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Sponsorship

Chances are that you're being regularly approached to dip into your pockets to sponsor some worthy cause or local event – but how do you decide which to support?

Unless you have a bottomless bucket of money (or alternatively a heart sheathed in granite), you'll need some meaningful criteria to help you decide which sponsorships are worth supporting and which may not be right for your organisation at the present time.

Thankfully, there's a reasonable amount of international research available which can provide guidance. Even if the money you're being asked for is only small, you can still apply the overall principles for your own purposes.

Here's a sampling of the issues you need to consider as part of any sponsorship assessment:

1. Is the sponsorship a good fit for your brand or your store?

We've all seen what happens when an organisation sponsors an event just because the boss is passionate about that particular sport or cause – too often, nothing (at least in terms of benefits to the organisation). The boss might get an ego boost (and short-lived acclaim amongst golfing or drinking buddies) but the sponsorship effectively becomes a donation.

Before you contribute a single penny, ask yourself (and your team) this question: would being associated with this sponsorship

send the right messages and encourage consumers to become more enthusiastic about your brand or your store? Could that association and that enthusiasm translate into sales (and, if so, how do you plan to make that happen)?

Moreover, is this a sponsorship property that will provide positive associations for your store and your brand? Is this sponsorship property getting hotter than ever, in a dwindling interest category or somewhere inbetween? What are the implications of associating your brand with such a property?

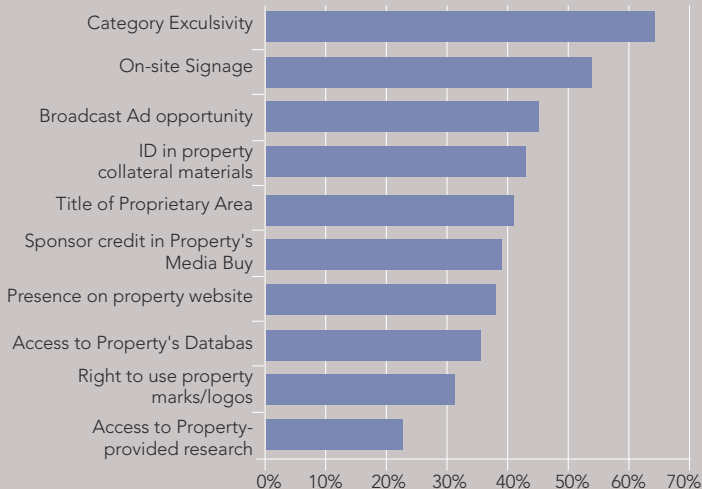
2. Location, location, location

Is this property being staged, promoted and/or broadcast in areas that are within your retail footprint or otherwise of strategic importance to your organisation? Don't be swayed by the "worthiness" of the cause if most of those who see the sponsored event live and work in some other part of town and are very unlikely to come anywhere near your store.

3. Will it reach your potential customers?

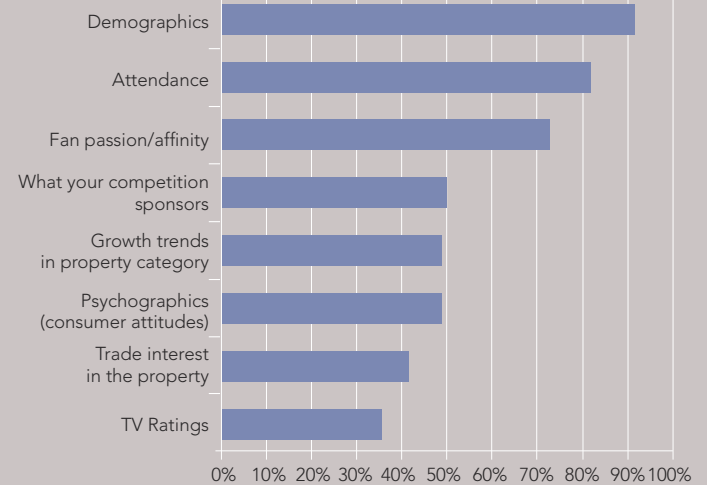
This is where many sponsorships fall short – they may be seen by a lot of people, but those people are unlikely to ever darken your doorstep. Ask the sponsorship

What do you consider the most valuable benefits to your organisation?



Source: Eighth Annual IEG/Performance Research Sponsorship Decision-Makers Survey

Which of the following do you typically analyse when making your sponsorship decision?



Source: Eighth Annual IEG/Performance Research Sponsorship Decision-Makers Survey

organisers some tough questions: what can they tell you about the people who support this property (and how do they know)? Does this property appeal to an audience broadly in line with your own target audience for your store or your products? Are they the right age range, gender, income group?

And, even if the sponsorship property is a really good fit with your brand, does it reach enough people for the money – or would you be better off spending the same money on more targeted advertising?

4. Is there a future in this sponsorship?

Does this sponsorship provide for an ongoing interaction with fans and followers or is it a one-off operation? Is it priced accordingly?

The more closely this sponsorship property aligns with your brand values, the more potential there is for an ongoing relationship for mutual benefit. Does the sponsorship agreement allow for extension of the sponsorship under appropriate terms and conditions?

5. Will you be spending enough to get acknowledged or even noticed?

Will you be the primary sponsor, or at a lower (associate sponsor) level – and how does that impact on your ability to get noticed and leverage the sponsorship? The principal sponsor tends to get most of the noise (often with naming rights, so that the event is referred to as “The Brand X Event”).

Other sponsors are mentioned in the programme or just in passing (“we’d also like to thank ...”). If that’s where you’re likely to end up, what other opportunities does the sponsorship present (e.g. exclusive supplier of services to the event, access to the event mailing list, the right to use their logo on your own advertising) and is that enough to justify the money you’ll be handing over?

6. What will customers get out of the sponsorship (and will you get the credit)?

Sometimes there’s a very clear benefit for those who attend an event or otherwise have involvement with a sponsorship property. Other times, not so much. What is the expectation with this particular property – and if there are direct benefits, will they be attributed to you as a sponsor of the property?

7. How much more do you have to spend to make this sponsorship work?

Most organisations with sponsorship budgets typically allocate at least the same amount again to leverage their sponsorship – as the sponsorship leverage graph indicates.

If you spent a little more money in association with this sponsorship, what else could you achieve above and beyond the “official” sponsor benefits?

8. What competitors sponsor

What are those pesky competitors of yours doing? Will sponsoring this property enable you to outdazzle their efforts or are you just playing me-too?

9. Popularity of Media Coverage

Is this a property that attracts a wide viewing/listening/reading following? What data is available for past media coverage and what does it show regarding the popularity of the property (and amongst whom)?

10. How did it go?

How will you assess the success or failure of this sponsorship?

Here are some of the elements that organisations typically consider when reviewing sponsorships:

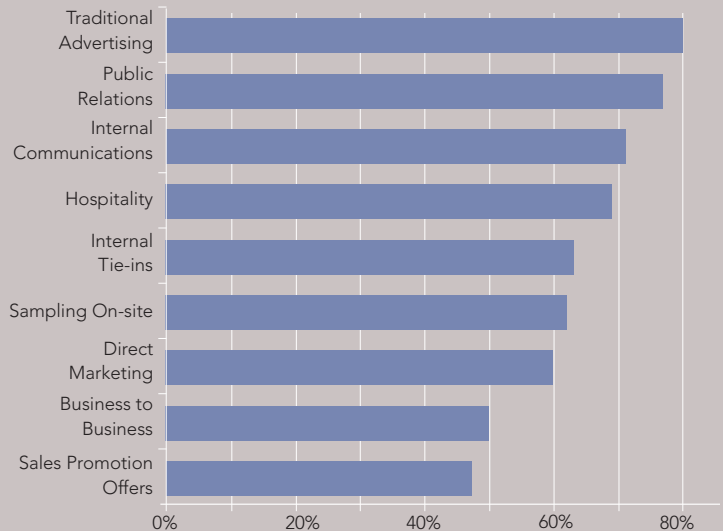
- Internal Feedback;
- Demographic Appeal;
- Sales/promotional results;
- Attendance Numbers;

- Print media coverage;
- Fan Support;
- Word of mouth (whether in-person or online);
- TV/Radio exposure analysis;
- Psychographic Match;
- Supplier/trade feedback;
- Property Growth Trends;
- Primary consumer research (e.g. commissioned research to identify effectiveness or otherwise of the sponsorship);
- Competitive Response (how your competitors respond to the sponsorship activity); and
- Syndicated consumer research (indicators in general research carried out by companies such as The Nielsen Company or Roy Morgan).

Take note of these ten steps when considering any sponsorship proposal and you’ll have a well-informed opinion on the commercial merits of that proposal. ■

□ By **Michael Carney**, owner and operator of Netmarketing Services Limited. Go to: www.netmarketingservices.co.nz to find out more.

On top of the rights fees paid for your sponsorship, what is the ratio as to how much more your company typically spends on leveraging and activation?



And how did you leverage your sponsorship(s)?

