

Sponsorship in Marketing

Chapter 11: Relationships – Beginning, Managing, and Ending

THE NATURE OF SPONSORSHIP RELATIONSHIPS

Sponsorship relationships:

- *can have vertical and horizontal structures*
- *are typically symbiotic, where the alliance of resources or programs between two or more independent organizations is designed to increase the market potential of each*
- *thrive in close association and with collaboration*

BEGINNING NEW SPONSORSHIP RELATIONSHIPS

- *The health of sponsorship relationships depends on aspects that are commonplace in other types of relationships, such as trust, mutual understanding, a long-term commitment, communication, and cooperation.*
- *Affective commitment or liking is a prerequisite for value-based commitment.*

MANAGING EXISTING RELATIONSHIPS

Reasons for terminations

- *Strategic versus tactical intent.*
- *Evolving relationships and a failure to adapt.*
- *Conflicting perceptions of contribution and the need for proof.*
- *Commitment asymmetry.*
- *Capability gap.*

MANAGING EXISTING RELATIONSHIPS

Advice

- *Learn about the goals and objectives of each party and respect them going forward.*
- *Define terms, expectations, and measures for a successful relationship early.*
- *Imagine the roles that people and data will play over time, and in times of dispute if they arise.*
- *View the relationship as long-term, no matter the length of the contract – once a partner, always a part of the shared history.*

THE CHALLENGE OF NEGATIVE EVENTS

Fears

- *Wasting budget on ineffective sponsorships*
- *Negative publicity or brand damage*
- *Competitor outshining brand*
- *Sponsorship activation not aligning with brand values*
- *Inadequate activation execution*
- *Not reaching target audience effectively*
- *Ineffective activation*
- *Rights holder failing to deliver promised benefits*
- *Legal or compliance issues*
- *Reputational risks*

ENDING RELATIONSHIPS

Four logical buckets and ten disruptors

- *Sponsor-related factors*
- *Sponsee-related factors*
- *Inter-relational factors*
- *External factors*
- *insufficient value creation*
- *objectives not having been achieved*
- *sports results not as hoped*
- *signal to society not as preferred*
- *lack of exclusivity*
- *negativity in associations*
- *personal relationships*
- *changed marketing strategy*
- *financial situation*
- *legislation or regulation*

*Response to Sponsor
Exit Based on Reason
and Horizon*

	Horizon for Exit	
	Short	Long
Brand-centric Reasons to Exit	Probable Negative Attitudes - moderated by immediate replacement sponsor	Possible Negative Attitudes
Reasons for Sponsor Brand to Exit Partnership	Possible Positive Attitudes - enhanced by immediate replacement sponsor - enhanced by authenticity of reason for exit	Probable Positive Attitudes - enhanced by authenticity of reason for exit
Other-centric Reasons to Exit		

SPONSORSHIP MANAGEMENT FROM THE PROPERTY PERSPECTIVE

Factors driving relationships

- *Brand management (i.e., brand value, knowledge and experience of partner brands, brand position, brand identity, brand equity, and brand image),*
- *Partner relationships (i.e., satisfaction, mutual trust, commitment, common interest, product reliability, and innovative strategies),*
- *Marketing factors (i.e., marketing mix, market position, competitive advantage, and entry into new domestic markets), and*
- *Supporting factors (i.e., copyright, contracts and social media law).*

Relationships – Beginning, Managing and Ending Questions

- 1. What signs might indicate that a sponsorship is fading?*
- 2. Of all the partnership disruptors discussed, which might be the most common across all types of sponsorships?*
- 3. In addition to those noted, what additional aspects might influence the response of audiences to the exit of a sponsor from a partnership?*
- 4. What aspects of sponsorship management differ for sponsors as compared to properties?*