

# Sponsorship in Marketing

Chapter 3: Becoming Partners

# *Becoming Partners*

*In any relationship, there are at least two perspectives. In sponsorship relationships, as noted, the sponsor organization usually is the perspective that receives the most emphasis.*

*But it is only one side of the story. To understand sponsoring, perspectives of both the sponsor and the property are needed.*

# *THE PROPERTY PERSPECTIVE*

## ***Overview***

- *Soliciting Sponsors*
- *Developing the Proposal*
- *Pricing*
- *Prospecting and Sales*
- *Vetting and Negotiation*

# *THE PROPERTY PERSPECTIVE*

## Soliciting Sponsors

### **Small**

- Solicit directly
- Standard proposal
- Yes/No response
- Orientation is covering cost

### **Large**

- Solicit via an intermediary
- Proposals are tailored
- Negotiated
- Orientation is maximizing value

# *THE PROPERTY PERSPECTIVE*

## *Developing the Proposal*

- Hook
- Synopsis of reasons for the sponsor to enter an agreement
- Overview of property
- Insights on past performance
- Terms and conditions
- Building value
- Success measurement
- Contact information

# *THE PROPERTY PERSPECTIVE*

## *Pricing*

- Cost-based pricing – cost plus pricing
- Competition-based pricing – based on competitors and alternative
- Value-based pricing – value of the property for the specific sponsor

# *THE PROPERTY PERSPECTIVE*

- Prospecting and Sales
- Vetting and Negotiation

# *THE SPONSOR'S VIEW*

## **Overview**

- Objectives
- Exclusivity
- Sponsor Decision-Making
- Contracts
- Relationships



# *THE SPONSOR'S VIEW*

## *Objectives*

- Awareness/visibility of brand or company
- Positive attitudes/reputation
- Sales
- Expand content strategy
- Enhance stakeholder relationships
- B2B development
- Fan engagement
- Strengthen customer loyalty
- Brand positioning/repositioning
- Gain business/consumer insights
- Support market entry
- Increase ROI
- Reach niche markets
- Product demonstration

# *THE SPONSOR'S VIEW*

## *Exclusivity*

*Exclusivity is the possibility to be the only brand in a category, communicating in conjunction with a property.*

*Exclusivity is a highly valued aspect of sponsoring, but it is complex.*

*There are exceptions to the strong preference for exclusivity:*

- Same category but not a directly competing brand.*
- Same category (even if a direct competitor) but in a different market.*
- Contextual preference for shared exclusivity.*

# *THE SPONSOR'S VIEW*

## *Sponsor Decision-Making*

### *Planning Stage*

- *Set objectives.*
- *Conduct market research and analysis.*
- *Identify the target group.*
- *Develop the strategy.*
- *Calculate the budget.*

### *Selection Stage*

- *Select type of sponsorship.*
- *Select a sponsee among alternatives.*
- *Check fit between sponsor and sponsee.*

### *Negotiation Stage*

- *Contact the sponsee.*
- *Select sponsorship rights.*
- *Conduct the contract negotiations.*

# *THE SPONSOR'S VIEW*

## *Contracts*

*The International Chambers of Commerce define a sponsorship agreement as:*

*Any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and a sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or products and a sponsorship property in return for the rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.*

*There is no single, specific form a sponsorship contract should take, but there are some common components.*

# *THE SPONSOR'S VIEW*

## *Relationships*

*As is the case for virtually any business relationship, commitment (dedication to the relationship) and trust (confidence in the integrity of the partner) are central to sponsorships.*

# *Becoming Partners*

## *Questions*

- 1. Consider Table 3.1. Should the weighting points vary across different ecosystems? If so, how?*
- 2. How might sponsor objectives change over the next five years?*
- 3. Research has shown that personal objectives influence sponsorship decision-making. Are there instances in which such drivers are acceptable or even “good business”?*