

# Sponsorship in Marketing

Chapter 6: Leveraging and Activation

# *Leveraging and Activation*

*Leverage describes all sponsorship-linked spending; activation pertains specifically to audience–brand interactions and engagement.*

*Although the terms “leverage” and “activation” often are used interchangeably, they offer separate meanings. From a strategic perspective, they constitute different undertakings, so it is essential to distinguish them.*

*Activational communications, or activation, constitutes a subset of sponsorship leverage – a clarification that offers some strategic value.*

# *Leveraging and Activation*

## Why Leverage?

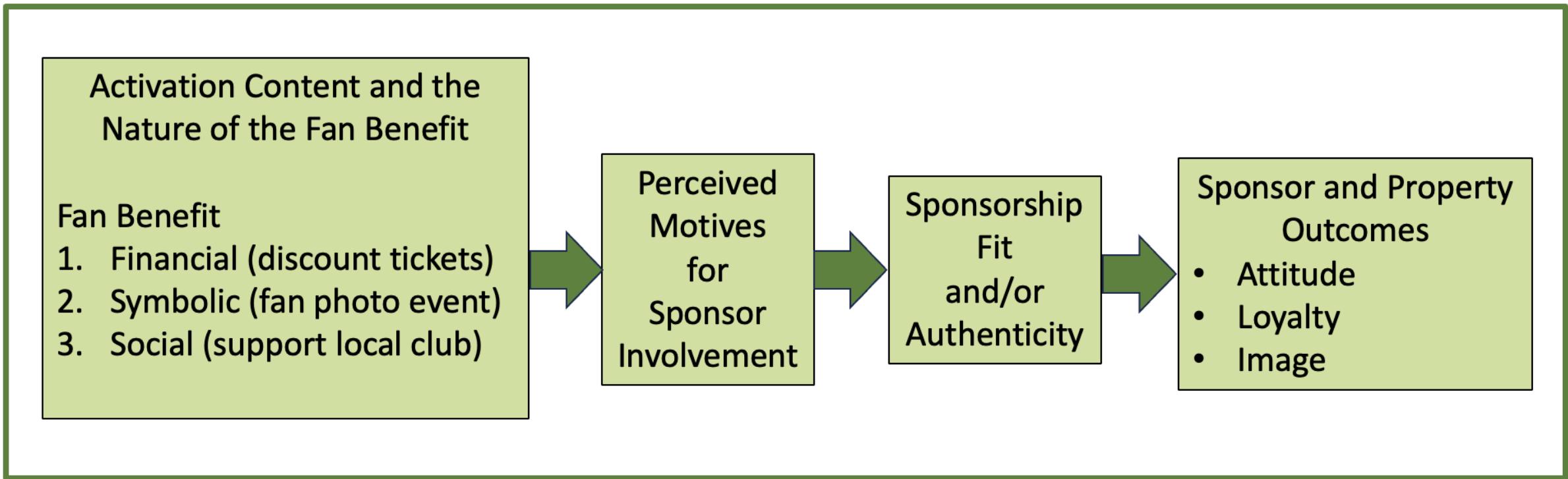
- Telling the Brand Story
- Leveraging as Defense
- Supporting Memory

# **ACTIVATING TO MAKE A DIFFERENCE**

*Activating a sponsorship to attain sales-oriented goals may be necessary, but it also risks the brand coming across as inauthentic.*

*Research shows that even for sales-oriented activations (where fans receive points for buying the sponsor's product, which they could redeem for one of three benefits) fans consistently had positive attitudes toward the sponsor and intended to buy its products.*

# Model of Sponsorship Activation



# *TYPES OF LEVERAGING*

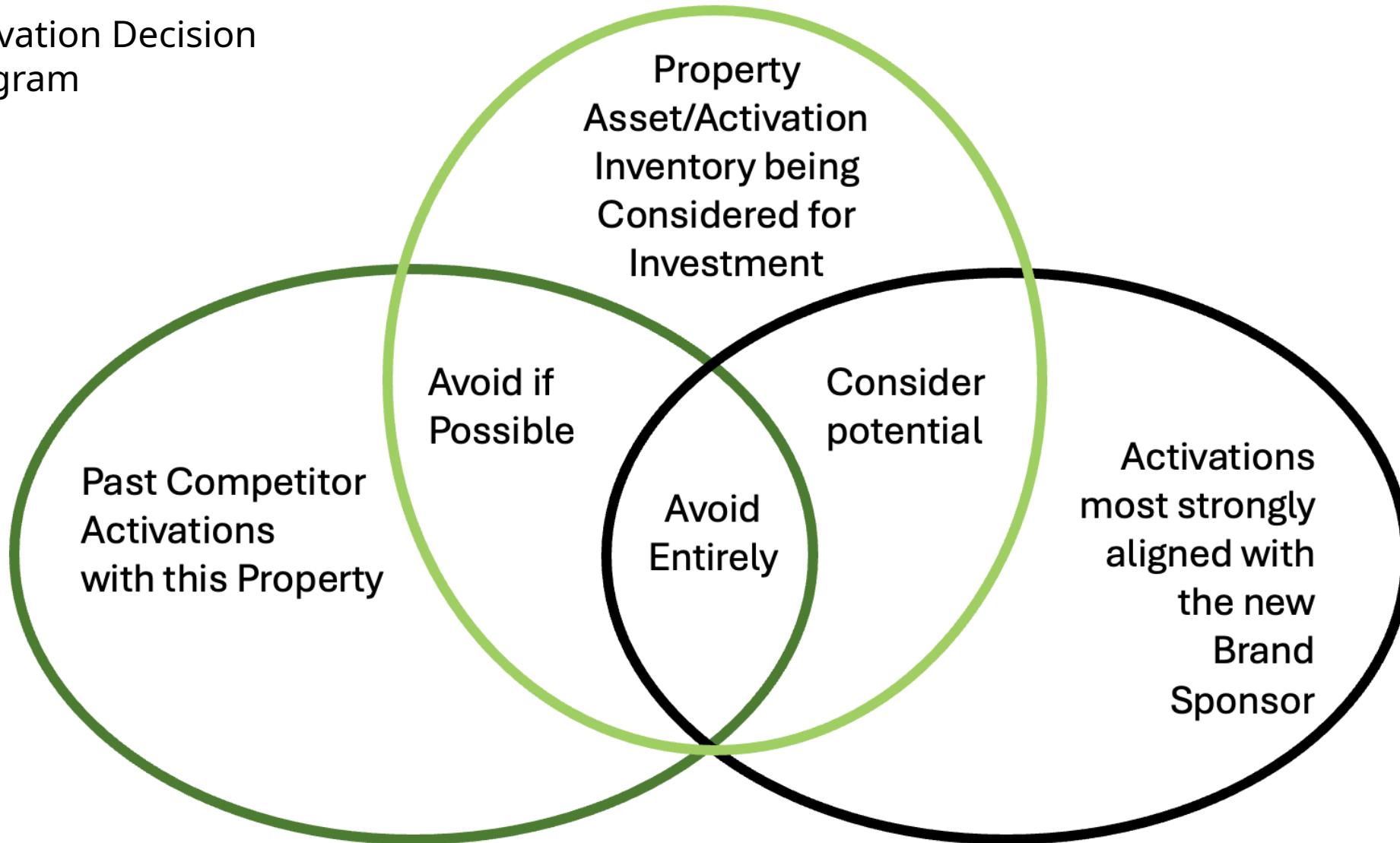
- Advertising
- Digital Media
- Social Media
- Technology-Based Leveraging
- Hospitality

# *MANAGING LEVERAGING DECISIONS*

*Leveraging and activation to achieve a goal can be thwarted by what is sometimes referred to as “rebadging.”*

- **Avoid Entirely.** *If the asset was held by a direct competitor and is closely aligned with the new brand, chances are high for confusion.*
- **Avoid if Possible.** *If the asset being considered was held by a competitor but is not closely aligned with the new brand, it may not be of interest generally.*
- **Consider Potential.** *If the asset has not been held by a direct competitor, it provides a fresh slate.*

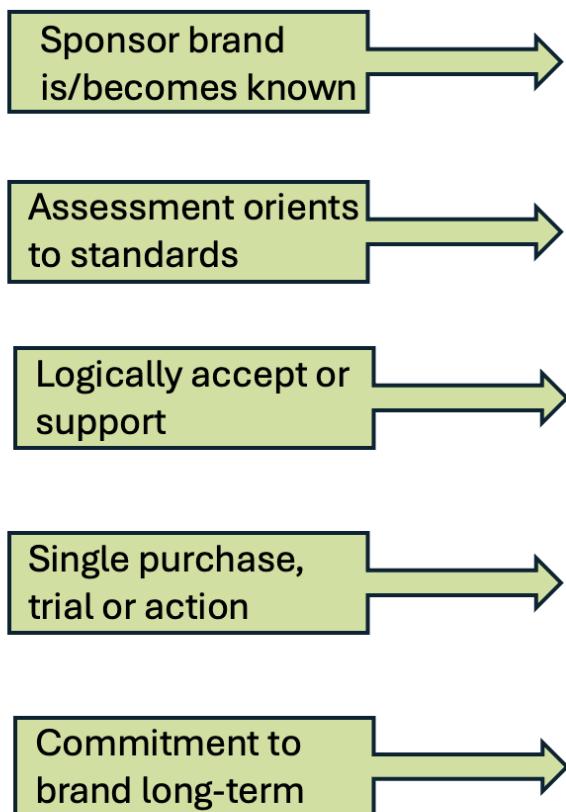
## Activation Decision Diagram



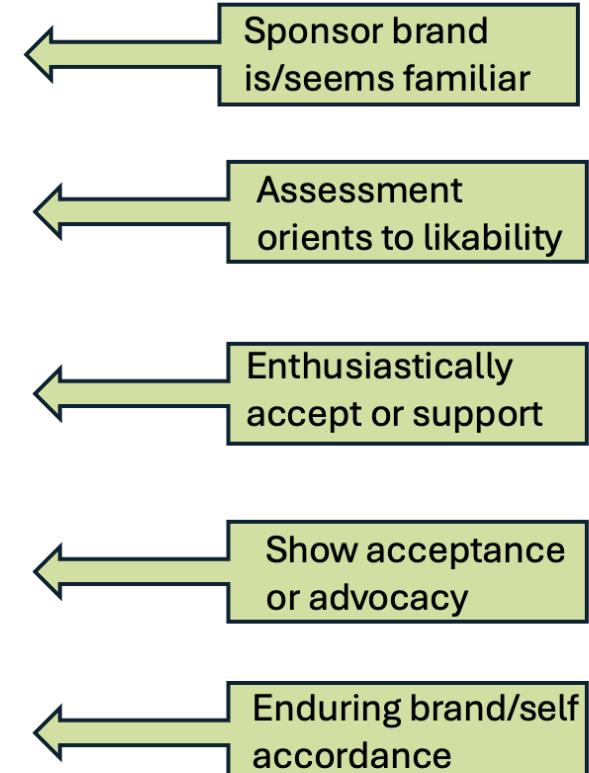
## *Dual Flow Funnel*

- *Proposed here is a dual flow funnel of experiential effects.*
- *One side is dominated by rational/cognitive flow, whereas the other reflects the emotional/affective flow.*
- *A dashed line down the middle indicates that shifts are possible from one side to the other throughout the funnel.*
- *As with any funnel as a process, an individual could regress to a prior stage, could exit at any time.*

# Dual Flow Funnel of Experiential Effects



## Rational/Cognitive Dominant      Emotional/Affective Dominant



# *Leverage Ratios*

*Leverage ratios reflect the amount spent on leveraging, relative to the amount spent to engage in the sponsorship.*

Factors to consider in understanding leveraging ratios:

- What is in the contract?
- What counts as leveraging?
- What are the partner brand equities?
- What is the relationship duration?
- What are the goals and objectives?

# Servicing Partners

- *Activations take care and tending.*
- *Sponsors may pay for the leveraging they undertake, but it often is accomplished with the help of the property.*
- *A key task associated with servicing a partner thus is reporting back to the sponsor about delivering on promises, usually in the form of a recap report.*

# *Leveraging and Activation Questions*

- 1. Does every leveraging attempt need to have an activation component. Why or why not?*
- 2. Which specific goals and objectives of sponsoring match with which social media platforms?*
- 3. There has been a trend toward reducing the number of sponsors of each a property, to ensure better service. In this case, should properties avoid adding small equity sponsors?*
- 4. For a sponsor and property, trace a possible path for two different audience members through the dual flow funnel of experiential effects. Tell the story of how their experiences differed and the outcomes that resulted.*