

## Sponsorships – How to get the most benefits

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In the world of business, many requests are received to grant sponsorships. Various events are promoted as ideal opportunities for sponsorship. Hence, the challenge to marketers is two-fold; to select the correct event for sponsorship and to maximise the benefits of same.

### What is a sponsorship?

A sponsorship is the rights obtained to be associated with an event, by providing a monetary consideration. There are different types of sponsorship titles available. For example, Principal Sponsor, Co-Sponsor, and Associate Sponsor are common. In all types of sponsorships monetary consideration is a must.

### Selecting an event to sponsor

The first consideration is whether the sponsorship is for the Corporate Brand (Company) or product / service brand. This is very important, since you do not want to tarnish the image of your organization or brands by sponsoring something inappropriate.

The second factor to consider is whether the event is compatible with the positioning of the brand. For example, a premium brand should not be associated with a mass market event. The brand positioning must be safe-guarded at all times.

The next factor to consider is the target audience of a particular event. Is this the same audience that the sponsoring brand is targeting? If yes, then the sponsorship is perfect.

It may not be a good idea to sponsor events that another brand has associated themselves with for a long period of time. The reason is that a considerable amount of money will have to be spent to erase the association-ship between the previous sponsoring brand and event.

Before selecting an event to sponsor, check on the credentials of the organizers, legal considerations and ethical considerations. The worst thing is to be associated with an event

organiser who turns out to be a fraud. The damage to your organizational reputation can be immense in such a situation.

Another factor to consider is whether the event organizers have secured media sponsorships i.e. TV stations, radio stations, newspapers etc. If this has been achieved, then you are guaranteed of maximum exposure and publicity.

You also need to check if any direct and indirect competitions are involved. In either case, it is better not to be associated with such events.

#### Should we sponsor an “off-the-shelf” event or create a new event?

Creating an event for sponsorship provides a platform for long-term sustainability.

Furthermore, an opportunity is created to virtually “own” the event. “Off-the-shelf” events are attractive for sponsorships. However, the correct selection of events is critical.

#### Getting the best benefits from a sponsorship

There are several factors that need to be considered to get the best benefits from a sponsorship.

- ✓ In addition to the sponsorship fee, an organization must be prepared to at least spend an equivalent value to promote the sponsorship / association-ship. There is no point sponsoring something without publishing that fact.
- ✓ Negotiate the benefits that will be provided, with the event organisers. How much of free publicity will be afforded in consideration of the sponsorship fee. Obtain this in writing from the organisers, as many organizations have burnt their fingers in this regard.
- ✓ Internal marketing of the sponsorship is important, to educate your employees and gain their commitment. Employees can create powerful word-of-mouth publicity amongst friends and families.
- ✓ Examine the possibility of synergies with the other sponsors, provided there is no conflict of interest. Certain synergies can save valuable resources.



- ✓ Promote the sponsorship together with the regular advertising and promotions carried out by your organization. Basically aspire for an integrated marketing communications effort.
- ✓ Any sponsorship should not be entered into on a “one-off” basis. This will not be beneficial, as in general, the greatest benefits of sponsorships are obtained by long-term relationships. (at least 3 consecutive years).
- ✓ When negotiating a sponsorship deal, pay attention to the non-financial benefits provided. (At least not directly quantifiable). By paying attention to both financial and non-financial benefits, the sponsorship mileage can be maximised.

#### Areas of caution in engaging with sponsorships

Be specially cautious when sponsoring individuals, as you do not have control over their actions. Many organizations worldwide had had major issues by sponsoring individuals who have questionable characters.

Do not engage in a sponsorship that may have social, community and environmental issues. This may damage the image of your organization and the brands.

Take careful note of other sponsors associated with the event. If there are many co-sponsors, associate-sponsors and other title sponsors, it may be better to keep out of such events. (There is too much clutter and you will be lost!) It is better to be a principal sponsor of one event, rather than be an associate sponsor of many events which are cluttered by sponsors.

Obtain legal opinion when in doubt, especially when engaging in sponsorship deals, where the stakes are high. It is better to be safe than sorry.

#### The different types of sponsorships

The menu is quite exhaustive.

- Sports events (Olympics, cricket, football)
- Cultural events (drama, theatre)
- Musical events

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- Professional associations (annual sessions)
- “Title” events (Miss World etc.)
- Exhibitions and conferences
- Individuals (Sports Stars etc.)
- Movies / cinema
- Environmental conservation events
- Social / community development events

“Sponsorship is your brand in Action.” (Author)

“Integrated sponsorships into an organizations Business strategy for best results.” (Author)