

Marketing Event

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Sponsorship - A deeper relationship

BYLINE: Claire Bond

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Sponsorship helps a brand engage its target audience.

According to sponsorship strategist IEG, global sponsorship spend should reach dollars 43.5 bn (pounds 21.5 bn) this year, marking a 14.8% increase on 2007. At the top of the pile are North American firms, whose spend across the sector is expected to reach a staggering dollars 16.78 bn (pounds 8.3 bn).

Closer to home - and despite the looming 'credit crunch' - IEG's forecasts suggest that Europe's commitment to sponsorship will be to the tune of dollars 11.7bn (pounds 5.77bn) this year, a rise of more than 10%. Indications are that this is a sector still on its way up.

'The sponsorship sector is certainly enjoying a purple patch in 2008. Sponsorship, whether it be in sport, arts, broadcast or education, remains an extremely popular avenue for domestic and global brands,' says Jonathan Neill, sponsorship PR director at consultancy Generate Sponsorship. Among the firm's recent clients are Nivea, Wrigley and Brit Insurance. Neill continues: 'Sponsorship provides a wide range of collateral that has the potential to be exploited to a sponsor's advantage, and offers benefits such as brand awareness and positioning, content, internal and corporate hospitality, while providing a platform to support, and integrate with, other marketing activity.'

In recent years, the sponsorship sector has become more adventurous. One trend has seen the scope for naming rights broadened. Few entities have proved immune to the phenomenon, which has seen the emergence of venues such as The O2 and Emirates Stadium. Such opportunities have allowed brands to become synonymous with state-of-the-art, contemporary enterprises, while also ensuring the brand manifests itself in everyday culture.

The sponsorship of events continues to be regarded as a valuable and relevant revenue stream for organisers. The high-profile nature of deals inevitably reaps rewards in brand awareness and press coverage, but today's sponsorship deals reach far beyond a simple badging exercise. Activation on site and post-event are key to extending the reach and cementing clear association with content.

'Whatever the given price for rights to sponsoring a property, look to spend another two to three times as much on activation. If you purely buy the rights to badge it, you probably won't get the return,' says Richard Zucker, founder of agency Brand Life. He works as a consultant to brands looking at sponsorship opportunities, assessing issues that surround leveraging return. His role involves researching competitor activity in that arena, assessing in particular events, experiential and live activation strategies.

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One person who has spent many years embroiled in deals relating to sponsorship and naming rights is AEG Sponsorship executive director Paul Samuels. As former head of sponsorship at O2 he played an integral role in securing the naming rights for what was the Millennium Dome, as well as working on the O2 Wireless Festival. He agrees that activation at events is a key ingredient. 'Branding is one thing but it's also about what you can activate on the day. It's ultimately about how your brand can enhance the experience of a visitor at the event. If your brand doesn't change anything at all you are not going to go anywhere,' he says.

Zucker believes that as sponsorship has become more and more prevalent, securing deals with the sought-after, high-profile projects has become more difficult. 'It comes back again to what kind of properties are left,' he says. 'Everyone will crawl all over sport, music and - to an extent - fashion, but all the best 'sponsorable' properties are often already taken or come up very rarely. That's a key issue.'

This, according to Zucker, has contributed to the emerging trend of brands creating their own bespoke content. Key examples include Redbull's Flugtag and Innocent's Village Fete concept.

'Rather than thinking 'What's left out there that we can sponsor?', it's about saying 'Why don't we create our own event activity?' So they are in complete and utter control. Getting close to content is really important, but so is getting close to issues of control,' he says.

Whether it's a case of saturation in the sponsorship world, or a simple desire to create content, most agree that brands taking ownership of intellectual property is a common phenomenon.

Such deals provide the opportunity to create a unique event that aligns with brand values. It also enables brands to enter into a dialogue with their target audience using a whole new perspective.

Stuart Bradbury, business development director at agency Ignition, has seen a definite increase in the number of clients wanting to have a greater hand in producing content.

'Brands are moving away from just badging,' he says. 'Being able to record and film these experiences (particularly in the music field) allows them to use that content and push it out to their target market through TV and radio.' Bradbury and his team have worked with brands such as Nokia and Coca-Cola, as well as last year's Live Earth concert.

'We exploit the sponsorship rights they have, whether they are sponsoring the events or they own the property,' Bradbury adds. 'It's about getting the audience in the target market to interact with that brand. And not just as a one off - you can then continue that communication long after the experience happened.'

For those brands that are looking to partner existing properties, there are numerous points to consider. The longevity of any sponsorship arrangement can have a far-reaching effect on its success. Ultimately, the longer the deal the more chance there is of cementing the appropriate relationship and securing the required financial return.

AEG's Samuels says: 'If it's a one-year sponsorship deal you can't expect to get very much back. If you do a three-year deal, the rights owner will be more inclined to change parts of the event to mirror your brand requirements because they are creating identity for a longer term. If you are an event owner your first thought is 'How are we going to maintain longevity, keep promoting it year in year out, and make money out of it?' If you're a sponsor you want to take ownership of that event, and to create a real partnership you need two- or three-year deals at least.'

There are, of course, the obvious considerations when looking for sponsorship opportunities that are common to most successful marketing communications briefs. Setting clear objectives, researching the opposition and assessing the brand fit against your strategy are all high priorities. And, of course, there's the perennial debate regarding measurement. Every brand now needs to justify its marketing activity through tangible results, and sponsorship is no exception. With the marketplace becoming ever more competitive, the need for each project to prove its worth is vital.

Generate Sponsorship's Neill says: 'Sponsorship opportunities are being scrutinised and evaluated more than ever, with exploitation and maximisation questions and techniques being a primary concern, and not an 'afterthought' once the deal has been signed. The past few years have seen more brands and companies than ever

join the sponsorship community from a whole host of diverse areas, all keen to demonstrate an emotional connection with their target audience via sponsorship.

Sponsorships for a brand must be able to demonstrate an increase in sales and this can be done by a variety of methods, such as enhancing the brand's image, increasing brand awareness, integrated media campaigns, trade and retail support and staff motivation,' Neill adds.

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Ignition's Bradbury believes that as long as brands lay the early foundations, measurement should be a relatively straightforward process. 'It's easily measured but there are a lot of things that you need to do in order to measure. Whether it's brand image, brand sales, attendance, event response, ticket allocation, data quality or PR coverage, you need to clearly set your objectives at the start. What do you want to measure - it could be any or all of them.'

It seems ensuring cut-through has moved away from the simple prominent placing of a logo to become a multi-sensory engagement with the target audience. And innovation is key. As Brand Life's Zucker says, brands now need to look for 'green field' sites that are currently untouched. 'What would happen if you sponsored special moments such as graduation ceremonies or exam results?' he asks. Perhaps this is merely the beginning.

TOP TIPS

- STUART BRADBURY, BUSINESS DEVELOPMENT DIRECTOR, IGNITION

1. Look at the future of the property - where will it be in the next five years?
2. Does the property fit your brand and is it in line with your current marketing strategy?
3. Look at the lifespan of the property itself and decide whether it is a short- or long-term investment
4. Involve all your agencies before signing a contract. Get their opinions and have them around the table and engaged right from the beginning

- RICHARD ZUCKER, FOUNDER, BRAND LIFE