Chapter 7
Set Sponsorship and Sales Promotion Objectives

The incredible growth of corporate sports sponsorship spending over the past two decades has generally not been accompanied with a great deal of marketing planning, either on the part of the sponsor or the sponsored organization. Sponsorships have evolved from simply placing signage on an outfield wall (see Shibe Park/Connie Mack Stadium, right) to highly leveraged sponsorship arrangements that may include a full menu of sponsorship activities designed to activate consumer response (see Table 7.1).

Table 7.1 Sponsorship Components

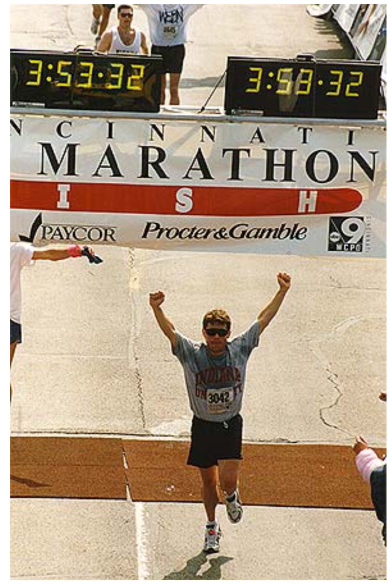
• Signage/venue branding exposure • Presenting or Naming rights • High profile pre event marketing • ID in promotional materials • Parties • Lunches • Gala Dinners (including athletes) • Private meeting facilities • Skyboxes/seats/tickets • At event surveys • Pre event research • Post event research	• Exhibiting • Trial/Sampling/Product launch • Client entertainment/hospitality • Events "within" events • Program ads • Broadcast Media ads or mentions • PA announcements or scoreboard zip ads • Discounts • Licensing/Right to use of trademarks/logos • Mailing lists • Cross promotions

Since the onset of sponsorship growth in the 1980s, corporate motives and objectives for sponsorships have been unclear. Abratt, Clayton and Pitt (1987) reported that the top three reasons for sports sponsorships was for the potential TV coverage, corporate image promotion, the potential of spectators as customers. While these may have been (and are) important reasons to engage in sports sponsorships, little effort was made to hold anyone in the organization responsible for determining if and how these goals were met (Meenaghan 1983). As we fast-forward to the new millineum, we find that over 75% of those engaged in sponsorships allocate little or (mostly) none of their sponsorship budgets to finding out if objectives are being met (see IEG Sponsorship Report 2002: Survey Reveals What Matters to Sponsors). Just over 40% rely upon primary consumer research to determine whether or not to maintain a sponsorship.

Fundamental to any planning process is the need to set clear, measurable objectives to be completed within a precise timeframe. This implies that:

1. **B**enchmarks of current performance are measured.
2. **O**bjectives are developed. Plans are made to meet objectives.
3. **P**erformance is measured and compared to the benchmarks.

Assume that you are a long distance runner. If you set out to improve your time in a marathon race, you must first know your current performance level. This is your benchmark. You then decide that you want to improve your time by 10 minutes, or about 23 seconds a mile over the course of the 26.2 mile race. You then develop



training plans for the next six months, including plenty of interval training, hill-work, and proper diet to improve your performance. Then, at the end of the six months, you run the marathon you have been training for. As you cross the finish line you don't even look at the time as you cross the finish line. *No, of course, you look at the finishing time*. That was the whole point—to see how much you improved! If you don't know your finishing time to compare it to your last marathon race, then you won't know if your training plans were effective. By this time, however, you don't care, because you can't believe you wasted so much time training for something as stupid as a marathon.

The point is that you would think that corporations spending millions and millions of dollars on sports sponsorships would be concerned about whether or not they are achieving their objectives. To be certain, some organizations are. However, a principle reason that organizations might not seek to determine if objectives are being met is that they weren't very clear on the objectives in the first place.

The objectives, then, of this chapter are to introduce possible sports sponsorship objectives, explain how sports organizations can help sponsors achieve these objectives, pinpoint why sponsorships may fail, and to explain the importance in having a sponsorship policy—just in case Mike Tyson comes to town looking for a fight. In concluding the chapter, we examine the role of sponsorships in accomplishing sales promotion objectives for the sponsored organization.

The Two sides of Sponsorships: Activation and Overservicing:

Jill Bornand (www.bonham.com) provides a practitioner's definition of activation:

> "Activation refers to putting the sponsorship into action. It could mean many different things, including:
> - Leveraging the tie-in advertising or promotions
> - Developing that artwork to be used in program ads or signage at the stadium/arena
> - Utilizing hospitality offered by the property to entertain guests, customers, etc."

Sharon Kotler (www.eventivemarketing.com) explains the role and interaction of sponsorships and advertising:

> "Sponsorship is often viewed as another form of advertising. When a company elects to 'sponsor' an event or a venue, they pay money for certain rights and privileges. Sometimes those rights include naming the event/venue after that company (known as "naming rights" and exemplified by the Continental Arena or the American Airlines Challenge or the Gatorade Pavilion or the Chevrolet Shoot-Out, etc). Often those rights include pre-event advertising, and at-event signage and banners bearing the company's name or logo (check out the sides of an ice skating rink at a figure skating championship, the backstop at a baseball game, the brim of Tiger Wood's hat).
>
> But true sponsorship often goes beyond advertising and allows the sponsoring company to use the association with the event or venue for additional promotional means which can include VIP hospitality, consumer product sampling or even in-store tie-ins. Those privileges or rights require the sponsoring company to provide the thinking and the staffing to fully execute those rights. Hence, sponsorship activation [can be contracted as] a service provided to companies who do not have the time or the staff to fully take advantage of those rights and privileges without outside resources."

David Stivers, of Pebble Beach Golf, underlines the importance of activation:

"The most important terms in sponsorship are: (a) cash, (b) brand fit, (c) ability for the sponsor to enhance our guest experience (e.g. luxury cars, quality golf training equipment, etc...), (d) good fit with the people (i.e. they understand golf and how Pebble Beach works), (e) committed funds to activate the sponsorship. This last point is key, because the sponsorship will fail if the sponsor does not spend to support the program.

Critical things we do to attract and keep sponsors: (a) our marketing arm acts as an agency for the sponsor to help them activate, (b) we are creative and find new ways to expose our guests to the sponsors product or services, and (c) we are flexible. Every sponsor has a different need and different strategy for connecting with their customers. We provide a venue to help facilitate that connection and we have a customer base that is a very attractive target group to our sponsors."

Scott Brubaker, of the Arizona Diamondbacks, emphasizes that not only should the team or sports entity fit the sponsor, but that the sponsor should fit within the sports organization's goals. It is important for the sports organization to build, and not dilute, their own value and brand equity through sponsorships. If the sports organization merely takes the sponsors' money, they are shortchanging the opportunity:

"Obviously the fees we extract are very important to us, but what we truly look for are partners that can help us move our product forward in the eyes of the marketplace.

- Who is *prominent* in the community?
- In what other ways do they market, advertise and promote their products?
- How will they use our relationship to sell their products?

These are all questions we ask as we sign on new partners. It is a very fluid process.

Service, communication and delivery of value are the most critical areas of sponsor retention. Obviously, the performance of the team defines success to a great degree, but we are able to mitigate lack of success on the field by **over-servicing** the needs of our sponsors."

Over-servicing sponsors means that the sports organization makes every effort to make the sponsorship work through effective matching, activating, and leveraging the sponsorship on the front end and communicating, documenting, and following-up on the backend of the deal.

Sports Sponsorship Objectives and Effective Sponsorship Planning

Table 7.2 identifies ten generic reasons that companies get involved with sponsorship plans. These ten reasons represent the means by which the company may seek to achieve its marketing objectives through sponsorships. Table 7.3 includes a report on the most frequent objectives of sponsorships. The #1 objective of sponsorships today is, not surprisingly, sponsor or brand loyalty. Table 7.4 depicts nine reasons that sponsorships fail. These nine reasons basically stem from an organization's belief that the sponsorship should work on its own, without proper management objectives and a complete activation plan that leverages the sponsorship. Table 7.5 reminds organizations to set sponsorship policies so that the organization proactively, not reactively, deals with sponsorship issues. Table 7.6 is a helpful guide for those considering getting into sponsorships as a marketing career. Table 7.7 provides an excellent overview of concepts related to sponsorships.

Table 7.2
Why Companies Sponsor

From IEG's Complete Guide to Sponsorship

Companies do not use sponsorship to replace advertising, public relations or sales promotion campaigns. The benefits sponsorship offers are quite different and the medium works best as part of an integrated marketing communications effort that includes the use of all marketing methods.

The following are the most common reasons companies use sponsorship.

1. **Heighten visibility**
The wide exposure events enjoy in both electronic and print media provides sponsors with vast publicity opportunities. For many companies, the cost of purchasing the TV and print exposure their sponsorships garner would be unaffordable. For example, for the cost of a 30-second spot on the Super Bowl telecast, a company can sponsor a team on the NASCAR Winston Cup circuit, which delivers more than 30 hours of TV coverage.

2. **Shape consumer attitudes**
Brands with huge ad budgets and high unaided recall do not need sponsorship to generate visibility. Instead, they often sponsor for the lifestyle association the sponsored property represents. They are looking to the event to have a rub-off effect on their image and ultimately their sales.

"Coca-Cola is the world's most recognizable trademark," said the director of sports marketing, Coca-Cola USA. "However, if you did a survey on the streets of Chicago and asked people what was more important to them, Coca-Cola or the Chicago Bulls, nine out of 10 would probably say the Bulls. We accept that and try to borrow that equity by becoming their sponsor."

Miller Lite's sponsorship of pro beach volleyball is another example of an image-driven tie. By becoming synonymous with beach volleyball, the brand is identified with a lifestyle emulated by its young adult target market. "Consumer attitudes are the hardest thing to change," said a Miller marketing executive. "And the more our brand is part of events that are part of a consumer's lifestyle, the more we can affect his or her attitude toward the product."

3. **Communicate commitment to a particular lifestyle**
The era of the mass audience is gone. Instead, companies are narrowcasting, tailoring specific messages to small, targeted segments. Sponsorship is an effective vehicle for this type of individualized communication. Opportunities are divisible by age, income, geography and gender. They segment markets along geographic, ethnic, psychographic and demographic lines. Sponsorship allows companies to hone in on a niche market without any waste.

4. **Business-to-business marketing: incenting the trade**
Competition for shelf space is one of the biggest issues facing companies today and many are using sponsorship to win the battle. For example, many of the companies sponsoring stock car racing do so to offer retailers perks such as driver appearances at stores and event tickets in exchange for incremental case orders and in-store product displays. Sponsorship of all types can be used to incent wholesalers, retailers, dealers and other intermediaries in the distribution channel.

5. **Differentiate product from competitors**
This objective is what is driving much of the sponsorship by service industries like banking, insurance and telecommunications. Sponsorship provides companies a competitive selling advantage because it offers opportunities for category exclusivity and can be used as a platform for creating currency with customers. Sponsors take the rights associated with their properties and make them work for the customer to help achieve their needs and objectives, for example, a discount on tickets or a pit pass to a NASCAR race. It is a value-added promotion that the competition can not duplicate.

6. **Entertain clients**
Many companies sponsor for hospitality opportunities. For example, golf tournament sponsors offer their key clients pro-am spots, giving sponsors the opportunity to spend a few hours with important customers and solidify business relationships. Events make great settings for this informal networking. They are unique and desirable, two things that are absolutely necessary to entice a business contact to join you during non-business hours.

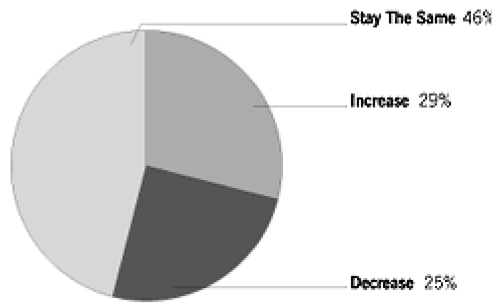
7. **Merchandising opportunities**
As consumer buying decisions are increasingly being made in-store (80 percent of all product choices are now made at the retail level), marketers need to have relevant promotions for consumers at the point of purchase. A sports or entertainment tie can bring excitement, color and uniqueness to a p-o-p display and can be merchandised weeks or months in advance. The opportunity to have items available as giveaways or for sale is valuable because this type of merchandise is immensely popular with consumers and can be used to provide a key point of difference when offered in conjunction with an in-store promotion.

8. **Showcase product attributes**
Sponsorship allows companies to call attention to product benefits. For example, tire manufacturers sponsor auto racing to demonstrate their product in action.

9. **Combat larger ad budgets of competitors**
The cost-effectiveness of sponsorship relative to traditional media advertising allows smaller companies to compete with the giants of their industry. Mercury Communications could not match rival British Telecom's mighty media budget and used sponsorship of the U.K.'s Prince's Trust charity and a Royal Academy of Arts exhibit to build awareness, increase sales and strip market share from its only competitor. Mercury tied its phone cards to both sponsorships. The company donated a portion of each Mercury Prince's Trust affinity card sale to the charity; it also commissioned artists to design Pop Art cards that coincided with the Royal Academy exhibit.

Table 7.3
IEG/Performance Research Survey Reveals What Matters To Sponsors

03/11/02 From IEG Sponsorship Report



How will your 2002 sponsorship spending compare to 2001?

At Issue: What criteria are sponsors using to evaluate new and existing deals? How much are they allocating to sponsorship and its activation and measurement?

Takeaway: Exclusivity remains top benefit; increasing brand loyalty is still chief objective; some increase in leveraging and research.

The second annual IEG/Performance Research Sponsorship Decision-makers Survey shows an increase in sponsors' allocating resources to activation and research. Overall, the survey of 200-plus corporate marketers reinforces many of the findings from the previous year.

While the current survey provides plenty of evidence that a large number of sponsors still devote precious little to the key areas of evaluation and leveraging, a few indicators point to progress. For example, the average ratio of activation spending to rights fees doubled to 2.4-to-1.

That increase, however, is in large part the result of greater spending by sponsors who already believe in activation. The percentage of respondents spending 2-to-1 or more rose from 29 percent to 33 percent, including a jump from three percent to eight percent in those spending 4-to-1 or more. Roughly two-thirds of respondents allocated $1 or less for activation per each rights fee dollar.

The survey, which IEG commissioned and Performance Research conducted last month, yielded similar positive results with mitigating factors in the research area. The number of respondents with a dedicated budget for ongoing sponsorship research grew from 22 percent to 32 percent. However, the size of those budgets is often extremely small, as the percentage of respondents who allocated nothing or no more than one percent of their total sponsorship spending to research remained high at 76 percent.

Spending to research the appropriateness of sponsorship opportunities ticked upwards, as 29 percent of respondents indicated they spend more than $5,000 on pre-decision analysis, as opposed to 23 percent last year.

Sponsors indicated the same commitment to sponsorship as in 2001: 12 percent of their marketing budgets. Nearly half said they were maintaining spending for '02 at '01 levels, while 29 percent were increasing, and 25 percent were decreasing.

What Can Properties Provide?

Sponsors are lessening their reliance on properties to help measure return on investment. On a scale in which 10 is "completely dependent on properties," companies rated themselves a 4.6, down from 5.1 last year. This may be the result of growing frustration with the information and services properties deliver: Sixty-eight percent of respondents said properties do not meet their expectations in this area, up from 61 percent last year.

Marketers showed a much higher level of interest in research on sponsor loyalty, which replaced research on sponsor recall as the second most valuable property-provided service–an indication that they may be growing more sophisticated in their measurement approach. Post-event reports and fulfillment audits remained the number one service.

Exclusivity Still Considered Most Important Benefit

Despite willingness by some companies in multi-faceted industries such as telecommunications and financial services to split their categories, most sponsors continue to deem exclusivity sponsorship's most important benefit. Sixty-two percent rated it a 9 or 10. On-site signage remained the second most valuable benefit (46 percent), followed by broadcast ad opportunities (42 percent), which surpassed ID in a property's media buy (37 percent) and title of a proprietary area (36 percent).

Top Objective: Increase Brand Loyalty

Sponsors' ability to borrow affinity from properties to grow consumer loyalty remains the key goal for most respondents, with 62 percent rating it a 9 or 10. It was followed closely by generating awareness/visibility (60 percent) and changing/reinforcing image (56 percent).

The one objective to grow significantly in importance was on-site sales rights. While still less valued than eight other objectives, on-site sales received a 9 or 10 from 21 percent of respondents, compared with 13 percent in '01. Two other objectives suffered the opposite fate: Showcasing community/social responsibility slid from a 9 or 10 rating by 43 percent of respondents in '01 to 32 percent, while entertaining clients/prospects declined from 31 percent to 22 percent.

The downward shift in the importance of demonstrating social responsibility–surprising in the wake of September 11–is most likely the result of a greater number of non-U.S. respondents to this year's survey and an increase in the valuation of bottom-line-oriented results, spurred by the economy. Indeed, the only objectives that saw any increase in the number of respondents ranking them a 9 or

10 were stimulating sales/trial/usage, sampling/displaying/showcasing products/services and on-site sales.

Despite the emphasis on brand loyalty and image reinforcement or enhancement, sponsors' post-event analysis still is surprisingly lacking in direct consumer research. Only 41 percent of respondents mentioned primary consumer research as a method they use to decide whether to renew a sponsorship, down from 47 percent in '01

Selection Criteria
Demographics and attendance held firm as the two most-often used criteria to determine what to sponsor. However, while 89 percent of respondents cited demographics, the number of those indicating attendance dropped significantly, to 71 percent versus 82 percent last year. Fan passion/affinity took third place, noted by 60 percent of those surveyed.

Respondents' companies sponsor sports (58 percent), community events (31 percent), causes (27 percent), arts (20 percent) and entertainment (seven percent).

Table 7.4 Why Sponsorships Fail

From IEG's Complete Guide to Sponsorship

Up until the late 1980s, the CEO Syndrome -- when a company sponsors yacht racing because a top executive likes yachting -- was the primary cause of ineffective sponsorships.

While sponsorship decision-making is still not totally immune to this kind of subjectivity, growing accountability to stockholders and stakeholders has resulted in a more professional approach to sponsorship.

Today, far more complex reasons are usually behind sponsorship programs that run amok. The most common ones are detailed below:

Greenwashing. Don't sponsor green unless you are green. Sponsorships are coming under increasing scrutiny and those perceived as PR ploys will backfire. Whether it is an environmental tie or a tie to sports, unless a sponsor is genuinely seen to be enabling a recipient organization, the strength of feeling that is engendered can very easily turn against the company, as it will be seen merely as exploiting a situation.

Signing the check and dropping the ball. Sponsorship is rarely an efficient buy for companies expecting the pay-off to come through on-site visibility; on a cost-per-thousand basis, the return is not there. Sponsorships must be commercialized weeks or months in advance and leveraged with an audience far broader than at the venue. Sponsors should budget anywhere from 10 cents to 10 dollars for every dollar spent on rights fees, depending on the type of property being sponsored. For example, if the title sponsor of a college bowl game wants its name kept in the title on the TV broadcast, it must buy about 25 percent of the ad time. This is on top of the fee paid to be the event's title sponsor. On the other hand, a sponsor of a race car team gets ID in front of the audiences at every event in which the team competes, even if they are not an event sponsor, as well as on TV, even if they don't buy any ad time.

Due diligence overlooked. Knowing what you are not getting is often as important as knowing what you are getting. For example, does the sanctioning body you are about to sign with control marketing rights to the events it sanctions? How about the athletes that compete in them? Does league sponsorship include marketing rights to teams? Who controls advertising on broadcasts? Does official water status cover both sparkling and flat waters? What are the legalities and liabilities associated with the property?

Property hopping. One-year commitments are generally of dubious benefit. Creating a link between a sponsor and a property is rarely accomplished overnight. Also, the learning curve in sponsorship is longer than other media, and sponsors usually do not know how to fully maximize an involvement with a particular property in the first year.

Too many little sponsorships. It is generally much more effective to build equity by concentrating sponsorship funds than by spreading them around. This can take the form of multiple lower- and middle-level packages within a single property type or buying top-level packages at one or two properties.

Insufficient staffing. Even turnkey packages require additional staff time for everything from hosting clients on site to approving artwork with sponsor ID.

Competition for trade participation by cosponsors. When companies whose products are sold through the same distribution channel sponsor the same property, impact is often diluted. Sponsors find themselves competing with each other for retail participation and under-mining the value of each other's offers in the consumer's mind. Both sponsors and properties need to consider not only exclusivity within a product category but also the number of cosponsors with the same sales outlets.

Failure to sell internally. Sponsorship, unlike traditional media, will not reach consumers unless the field gets behind it and sells it to the trade, who then must promote it. A program will not work unless the concept is sold throughout the system and meets the needs of all the various constituencies.

Overlooking the fans. Sponsorship will not work if it is imposed on an audience. Sponsors and properties must help audiences look beyond the obvious trappings of sponsorship, such as perimeter signage, to the value-added benefits sponsors are bringing. It must be communicated to fans and audiences that, as a result of the sponsorship, they are getting events that would not otherwise visit their market, more affordable ticket prices, enhanced programming or some other tangible benefit. To make an impact, it is key that the sponsor is seen as bringing something to the event. The activity must be perceived as being provided by the brand rather than simply sponsored by it.

Table 7.5 What's Your Sponsorship Policy?

Lesa Ukman, President & Founder, IEG, Inc.

Sometimes, the biggest obstacles to selling sponsorship are internal staff or members of the board of directors who oppose sponsorship or operate under dated ideas that do not reflect the marketplace.

While a sponsorship policy will not solve every problem, all rightsholders--for profit and nonprofit--should have written sponsorship guidelines, governing what is and is not for sale; which industries are and are not acceptable; and how to balance the needs of sponsors and the organizations' need to maintain athletic/intellectual/artistic integrity.

The creation and annual review of policy institutionalizes ongoing examination of the issues. The policy, or at the least its governing philosophy, should be shared with all stakeholders: fans, members, sponsors, media, etc.

No set of rules can fit every circumstance, and except for violations of nonprofit law, the guidelines are just that, guides not absolutes. And what works for one, will not necessarily work for another. For example, while an environmental organization is likely to welcome a partnership with an environmentally responsible marketer of candy bars, a school district may want to partner only with healthful foods.

Your sponsorship policy should address:

Sponsorship objectives: Is the primary motive for selling sponsorship cash or would promotional commitments—-which can drive attendance, membership, donations, awareness, etc.—-be more valuable?

What rights will and will not be incorporated into your sponsorship offers?
Will you allow category exclusivity?
How about title?

Who determines what can and can't be sponsored?

Are there companies or business categories from which you will not accept sponsorship?
Who are they and what's the rationale?

Who's in charge of selling? Who can sign the contract? Who manages servicing?

When and how often will the policy be reviewed?

Table 7.6 Is Sponsorship a Smart Career Move?

From IEG Sponsorship Report

AT ISSUE: Is experience as a sponsorship manager a good stepping stone?
TAKEAWAY: Those responsible for integrated sponsorships develop multiple skills, but must market themselves properly to avoid being categorized as specialists.

John Hancock Financial Services, Inc. CEO David D'Alessandro represents many things to many people. To Olympic officials, he is both benefactor and prosecutor. To Hancock shareholders, he is–for now at least–a genius. To network TV execs, he is a scourge.

And to those who have chosen to devote a significant part of their careers to buying and managing sponsorships, he is a patron saint. D'Alessandro is the one shining example of someone who has made his mark as a sponsor and rose all the way to the top of the org chart.

But for every sponsorship manager who sees D'Alessandro's rise as a beacon of hope, there are others who say he is the exception that proves the rule: Choosing sponsorship as a career path does not place one in the express lane to the executive suite.

Whether to concentrate on sponsorship is a dilemma unique to buyers. Sponsorship salespeople, if they demonstrate themselves adept, will not lack opportunity within the industry. And should they choose to sell in another field, an established track record as a deal-closer will be welcomed almost anywhere.

As for buyers seeking to move up the corporate ladder–or at least transition to other areas within their own companies or elsewhere–they must ask whether sponsorship is the road to success or a dead end.

The Trouble with Sponsorship

For all of the gains sponsorship has made in becoming an integral part of marketing, many in the industry still run into internal and external executives with an old-fashioned and limiting view of the discipline.

"Despite the fact that sponsorship is a more significant tool than ever and should be considered a mainstream activity, it is not," said Derek Murphy, who left his position as vice president, sponsorship marketing at American Express Co. last year and is now vice president, business development & marketing communications for Skillgames, Inc., Walker Digital's online gaming venture with Walt Disney Co.

"Sponsorship was definitely below the radar screen at Amex in terms of being understood. It is very rare that when I say sponsorship, people really know what that means. There is still a knee-jerk response that it's about putting up signs."

The job-hunting experience of even veteran sponsorship executives does not paint a pleasant picture. For example, Mava Heffler, former senior vice president, global promotions and sponsorships for MasterCard Int'l, Inc., faced an uphill struggle when she left the company two years ago.

"It was bad enough I was leaving MasterCard in part because sponsorship didn't get the credit and respect it deserved," she said. "Then to be faced with marketing executives and hiring people who viewed sponsorship so myopically and to be branded as a limited person was very upsetting."

Even with a Harvard Business School case study documenting the integrated marketing programs and ROI of MasterCard's FIFA World Cup sponsorship, Heffler found it difficult to shake others' perception that sponsorship is a separate, specialized discipline.

Having recently left her most recent position as senior vice president, marketing and research at CNBC, Heffler now is having an easier time presenting her credentials. "My abilities are no different, but they have been legitimized by my latest job functions."

Sprint Corp.'s Mike Goff parlayed success as chief architect of the company's sponsorship portfolio into a position as vice president of brand management, where his responsibilities include the telco's online presence and media buying. However, he has no illusions that Sprint's well-respected sponsorship campaigns would have been enough to propel him farther up the hierarchy. "I wouldn't have been given this responsibility if I didn't have experience in traditional marketing management and in an ad agency," he said. "If your sole focus is sponsorship, you will be seen as a specialist, and that will limit your potential to advance."

Part of the problem is that at most companies, advancement beyond middle management means leaving sponsorship behind. While Heffler experienced some frustration once she got there, at least she was one of the few who have been able to attain a senior executive-level sponsorship position.

Rarely does the top sponsorship position rank higher than the director level. Even with estimated budgets in excess of $65 million, four of IEG SR's top 10 U.S. sponsors (IEG SR, Dec. 18, 2000) do not confer vice president status on their highest-ranking sponsorship executive.

"With the exception of a Coca-Cola or Nike, there aren't a whole bunch of sponsorship jobs at a senior level; in that way it is a very limiting career," said Art McCabe, vice president of global marketing for the ADC Software Systems Division of ADC Telecommunications, Inc. and former director, corporate event marketing for Ericsson Mobile Communications AB.

Fighting Perceptions with Reality

For those looking to transition into new areas, it is possible to overcome the objections of people with an outdated or simply incorrect view of sponsorship. They must be shown that a background in sponsorship means experience in just about every other marketing discipline.

That task should be relatively straightforward if the candidate has experience with fully integrated sponsorship programs. "Working on a well managed sponsorship campaign is like getting a mini MBA," said Cathy Griffin, managing director, sports and entertainment for executive recruiter Korn/Ferry Int'l, who began her career in the sports marketing department at Pepsi-Cola USA in the mid 1980s.

In addition to delivering experience in media advertising, promotions, direct marketing, PR, loyalty programs, B2B marketing and end-user sales, integrated sponsorships offer managers the potential to acquire skills in negotiating, valuing, project management, internal sales, joint ventures and crisis management.

“Even if the person reviewing your resume does not understand sponsorship, they will understand the skills that go into it,” said Pamela Robinson, owner of an eponymous executive recruiting firm specializing in entertainment marketing.

She points out that sponsorship managers putting together their credentials should follow the same advice they give to sponsorship sellers looking to send proposals: “Don't just spell out your attributes, do research on what issues the company is facing and show them how you can help meet their objectives.”

Among the most marketable skills gained by **sponsorship managers are those stemming from evaluating opportunities, crafting deals and measuring return.** “You learn how to assess a potential partner's assets, as well as self-assess the assets you bring,” Murphy said, noting that such experience is good preparation for working on a variety of partnerships–from hiring CRM vendors to negotiating content agreements.

“Doing due diligence means understanding the business models of a number of different properties, while working with various ROI models is something that people in other marketing areas rarely develop an acumen for,” said McCabe.

Even managers who work for a company where sponsorships are not completely activated can take steps to put their best foot forward. “Build relationships with colleagues in traditional marketing departments or in one of the key business units,” Goff advised. “Learn from them and leverage those contacts.”

“If sponsorship is seen as an island, the onus is on you to build bridges and position yourself and your department as creating new business opportunities and embracing innovation and creativity,” said Murphy.

The good news is the situation can only improve. Inevitably, as marketers and executives who have only known sponsorship as a completely integrated marketing vehicle move into positions of authority, job applicants with sponsorship experience will no longer need to make the case for the medium.

Patrick Cotting, who last week left his post as vice president, marketing alliances and sponsorships at Credit Suisse E-Investment Services Europe to join broadcaster Eurosport as director strategic alliances, believes sponsorship will slowly but surely gain respect, just as marketing in general has. “Fifteen years ago, marketing was seen as a soft subject, not that important to the overall health of a business. Now, financial and investment analysts' reports point to marketing and branding as among the most important assets of a company.”

Positioning for Advancement
Below, some steps those looking to move on and up can take:

1. **Avoid sponsorship departments that are not part of the central brand development or marketing function.** “Sponsorship managed out of the office of the president or considered a staff position rather than a line management position makes it much easier for a recruiter or hiring contact to dismiss it as strictly executional,” said Buffy Filippell, president of sports executive search firm TeamWork Consulting, Inc., herself a former Wilson Sporting Goods sports marketer and IMG staffer.

2**. Exploit revenue-generating opportunities**. Even if their current position does not require a payout analysis of projects, sponsorship managers should quantify the impact their efforts have on the bottom line. “Revenue generators advance the quickest at most companies,” said Tom Mueller, president of Sport Management, Inc. Mueller was responsible for ties at Mercury Marine in the early 1990s. “When I was a sponsorship manager, we often got wrapped up in how big a budget we had control of. People who are going to hire you don't care how much you can spend, they want to know what you can bring in.”

3. **Lobby for a change in terminology**. Since many employers have preconceived notions of sponsorship, those with that term in their departments and titles should seek a new descriptor. *Marketing alliances, business partnerships or partnership marketing* are possibilities. “Marketing alliances implies more than the supporting instrument role played by sponsorship. It suggests partnerships closer to joint ventures,” Cotting said.

4. **Use resumes for clarification.** “The biggest mistake people make is to assume that the people looking at a resume are familiar with what the previous employer does, what the duties of a position are and where it fits in the organization,” Filippell said. “Titles can be misleading, so everything must be spelled out.”

5. **Don't wait too long to make a change**. For those considering taking their sponsorship skills to the property or agency side or seeking a different management position at another corporation, a move is easier before they advance too far. “There is an element of risk in hiring someone who is changing roles,” Filippell pointed out. “At a salary level of $50,000 to $100,000, an organization will take that risk, but a senior vice president making $200,000 may be too big a leap.”

Sponsorship Stops Along the Way

Paula Balzer, Chief marketing officer, Clear Channel Entertainment
1990: Vice president, client service, Contemporary Group
1988: Manager, special events, Maxwell House Coffee Co.
1986: Vice president, Lobsenz-Stevens

Jeff Bliss, President, The Javelin Group
1994: President & CEO, Sara Lee Olympic Partnership
1989: Senior vice president & chief marketing officer, World Cup USA 1994
1984: Director, corporate sponsors, Los Angeles Olympic Organizing Committee

Ron Dickson, Partner, Three Wide
1999: Vice president, corporate partnerships, Eastman Kodak Co.
1995: General manager, marketing communications, Eastman Kodak Co.
1994: President, direct division, Barkley & Evergreen Advertising

Mava Heffler, Senior vice president, marketing and research, CNBC (through August 3, 2001)
1999: Senior vice president, Cendant Netmarket Group, Inc.
1995: Senior vice president, global promotions & sponsorships, MasterCard Int'l, Inc.
1985: Director, sales promotion & PR/Personal Products Co., Johnson & Johnson

Steve Koonin, Executive vice president and general manager, Turner Network Television
1998: Vice president, consumer marketing, The Coca-Cola Co.
1989: Director, entertainment marketing, Coca-Cola USA
1986: Promotions manager, fountain sales, Coca-Cola USA

Seth Matlins, Corporate consulting, Creative Artists Agency
1998: President, Rock The Vote
1994: Vice president, ProServ
1989: Special events coordinator, Evian Waters of France, Inc.

Tom Mueller, President, Sport Management, Inc.
1995: Executive director of pro competition, American Motorcyclist Assn.
1989: Marketing director, Mercury Marine
1987: Manager, PR and promotions, Wrangler Jeans

Derek Murphy, Vice president, business development & marketing communications, Skillgames, Inc.
1999: Vice president, sponsorship marketing, American Express Co.
1992: Manager, corporate strategic planning, American Express Co.
1991: Associate, corporate finance, Bankers Trust

Drew Sheinman, President, Simon Brand Ventures
1992: Director of sports management, Coca-Cola USA
1990: Vice president, business development, Madison Square Garden Enterprises
1986: Vice president, marketing, MLB New York Mets

Cindy Sisson, Partner, Tailwind Sports, LLC
1995: Director of marketing, Roush Marketing Services, Inc.
1993: Manager of sports marketing, Gatorade
1991: Director of promotions, LPGA

Tony Wells, Vice president, regional managing director, General Motors R*Works Western region
2000: Senior director, national sales, SFX Sports Group
1997: Vice president, partnership marketing & sales, The Mills Corp.
1995: Advertising manager, Mid-Atlantic region, Nissan Motor Corp. U.S.A.

Table 7.7 IEG Sponsorship Glossary and Lexicon

Jim Andrews, Vice President, IEG, Inc.

Activation: The marketing activities a company conducts to promote its sponsorship. Money spent on activation is over and above the rights fee paid to the sponsored property. Also known as leverage.

Ambush Marketing: A promotional strategy whereby a non-sponsor attempts to capitalize on the popularity/prestige of a property by giving the false impression that it is a sponsor. Often employed by the competitors of a property's official sponsors.

Arts Marketing: Promotional strategy linking a company to the visual or performing arts (sponsorship of a symphony concert series, museum exhibit, etc.). See: Sponsorship

Audio Mention: The mention of a sponsor during a TV or radio broadcast.

Business-to-Business Sponsorship: Programs intended to influence corporate purchase/awareness, as opposed to individual consumers.

Category Exclusivity: The right of a sponsor to be the only company within its product or service category associated with the sponsored property.

Cause Marketing: Promotional strategy that links a company's sales campaign directly to a nonprofit organization. Generally includes an offer by the sponsor to make a donation to the cause with purchase of its product or service. Unlike philanthropy, money spent on cause marketing is a business expense, not a donation, and is expected to show a return on investment. See: Sponsorship

Core Sponsor: Concept developed by IEG to describe companies whose sponsorships are aligned with internal practices. Rather than using sponsorship as a marketing ploy, Core Sponsors gain loyal customers by living their values. What they sponsor reflects the DNA of their brand. Core Sponsors include Ben & Jerry's, Harley-Davidson, Patagonia, Timberland, Vans, Virgin and Yoplait.

Core Sports: Term developed by Vans to refer to youth sports that feature individual, rather than team, competition, including: skateboarding, snowboarding, surfing, wakeboarding, BMX, supercross, and freestyle motocross.

Cosponsors: Sponsors of the same property.

Cost/Benefit Ratio: This is the ratio that IEG has developed based on market pricing to determine the amount of value a sponsor expects for each dollar invested in rights fees.

CPM (Cost Per Thousand): The cost to deliver an ad message to a thousand people.

Cross-Promotions: A joint marketing effort conducted by two or more cosponsors using the sponsored property as the central theme.

Customer Loyalty: The new imperative of marketing. As the marketplace approaches a supersaturation of products - as the power in the marketing equation shifts from product to consumer - brand loyalty disappears. To survive, companies will have to create loyalty relationships with their customers, one customer at a time.

Editorial Coverage: Exposure that is generated by media coverage of the sponsored property that includes mention of the sponsor.

Emblem: A graphic symbol unique to a property. See: Mark

Escalator: An annual percentage increase built into the sponsorship fee for multi year contracts. Escalators are typically tied to inflation.

Event Marketing: Promotional strategy linking a company to an event (sponsorship of a sports competition, festival, etc.). Often used as a synonym for "sponsorship." The latter term is preferable however, because not all sponsorships involve an event, per se. See: Sponsorship

Fulfillment: The delivery of benefits promised to the sponsor in the contract.

Generation Y: The 71 million people born between 1977 and 1994.

Hospitality: Hosting key customers, clients, government officials, employees and other VIPs at an event. Usually involves tickets, parking, dining and other amenities, often in a specially designated area, and may include pro-am spots, backstage tours, etc. Synonym: Client Entertainment

In-Focus Coverage: Amount of time sponsor identification is visible to TV viewing audience during event broadcast.

In-Kind Sponsorship: Payment (full or partial) of sponsorship fee in goods or services rather than cash.

Licensed Merchandise: Goods produced by a manufacturer (the licensee) who has obtained a license to produce and distribute the official Marks on products such as clothing and souvenirs.

Licensee: Manufacturer which has obtained a license to produce and distribute Licensed Merchandise.

Licensing: Right to use a property's logos and terminology on products for retail sale. Note: While a sponsor will typically receive the right to include a property's marks on its packaging and advertising, sponsors are not automatically licensees.

Make-Goods: Benefits provided to advertisers to make up for a program's low ratings.

Mark: Any official visual representation of a property, including emblems and mascots.

Marketing Surplus: A theory developed by McKinsey's David Court, which holds that success is determined not by market share, but by which one of the entities in any transaction - from raw-goods supplier through manufacturer, retailer, and consumer - holds the greatest amount of the surplus or profit made at each step of the process. As the market reaches saturation, marketing surplus moves to the consumer.

Mascot: A graphic illustration of a character, usually a cartoon figure, used to promote the identity of a property. See: Mark

Media Equivalencies: Measuring the exposure value of a sponsorship by adding up all the coverage it generated and calculating what it would have cost to buy a like amount of ad time or space in those outlets based on media rate cards.

Media Sponsor: TV and radio stations, print media and outdoor advertising companies that provide either cash, or more frequently advertising time or space, to a property in exchange for official designation.

Municipal Marketing: Promotional strategy linking a company to community services and activities (sponsorship of parks and recreation programs, libraries, etc.).

Option to Renew: Contractual right to renew a sponsorship on specified terms. See: Right of First Refusal

Philanthropy: Support for a nonprofit property where no commercial advantage is expected. Synonym: Patronage

Perimeter Advertising: Stationary advertising around the perimeter of an arena or event site, often reserved for sponsors.

Premiums: Souvenir merchandise, produced to promote a sponsor's involvement with a property (customized with the names/logos of the sponsor and the property).

Presenting Sponsor: The sponsor that has its name presented just below that of the sponsored property, i.e., "The Kroger Senior Classic presented by Fifth Third Bank," or "The Music of Andrew Lloyd Webber presented by MCI" or "AT&T presents Cirque du Soleil." In presenting arrangements, the Event name and the Sponsor name are not fully integrated since the word(s) "presents" or "presented by" always come between them.

Price Adjusters: Market factors identified by IEG that increase or decrease the value of a sponsorship. These can include the value of a sponsor's promotional commitment, the number of saleable categories purchased and the length of the contract.

Primary Sponsor: The sponsor paying the largest fee and receiving most prominent identification. (Would be title sponsor if sponsored property sold title.)

Property: A unique, commercially exploitable entity, (typically in sports, arts, events, entertainment or causes). Synonyms: sponsee, rights-holder, seller

Right of First Refusal: Contractual right granting a sponsor the right to match any offer the property receives during a specific period of time in the sponsor's product category.

Sales Rights: The ability of a sponsor to earn back some or all of its sponsorship fee selling its product or service to the property or its attendees or members.

Signage: Banners, billboards, electronic messages, decals, etc., displayed on-site and containing Sponsor ID.

Sole Sponsor: A company that has paid to be the only sponsor of a property.

Sponsee: A property available for sponsorship.

Sponsor: An entity that pays a property for the right to promote itself and its products or services in association with the property.

Sponsor ID: Visual and audio recognitions of sponsor, e.g., sponsor name/logo on participant clothing, equipment, etc.; in property's publications and advertising; public-address and on-air broadcast mentions.

Sponsorship: The relationship between a sponsor and a property, in which the sponsor pays a cash or in-kind fee in return for access to the exploit-able commercial potential associated with the property.

Sponsorship Agency: A firm which specializes in advising on, managing, brokering or organizing sponsored properties. The agency may be employed by either the sponsor or property.

Sponsorship Fee: Payment made by a sponsor to a property.

Supplier: Official provider of goods or services in exchange for designated recognition. This level is below official sponsor, and the benefits provided are limited accordingly.

Time Buy: When an event or event sponsor buys time from the broadcaster and is responsible for selling the advertising.

Title Sponsor: The sponsor that has its name incorporated into the name of the sponsored property, e.g., the Nokia Sugar Bowl Classic.

Tribal marketing: Term coined by First Matter to refer to the creation of affinity groups for commercial ends. Perhaps the most notable and successful contemporary example is Harley Davidson, which has coupled the sale of motorcycles and peripherals to the creation of weekend motorcycle clubs and an entire way of life built around Harley-Davidson products. Tribal marketing works best when it is constantly reinforced with icons.

Venue Marketing: Promotional strategy linking a sponsor to a physical site (sponsorship of stadiums, arenas, auditoriums, amphitheaters, racetracks, fairgrounds, etc.).

Virtual Signage: The insertion of signage electronically during a TV broadcast that is not actually present at the event.

Web Sponsorship: The purchase (in cash or trade) of the right to exploit the commercial potential associated with a site on the World Wide Web, including integrated relationship building and branding.