

# **6670 SPORTS & ENTERTAINMENT MARKETING I**

1.07 Employ sales-promotion activities to inform or remind customers of business/product. (PR:175)

# Define sponsorship.

- Sponsorship is completed financially or through the provision of products or services to support an event, activity, person, or organization where two or more parties benefit from the arrangement in the form of a partnership.
- Sponsors want recognition & affiliation

# Contrast sponsorship for big versus small organizations.

- Small organizations may not spend the time to develop good sponsorship programs and they also may provide unrealistic deadlines and have limited staff
- Small organizations may have more difficulty communicating with the sponsors and tend to develop sponsor disengagement and lack of follow through
- Larger organizations may have staff or be able to hire consultants to develop a good sponsor program and generally communicate more completely
- Larger organizations may have unrealistic expectations about their event and expect a higher monetary amount than smaller events – You may get lost in the shuffle

# Benefits associated with sponsorship activities.

- Good Public/community relations – improve image
- Communicate directly with your target market of consumers
- Reach a larger number of consumers through recognition
- Increase sales and profits through affiliation & brand awareness
- Increase market share or introduce new products
- Enter new markets
- Entertain clients, (new and current)
- Entertain your employees

# Significance of exclusivity in sponsorships.

- Must be your target market to be significant
- Most sponsors will only sponsor an event if they receive exclusivity for their product line
- Example: You will not find Coke and Pepsi sponsoring the same event
- Companies are spending money to sponsor an event to reach their target market and wish to avoid confusion
- Naming rights cost a lot more and also offer exclusivity

# Ways in which sponsorship relationships are formed

- Must be their target market
- Communication and develop partnership
- Ongoing dialogue to expand relationship
- Both parties benefit
- Formal contracts spell out exactly what each party will do
  - Avoid legal conflict
  - Details include: cost, marketing opportunities, audience demographics, conflicts and time parameters

# Formal contracts are preferred to letters of agreement when setting up sponsorships

- Contract: an agreement to do something in return for something else
- Avoids miscommunication, misinterpretation and missed deadlines

# Risks associated with sponsorships

- Can be expensive
- May not hit your target market
- The event/individual/organization could create a bad image and you're associated with it
- Could encounter ambush marketing



# Businesses should exploit their sponsorships.

- NASCAR claims that many sponsors do not maximize what they can do with their target market at races. Don't just advertise:
  - Driver and show car appearances at retail store events
  - Photo opportunities for consumers/fans
  - Pit/garage passes and tours during race day
  - NASCAR driving schools
  - Employee thank you events and participation
  - Public Relations opportunities
  - Contests, sweepstakes, coupons and other promotional tools
- Brainstorm and develop opportunities to exploit your sponsorship