



Maximizing your Sponsorship Dollars

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Corporate sponsorship—also known as event marketing or cause marketing (in the case of sponsorship of nonprofit or charitable events)—is a relatively new form of advertising in which companies pay to be associated with certain events. Corporate sponsorship has been growing rapidly in recent years; in fact, it grew at a faster rate than the growth in overall corporate advertising in the late 1990s, growing from a \$1 billion market in 1980 to a \$13 billion market in 1996. The growth in sponsorship dollars is a result of companies realizing sponsorships effectively reach a very specific target audience with a very well defined message, thus establishing meaningful communications links with a very specific target audience.

The important point is that a successful sponsorship finds a way to connect with its target. It finds a way to share the experience with its market. Connecting with people in a meaningful, creative and consistent way at events results in an enhanced image and brand loyalty. This, in turn, results in an increase in revenue and/or growth. By making informed choices that fit into a comprehensive marketing plan, sponsorship marketing can be a valuable and effective tool. Sponsorship marketing is the most personally and emotionally connected of all marketing. You have to know your target. What is their self-definition? What is their current opinion? What motivates them to change behavior?

In addition to the cost of staging the event itself, there are also associated advertising, publicity, and administrative costs to consider. Many small businesses choose to begin as a co-sponsor of an existing event, which allows them to take advantage of the other sponsors' experience. It may also be possible for a small business to underwrite a new event and share advertising costs with a co-sponsor. Some businesses find it difficult to justify the expense of corporate sponsorship because it can be difficult to gauge the results in monetary terms. But it is often possible to conduct before and after interviews with attendees of the event, or to give away coupons and then track redemption rates. Some businesses also attempt to gauge the success of an event by providing a toll-free telephone number for attendees to call for more information about their products or services



The reasons a company chooses to become an event sponsor are many and varied. The three most common reasons cited for sponsorship (in order of frequency) are:

- Increased brand awareness
- Building brand preference and loyalty
- Increasing sales and market share

Some of the additional reasons most often cited are:

- Shape customer attitudes
- Communicate commitment to a specific target market
- Differentiate the company from competitors
- Develop closer relationships with current and prospective customers
- Showcase products and services
- Cost-effectively compete against bigger firms that have much larger advertising budgets
- Improve the community through the events they support

What makes a sponsorship successful?

There are four distinguishing characteristics of successful sponsorships:

1. The sponsorship event is part of a broader, more comprehensive and well defined strategic sales and marketing plan. Effective sponsors understand the need for an integrated strategic sales and marketing plan which supports the overarching corporate objectives. The sponsored event is a well defined subset of this plan and supports those goals.

2. There are engaged fans, greatly involved in the product category. The larger the proportion of a particular event's target market that is heavily involved in a sponsor's product category, the more likely the sponsorship is to have an impact. Finding a compelling message is as critical to the success of sponsorship and event marketing as appropriately spending on activation.

3. The event is supported by a substantial investment in activation and promotional activities. If a company isn't investing at least equally as much in promoting the sponsorship to the target as in the rights to the sponsorship itself, then it will see little or no effect. To build awareness for the brand name only—is a poor investment of marketing dollars, and a lost opportunity to speak to a group of buyers ready to listen.



4. There is a clear link between the product and sponsorship. The connection is pretty clear in iPod sponsoring the Grammy Awards and Michelin sponsoring Formula One. It is not so clear however, if Michelin were to sponsor the Grammy's and iPod sponsored Formula One. If it takes longer than five seconds to explain the connection between a brand and an opportunity, then most target buyers aren't going to get it, and the linkage will break down.

There is also a list of the top sponsorship mistakes which you must avoid:

- An inability to mobilize and focus your sales team on the sponsorship, pre and post event
- Entering the sponsorship with no goals or expectations
- Lack of a clear activation plan
- Inability to track and assess results

Successful sponsorships are those that uniquely connect their company, their market and the event. This is best accomplished through **activation**; a series of well coordinated sales and marketing tactics which leverage the sponsorship and creates a sustained linkage to that event long after it has been completed. What is an appropriate amount to budget for "activation?" As this is an evolving segment of the marketing and promotions industry, there is not a hard and fast rule however; you should expect to spend at a minimum, an equal amount of budget on activation as you invest in the sponsorship fee itself. Many companies in fact invest 3-5 times the sponsorship fee.

How do I measure the success of the event?

One of the great debates currently raging in marketing circles is whether sponsorships and events are sales-building or brand-building tools. In fact good sponsorships do both.

In a comprehensive strategic marketing plan that includes sponsorship, you should focus not only on increasing sales, but also on cementing internal and external loyalty and enhancing your brand's image through target-specific audiences. To accomplish this successfully, you need to know your market. Once you have defined your market, you need to know where to find them. Events are the tools you use to reach this defined market. You don't want to choose a sponsorship based on your personal feelings or just because someone asked you to sponsor. You want to reach your target market by choosing an event that will showcase your company's brand effectively. More importantly, you have to stand out from other sponsors.

The most effective sponsorships are not just about the company's needs. They are also about the needs of the individuals that you are trying to influence. Is there a way you can reach your targeted audience without getting lost in a sea of logos?



Marketing Objectives:

In a perfect world:

- Buyers become aware of a sponsorship or event.
- Buyers recognize a brand's involvement, and the message the brand communicates at/through the sponsorship or event.
- The message positively affects buyers' perceptions and attitudes-and their preferences for the brand and intentions to purchase improve.

Unfortunately, we do not live in a perfect world, so we must work very hard to insure that indeed the above linkage does occur. This requires very clear objectives combined with a strong strategy and very concise and measurable tactics.

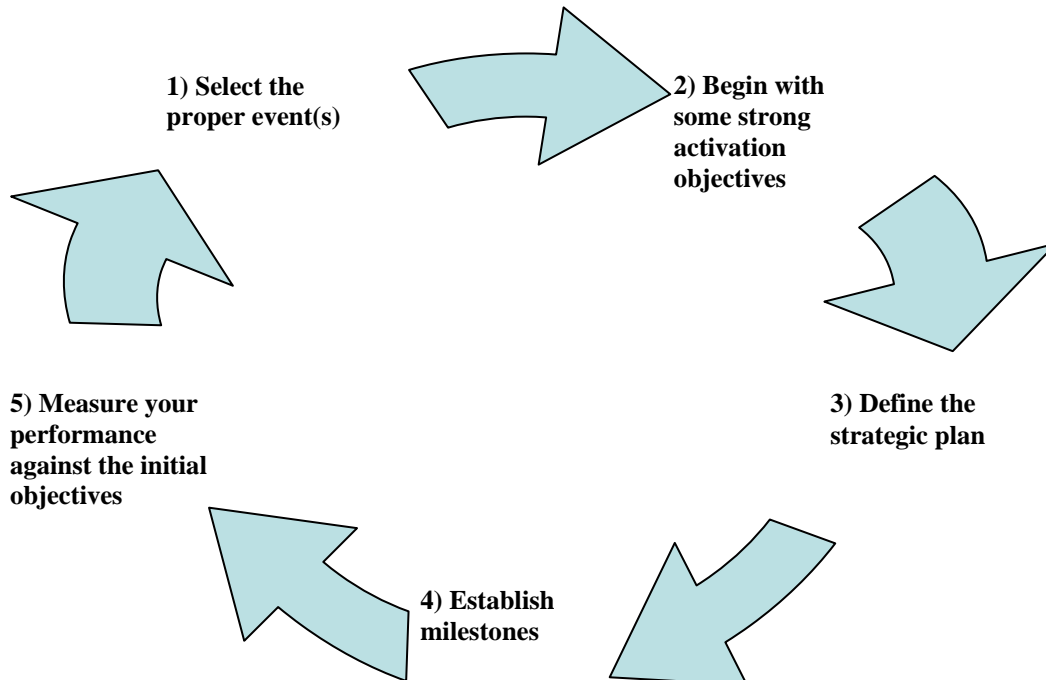
Hard Objectives:	Soft Objectives:
Number of leads	Awareness
Investment per lead	Alignment with industry leaders
New appointments	Image
New sales within X timeframe	Branding
Up sell existing clients	Pride
	Ownership/positioning: industry or competition

Some of the very basic components which should be part of every successful sponsorship activation strategy are:

Pre-event:	Day of Event:	Post event:
Marketing plan <ul style="list-style-type: none"> • Message • Content • Frequency • Medium(s) • Marketing Timeline 	Resources	Database follow up <ul style="list-style-type: none"> • Message • Medium • Timing • Incentives
Strategic Partners participation?	Room layout	Measure / Analyze / Improve
Database needs	Content	
Revenue objectives	Close	
Top prospects	Call to action	
Sales <ul style="list-style-type: none"> • Spiffs • Reward & Recognition 	Capture strategy	

In reviewing the sponsorship activation process, I am struck by the need to adhere to the principles that we have learned from the teachings of Six Sigma; DEFINE / MEASURE/ ANALYZE / IMPROVE /CONTROL.

The benefits of successful sponsorships are many, but it is important to follow some simple yet often overlooked steps:



Sponsorship is a new yet emerging subset of the marketing and sales profession. More art and intuition than fact and science, one must be prepared if they expect to maximize marketing dollars invested in this arena. As with most business transactions, the devil is in the detail and so a well prepared plan will allow you to recover from an occasional misstep. Lacking an executable activation plan is nearly always a recipe for failure. Embrace this powerful marketing tool as there are enormous rewards along the way, but refine the process as you go, until you have a strong repeatable process in place.



About Hahn Training:

Hahn Training LLC is an enterprising, customer driven, sales training and coaching company dedicated to the development of sales organizations which are committed to excellence and growth in their profession. As the premier sales catalyst in the Niagara Frontier, we are dedicated to improving performance & enhancing behavior across all levels of our clients' sales force. We deliver remarkable results by executing upon comprehensive, custom tailored solutions which energize, empower and enable the entire enterprise in exceeding their revenue goals. Hahn Training provides our clients with progressive strategies, tactics and tools resulting in positive and permanent sales improvements. We deliver pioneering solutions across every level of the sales enterprise.

Deliverables include:

- Coaching; Sales & Executive
- Sales and Sales Management Training
- Interviewing, Hiring, and On-Boarding Sales Professionals
- Team Building and Goal Setting
- Sales Performance Management
- Behavioral Assessments
- Motivational Speaking
- Strategic Planning
- Customer Service Training