations from the event to the brand, meaning that companies tend to avoid partnerships that could create negative or conflicting brand perceptions (Gwinner & Eaton, 1999). Across all interviews, company representatives mentioned cases where they had stopped or had not initiated sponsorship agreements due to communication and attitude issues from event organizers. This suggests that a human factor plays a significant role in the decision-making process. In addition to audience compatibility, alignment between organisations and other stakeholders involved in the event is also important. This observation is consistent with event management literature, which highlights that stakeholder relationships, communication, and cooperation are critical components in the successful planning and execution of an event (Getz, 2005).

For example, a representative from a soft drink company highlighted the importance of professional communication in beginning collaboration stages, stating: “In the early development stages of an independent festival, if communication between our brand and the organisers is unprofessional, unstructured, or handled at the last minute, it is unlikely that we would establish a long-term relationship or support the event ever again.”

2.3. Authenticity and Cultural Considerations

When asked about factors concerning their brand image authenticity and cultural factors around the event, company representatives mentioned that working with independent music festivals requires a more thorough approach when it comes to showcasing their product and being a part of an event. Visual identity matters. Companies need to respect the festival's identity and values in order to fit in with the rest of the festival's visual image and beliefs. Not respecting, and in some cases failing to adapt, their visual identity may negatively influence consumer perceptions and reduce purchase intention. This is consistent with existing research, as Park and Sihombing (2020, p. 14) show that congruence between sponsor and event is positively associated with attitudes toward the brand and purchase intention. Respondents emphasised that festivals with a cultural focus draw a more niche audience.

This observation is consistent with existing research, which shows that event audiences are heterogeneous and can be segmented based on motivations, characteristics, and

behaviours (Tkaczynski & Rundle-Thiele, 2011, p. 426). Such segmentation is often observed in audiences at independent music festivals that vary by particular musical genres, lifestyle choices, or common values. Independent festivals are often planned as cultural events with a topic that reflects certain identities and community values. Festivals are frequently conceptualised as themed cultural events that reflect cultural beliefs, customs, and ways of life (Getz, 2010). This creates both strategic opportunities and operational challenges for sponsors. On one hand, niche audiences enable more targeted brand engagement, as event-based marketing allows for direct interaction and involvement between consumers and brands. Such experiences have been shown to influence attendees' attitudes toward the sponsor and their purchase intentions (Close et al., 2006). The findings from interviews also suggest that authenticity is closely linked to brand credibility. Businesses try to avoid situations when their presence seems forced or in conflict with the festival's visual identity and event specific beliefs. One of the representatives operating in the alcoholic beverage industry said that "When attending a beach festival such as "Summer Sound", we would not use the same decorations as we would at a country festival - it simply would not make sense."

Every company representative highlighted that long-term partnerships are more important to their organisations than one-time sponsorships." Long-term cooperation is better in a technical way, if we have already been there in the event at least once, we know what to expect, what are the organizers, who are the organizers and what they expect, what is the audience attending the festival and so on."said one respondent. According to the respondents, long-term sponsorship strengthens brand-event bonds from the viewpoint of consumers.

"Also in long term cooperation from a consumer perspective if they see the same brand year after year or event after event then the consumer automatically creates a connection in his head between the event and the brand, which is a positive outcome," energy drink companies representative mentioned. This perspective is supported by existing research, which shows that regular exposure to sponsorship improves consumers' impressions of the event and the sponsoring brand over time, increasing brand recall and recognition (Grohs, Wagner, & Vsetecka, 2004). Overall, businesses that successfully integrate and adapt to an event's cultural consideration and authenticity tend to have more successful cooperation with the independent festival organizers.

2.4. Organisational and Risk-Related Factors

2.4.1. Internal Organisational Factors

Internal organisational factors shape sponsorship decisions in a structured and experience driven matter from the perspective of the sponsoring company. Previous experience was found to be a key element. To make judgements in the future, businesses frequently assess the results of previous sponsorships. For example, one respondent explained that they compare expected and real attendance figures after each event to assess accuracy and effectiveness. If the predicted amount differs a lot from the real number of attendees then sponsors may decide not to work with the same festival in the future. This finding is consistent with existing research, which suggests that organisations continuously evaluate sponsorship outcomes and use performance feedback to guide future decision-making and investment choices (Olson, 2002). Calculations that are off might result in inefficient use of resources and uncertainty, which lowers the sponsors trust and affects future choices.(Pang, 2024) This may reduce the likelihood of continued sponsorship cooperation.

Management attitude and business constraints were also highlighted as important factors. Sponsorship decisions typically involve multiple stakeholders, including marketing teams and senior management. As one respondent described, proposals are developed as a “*business case or investment plan*” and then presented to the companies board for approval, revision, or rejection.

Organisational learning or experience can be another key internal aspect. Over time, enterprises use the knowledge they have gained to improve their sponsorship choices. This provides companies with greater efficiency, improved organisational knowledge, and stronger preparation for future collaborations. Throughout interviews multiple factors were mentioned that makes a festival organizer a desirable long-term cooperation partner, including, for example: brand exclusivity, trust, punctuality, effective communication and timely planning. Brand exclusivity was highlighted as very valuable to sponsors that work in specific industries, for example tobacco brands won't sponsor a festival if a rival brand from the same industry is already present at that festival. Previous research supports this view by identifying product category exclusivity as “among the most valued rights afforded corporate sponsors,” as it enables sponsors to exclude competitors within the same product category and differentiate their brand from rivals (Cobbs, 2011, p. 2). Furthermore, studies suggest that

sponsorship assets, including exclusivity rights, contribute to overall sponsorship effectiveness, while the attendance of a competing sponsor may reduce the impact of sponsorship due to clutter effect and overlapping brand exposure (Dees et al., 2018; Boeuf et al., 2018). Trust and punctuality are important as they reflect the organiser's reliability in delivering agreed outcomes and maintaining professional standards. Existing literature positions trust as an important element in inter-organisational relationships, facilitating cooperation between partners (Schilke, 2023, p. 2). Lastly, timely planning and professional communication were brought up in the interviews as essential components of cooperation between both organisations.

2.4.2. Risks, Evaluation, and Return on Investment

The empirical findings about risks, evaluation and the return on investment (ROI), show that companies take a practical approach to evaluating sponsorship outcomes, although this approach is often limited, in the context of independent music festivals. In a lot of cases, as mentioned earlier, evaluation is measured on tangible indicators such as sales results or new customer acquisition during the festival. However the information gained from interviews show that in reality, the evaluation practices are not always supported by structured measurement systems, and are instead influenced by the availability of data and the specific context of each festival. One notable pattern is that companies chose to rely on proxy indicators rather than comprehensive evaluation systems. Instead of applying formal measurement models, companies chose to assess success through observable signals such as audience response, post-event impressions in social media, or on site engagement. This is also reflected as a bigger problem where organisations depend on simplified measurement metrics due to the complexity of capturing intangible outcomes, similarly to what O'Reilly and Madill (2012) describe in their research. Both of these authors argue that sponsorship evaluation is often underdeveloped in practice, with firms lacking standardized tools to measure effectiveness beyond immediate outputs which was found to be the case in this study as well. Additionally, respondents indicated that it is challenging to understand whether results, such as increased sales or brand visibility could be tied by the decision to sponsor the festival, or are these results achieved by other concurrent marketing efforts. This aligns with findings by Jensen and Cornwell (2017), who demonstrate that sponsorship effects numerous times are confounded by multiple communication channels, making causal attribution

problematic. As a result, companies may underestimate or overestimate sponsorship value, which can affect future investment decisions.

The considerations of risks furthermore complicate the corporate sponsorship decision process. As already mentioned before, larger, more established events have lower levels of uncertainty than independent music festivals. The responses from interviews pointed out that not only organisational factors can create unexpected negative outcomes, but also event-specific activities can create negative outcomes for the sponsors. For example, a case was mentioned where multiple brands sponsoring an extreme sport event were reluctant to put their companies logos on light aircrafts participating in air shows in case of a disaster. There were concerns from the sponsors that one of the light aircrafts could crash in the observing audience, inevitably creating bad publicity for the supporting companies. This reflects the concept of spillover effects, where negative perceptions or experiences related to a sponsored event can transfer to the sponsoring brand, leading to less favourable brand evaluations (Gwinner & Eaton, 1999; Speed & Thompson, 2000). Additionally more risks can come to sponsors depending if they operate in a regulated industry. A representative from a tobacco company emphasised that crossing legal and socially accepted constraints can lead to negative feedback from society and event attendees which can put the company in an uncomfortable situation. For example a tobacco brand wouldn't sponsor a sports event. This indicates that risk is not uniform across sponsors but varies depending on regulatory exposure and societal expectations. From an institutional perspective, organisational decisions - including sponsorship choices - are influenced by broader social norms, rules, and expectations that define acceptable forms of behaviour (Scott, 2014).

Importantly, the relationship between risk and evaluation appears to be cyclical. Limited ability to measure outcomes increases perceived uncertainty, which in turn makes companies more cautious in their sponsorship choices. This is consistent with the work of Breuer and Rumpf (2012), who suggest that uncertainty in sponsorship performance measurement can lead firms to prioritise safer, more predictable partnerships over potentially high-impact but less certain opportunities. Overall, the findings highlight the complex decision-making framework companies use when evaluating sponsorship risks and potential return on investment. Indeed, companies do not evaluate sponsorship purely on measurable returns instead they balance incomplete performance data with risk assessments and

contextual judgement. This suggests that in the case of independent music festivals, sponsorship decisions are shaped as much by uncertainty management as by value creation.

2.5. Independent Music Festivals and the Latvian Sponsorship Context

2.5.1. Independent Music Festivals Specifically

From the interviews it was clear that when working with independent music festivals sponsors operate differently compared when they are working with large mainstream festivals. Larger events allow companies to rely on established formats and historical data, independent festivals require a more interpretative approach, where decisions are based on qualitative judgement rather than clearly measurable indicators (Cornwell & Maignan, 1998; Cornwell, 2008).

These findings suggest that sponsors must remain adaptable to establish successful long-term relationships with festival organisers. Overall, the main difference is that sponsorship decisions for mainstream events are guided more by predictability and scale, whereas decisions for independent music festivals depend more on fit, trust, and contextual judgement, making the process less standardised but potentially more strategically selective, which is consistent with research highlighting that sponsorship decisions are shaped by multiple relational and contextual factors rather than a single criterion (Cornwell, Weeks, & Roy, 2005; Farrelly & Quester, 2004).

2.5.2. The Current Situation of Sponsorships in Latvia

Based on my findings from the interviews, two out of the five respondents emphasized that the classical corporate sponsorship model has shifted and real corporate sponsorship in Latvia barely exists. The tendencies based on their individual experience have shifted towards a collaboration model. During the interviews, financial support from state and local government was brought up multiple times by the respondents, and there is a model where a local government is supporting an independent music festival. For example, the independent music festival *Positivus* is partially funded by the State Cultural Capital Fund (SCCF) and the Riga City Council (Positivus Festival, n.d.). Research on Latvian cultural policy suggests that the cultural sector has increasingly shifted toward collaborative and network-based governance models involving public institutions, NGOs, and private-sector actors (Compendium of Cultural Policies and Trends, 2018). This development may also help explain the growing importance of long-term cooperation and partnership-oriented sponsorship relationships within Latvia's festival sector.

One of the negatives of the current event and festival market brought up by the company representative operating in the alcoholic beverage industry. "City festivals organized and financed by the local government can negatively impact the overall market of independent music festivals," said the respondent. "This is largely due to the survival of independent music festivals. They cannot survive and thrive in their field if a city festival with similar or the same musicians is happening for free entry two weeks prior to the festival in the same geographic region; why would people spend time and money on tickets if they could see the same artists for free?" he continued. Research on the "festivalization" of urban spaces suggests that the increasing growth of publicly supported urban festivals may intensify competition within local cultural markets by concentrating audiences, visibility, and institutional resources around larger events (Cudny, 2016).

In post-socialist contexts, large-scale cultural events are often connected to broader political and economic objectives, which may provide publicly supported events with additional institutional advantages (Makarychev & Yatsyk, 2016). However, these developments can also create increasing survival challenges for smaller independent festivals competing for sponsorship, audiences, and cultural visibility. When asked about the future of corporate sponsorship in Latvia, respondents were uncertain about it. "It can change any time, for example, a new law can be accepted in Latvia's legislation, which can positively or

negatively impact corporate sponsorship as a whole," said one respondent. "The future is very unpredictable and I would even say unstable" was how one representative summarised the situation, also highlighting the ever-changing political landscape that directly or indirectly can affect the local event and festival market. Indeed, one does not even need to consider laws passing when discussing a changing market, even in years when local elections are approaching it is likely that more city-sponsored events or even festivals are likely to happen and garner political goodwill for an incumbent while disrupting the independent festival market (Guinjoan & Rodon, 2021).

Conclusion

This research examined the key factors influencing corporate sponsorship decisions in the context of independent music festivals combining existing academic literature with empirical interviews gathered from company representatives operating in Latvia. The findings demonstrate that sponsorships are influenced by a combination of strategic, organisational, relational, and contextual considerations. The study found that strategic marketing objectives remain among the most important drivers behind sponsorship decisions. Companies evaluate sponsorship opportunities based on their ability to increase brand image, brand visibility, and reach specific target audience. However, the results show that sponsorship sometimes is not solely evaluated through direct financial returns. Several respondents emphasised that long-term brand exposure, and audience engagement are equally important when assessing the overall value of a sponsorship partner.

Audience alignment and sponsor-event congruence emerged as particularly important factors in the context of independent music festivals. The findings from interviews revealed that companies carefully assess whether the audience attending the festival corresponds with their target consumers not only in demographic terms, but also in terms of lifestyle behaviour and cultural values. In addition, some respondents highlighted that sponsors are more willing to cooperate with festivals whose atmosphere, identity and values match with the sponsor's own brand image. These findings support previous sponsorship research suggesting that perceived fit between sponsor and event contributes significantly to sponsorship effectiveness and long-term brand association.

The findings also suggest that the relationship between two organisations plays an important role in sponsorship decision-making. Respondents highlighted the importance of trust, punctuality, and clear communication. In many cases, sponsorship decisions were

influenced not only by the marketing potential of the event itself, but also by previous cooperation experiences and the perceived professionalism of the organisers. This indicates that successful sponsorship relationships are built gradually through reliability, consistency, and mutual understanding between both parties.

The empirical findings further demonstrate that the Latvian sponsorship environment presents several specific characteristics as a country operating in post-socialist market. Respondents described the local sponsorship environment as relatively unstable and strongly influenced by political, economic and institutional development and factors. Festivals funded by the local government creates pressure for independent festivals competing for audiences and sponsorship resources. At the same time, several respondents noted that sponsorship practices in Latvia increasingly resemble long-term collaboration models rather than traditional transactional sponsorship arrangements.

From a practical perspective, this study suggests that independent music festival organisers should approach sponsorship as a long-term collaboration partner rather than a short-term financial solution. Festival organisers can improve their attractiveness to sponsors by maintaining professional communication, providing reliable audience information, demonstrating organisational competence, and ensuring that sponsorship integration remains consistent with the festival's cultural identity and audience expectations. Sponsors value flexibility and transparency.

Future research could further explore the topic by conducting comparative studies across the Baltic States or other post-socialist countries to examine how sponsorship decision-making differs across countries. Additional quantitative research involving larger samples could also provide broader insight into the importance of different sponsorship key factors. Future studies could compare sponsorship practices between independent and mainstream music festivals, creating a clearer understanding for sponsorship seekers.

Overall, the findings of this study demonstrates that corporate sponsorship decisions in independent music festivals involve balancing commercial objectives with cultural compatibility, organisational trust, and contextual uncertainty. Understanding these factors is fundamental for festival organizers. By practicing these values festival organizers can attract more suitable, long-lasting sponsors, while sponsoring companies can be assured of a positive and high-quality outcome.

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APPENDICES

Appendix A. Keywords and Search Terms Used in the Literature Review

Search Category	Keywords / Search Terms	Purpose of Search
Sponsorship	“corporate sponsorship,” “event sponsorship,” “festival sponsorship”	To identify theoretical literature on sponsorship decision-making
Music festivals	“music festivals,” “independent music festivals,” “cultural festivals”	To identify literature related to festival environments
Regional context	“Latvia,” “post-socialist countries,” “Baltic States”	To identify regionally relevant studies
Sponsorship factors	“sponsor-event fit,” “audience alignment,” “brand congruence,” and “ROI”	To identify factors influencing sponsorship decisions
Relationship factors	“stakeholder relationships,” “long-term partnerships,” “trust”	To examine relational aspects of sponsorship

Note: compiled by the author

Appendix B. Interview Questions

Theme	Interview Questions	Related Theoretical Concepts
Introduction	1. What is your brand/company? 2. What kind of festivals has your brand supported or sponsored in the past?	Introductory contextual questions compiled by the author to identify respondent background and sponsorship experience
Sponsorship objectives and strategic marketing value	3. What are the main objectives your brand wants to accomplish when you are sponsoring a music festival? 4. How important is sponsorship compared to other marketing communication tools in your company's overall strategy?	Strategic marketing value, sponsorship objectives, and integrated marketing communication (Meenaghan, 2001; Cornwell & Maignan, 1998)
Target audience and audience alignment	5. To what extent does the alignment between a sponsored event's audience and your target consumers influence sponsorship decisions? 6. How do you assess whether an event reaches the audience your brand wants to engage with? 7. Which audience characteristics (e.g., age, lifestyle, values, income level) do you consider most important?	Audience alignment, audience segmentation, and consumer targeting (Tkaczynski & Rundle-Thiele, 2011)
Sponsor–event fit and brand congruence	8. How important is the perceived fit between your brand and a sponsored event when making sponsorship decisions? 9. Have you ever declined a sponsorship opportunity due to poor brand–event fit? Why?	Sponsor–event fit, image congruence, and image transfer (Gwinner & Eaton, 1999; Cornwell et al., 2005)

	10. How do you evaluate whether sponsoring a particular music festival fits into your company's overall marketing and branding strategy?	
Authenticity and cultural considerations	11. How does your company approach sponsorship of culturally oriented or independent events where authenticity is valued?	Festival authenticity, cultural identity, and audience perception (Anderton, 2011; Getz, 2010)
	12. How important is long-term cooperation with festival organizers to your company compared to one-time sponsorship?	
Internal organisational factors	13. Who is typically involved in sponsorship decision-making, and how are final decisions reached?	Organisational decision-making and sponsorship management (Papadimitriou et al., 2008)
	14. What qualities or factors make a festival organizer a desirable long-term cooperation partner?	
Risks, Evaluation, and return on investment	15. How does your company evaluate the success of sponsorship activities?	Sponsorship evaluation, ROI measurement, and sponsorship risk (Cornwell, 2008; Cornwell et al., 2005)
	16. What challenges do you face when measuring the return on investment of sponsorship?	
	17. Are there any risks that come with sponsoring independent music festivals?	
Independent music festivals specifically	18. How do sponsorship decisions differ when considering independent music festivals compared to larger or mainstream events?	Independent festival management and festival commercialisation (Anderton, 2011; Getz & Page, 2016)
	19. What factors would make an independent music festival attractive-or unattractive-as a sponsorship partner?	

Sponsorship context in Latvia	20. What is the current situation of sponsorship in Latvia	Post-socialist institutional context and regional market development (Stark, 1996; Makarychev & Yatsyk, 2016)
	21. How do you see the future development of festival sponsorship in Latvia?	

Note: Compiled by the author based on the theoretical framework and previous sponsorship literature.

Appendix C. Interview Consent Form

Research Title:

Key Factors Influencing Corporate Sponsorship Decisions for Independent Music Festivals

Researcher:

Arnolds Zeitmanis

Bachelor's student in Business Administration

University of Tartu

Informed Consent

I hereby confirm that:

- I have read and understood the information provided about the research.
- I understand that my participation in this interview is voluntary and that I have the right to withdraw at any time without providing a reason.
- I agree that the information provided during the interview may be used for academic purposes within the framework of the researcher's Bachelor's thesis.
- I understand that all responses will be treated confidentially and that my identity will be anonymised in the thesis.
- I consent to the interview being audio-recorded for research and transcription purposes.

Participant's name: _____

Participant's signature: _____

Date: _____

Appendix D. Participant Information Sheet

Research Title:

Key Factors Influencing Corporate Sponsorship Decisions for Independent Music Festivals

Researcher:

Arnolds Zeitmanis

Bachelor's student in Business Administration

University of Tartu

Purpose of the study: The purpose of this study is to identify and analyse the key factors that influence corporate sponsorship decisions for independent music festivals, with a particular focus on companies operating in Latvia.

Participation in the study: Participation involves taking part in a semi-structured interview lasting approximately 30–50 minutes. Participation is voluntary, and participants may withdraw from the study at any time without providing a reason.

Confidentiality: All information provided during the interview will be used solely for academic research purposes and will be treated confidentially. Participants' identities will be anonymised in the thesis unless explicit permission is given to disclose identity.

Recording: With the participant's consent, the interview may be audio-recorded to ensure accurate transcription and analysis.

Contact:

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Appendix E. Deductive Thematic Coding Framework

Theme	Code	Definition	Empirical Example	Theoretical Link
Sponsorship objectives and strategic marketing value	Sales orientation	Sponsorship motivated primarily by direct sales generation and commercial outcomes (Meenaghan, 2001).	“Our main objective is selling our product in quantity.”	Strategic marketing perspective
Sponsorship objectives and strategic marketing value	Brand visibility	Sponsorship used to increase brand exposure and market presence (Cornwell & Maignan, 1998).	“Be present in the event as a product.”	Integrated marketing communication
Sponsorship objectives and strategic marketing value	Customer acquisition	Sponsorship aimed at acquiring new consumers and increasing market reach.	“Get new clients and introduce our product.”	Relationship marketing
Target audience and audience alignment	Demographic alignment	Evaluation of whether event attendees correspond to the sponsor’s target audience (Tkaczynski & Rundle-Thiele, 2011).	“Our target audience is 25–35 year olds.”	Audience targeting theory
Target audience and audience alignment	Purchasing power	Evaluation of audience ability and willingness to spend money at the event.	“We look to see if the audience is solvent.”	Commercial evaluation criteria

Target audience and audience alignment	Consumption behaviour	Evaluation of audience consumption habits relevant to the sponsor's products.	"Is the person a nicotine consumer or not."	Behavioural segmentation
Sponsor–event fit and brand congruence	Value congruence	Alignment between sponsor identity and event values (Gwinner & Eaton, 1999).	"We wouldn't sponsor Laba Daba."	Sponsor–event fit theory
Sponsor–event fit and brand congruence	Genre compatibility	Perceived compatibility between the festival's cultural atmosphere and sponsor identity.	"We look at what kind of music genre the festival is."	Symbolic brand association
Sponsor–event fit and brand congruence	Reputational risk	Concern regarding negative publicity associated with sponsorship (Cornwell et al., 2005).	"Brands involved in the festival can suffer from bad PR."	Sponsorship risk evaluation
Sponsor–event fit and brand congruence	Organiser professionalism	Assessment of organiser reliability, professionalism, and communication quality.	"Poor communication may discourage future partnerships."	Relationship quality
Authenticity and cultural considerations	Non-intrusive branding	Sponsorship integrated carefully to preserve cultural authenticity (Anderton, 2011).	"We try to avoid overly aggressive or intrusive branding."	Authenticity preservation
Authenticity and cultural	Authentic audience	Perceived natural	"Fit into that without creating	Cultural legitimacy

considerations	connection	alignment between sponsor presence and festival culture.	tension.	perspective
Long-term cooperation and relationship orientation	Long-term partnership	Preference for continuous cooperation with organisers (Farrelly & Quester, 2005).	“Long-term cooperation is definitely prioritised.”	Relationship marketing theory
Long-term cooperation and relationship orientation	Trust and reliability	Importance of dependable communication and reliable cooperation between sponsor and organiser.	“Trust and punctuality are essential.”	Inter-organisational cooperation
Long-term cooperation and relationship orientation	Previous cooperation experience	Previous sponsorship experience used to evaluate future cooperation potential.	“We know what to expect.”	Organisational learning
Internal organisational factors	Budget constraints	Financial limitations affecting sponsorship decisions (Papadimitriou et al., 2008).	“The budget we have for the specific event.”	Resource dependency
Internal organisational factors	Internal decision-making	Sponsorship decisions influenced by internal organisational structures and departments.	“Marketing team consults with the financial team.”	Organisational governance
Internal organisational factors	Exclusivity requirements	Preference for exclusive sponsor positioning	“Our competitors should not be present.”	Competitive positioning

		within the event environment.		
Risks, evaluation, and return on investment	ROI evaluation	Sponsorship assessed through sales and customer acquisition outcomes (Cornwell, 2008).	“We evaluate sales and new customers.”	Sponsorship effectiveness
Risks, evaluation, and return on investment	Attribution difficulty	Difficulty isolating sponsorship effects from other marketing activities (Cornwell & Maignan, 1998).	“Easier to evaluate return on investment with larger events.”	Measurement limitations
Independent music festivals specifically	Niche audience value	Perceived value of independent festivals in reaching specialised audience segments.	“Stronger connection with a specific audience.”	Experiential sponsorship value
Independent music festivals specifically	Increased uncertainty	Perception that independent festivals involve greater uncertainty regarding outcomes and organisation.	“More niche and less predictable.”	Sponsorship uncertainty
Independent music festivals specifically	Contextual evaluation	Sponsorship decisions influenced by contextual and qualitative evaluation factors.	“Require more careful assessment.”	Contextual decision-making
Sponsorship context in Latvia	Regulatory limitations	Sponsorship decisions shaped by industry	“We have to decline sponsorship due to regulations.”	Institutional constraints

		regulations and legal restrictions.		
Sponsorship context in Latvia	Market instability	Perceived instability and unpredictability within the Latvian sponsorship environment.	“The future is unpredictable and unstable.”	Post-socialist market conditions

Note: Compiled by the author based on qualitative interview analysis and theoretical framework

Resümee

PEAMISED TEGURID, MIS MÕJUTAVAD ETTEVÕTETE OTSUST TOETADA SÕLTUMATUID MUUSIKAFESTIVALE

Arnolds Zeitmanis

äesoleva bakalaureusetöö eesmärk on selgitada välja peamised tegurid, mis mõjutavad ettevõtete sponsorlusotsuseid sõltumatute muusikafestivalide puhul, keskendudes eelkõige Läti turule. Teema on aktuaalne, kuna sõltumatud festivalid tegutsevad keerulises majanduskeskkonnas ning ettevõtete sponsorlus on muutunud nende jaoks üheks olulisemaks rahastamisallikaks. Samal ajal peavad ettevõtted sponsorlusotsuste tegemisel arvestama mitmesuguste strateegiliste, majanduslike ja mainega seotud teguritega. Töö teoreetilises osas käsitletakse ettevõtete sponsorluse olemust ja selle rolli muusikafestivalide tegevuses. Lisaks antakse ülevaade sponsorlusega seotud peamistest eelistest, riskidest ja väljakutsetest, sealhulgas sponsori ja ürituse sobivusest, autentsuse säilitamisest ning sponsorluse mõjust festivali identiteedile. Varasema teaduskirjanduse põhjal süstematiseeritakse peamised tegurid, mis mõjutavad ettevõtete sponsorlusotsuseid. Empiiriline osa põhineb kvalitatiivsel uurimismeetodil. Andmete kogumiseks viidi läbi viis poolstruktureeritud intervjuud Lätis tegutsevate ettevõtete esindajatega, kelle töö on seotud turunduse, partnerlussuhete või sponsorlusega. Intervjuude analüüsimiseks kasutati temaatilist analüüsi, mille eesmärk oli tuvastada korduvaid mustreid ja seoseid ettevõtete otsustusprotsessides. Uuringu tulemused näitavad, et sponsorlusotsuseid mõjutavad kõige enam sponsorluse turunduslik väärtus, sihtrühma sobivus, festivali ja ettevõtte kuvandi omavaheline kooskõla ning sponsorlusega seotud võimalikud riskid. Lisaks selgus, et sõltumatute muusikafestivalide puhul peetakse oluliseks festivali autentsust, kultuurilist tausta ja pikaajalise koostöö võimalusi. Tulemused viitavad sellele, et sponsorlusotsused kujunevad mitme erineva teguri koosmõjul ning neid mõjutab ka Läti kui postsovetliku riigi majanduslik ja institutsionaalne keskkond. Võtmesõnad: ettevõtete sponsorlus, muusikafestivalid, sponsorlusotsused, turundus, Läti

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KEY FACTORS INFLUENCING CORPORATE SPONSORSHIP DECISIONS FOR
INDEPENDENT MUSIC FESTIVALS

The thesis was supervised by Andres Kuusik

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13.05.2026