



By Gary Brown & Lisa Brown

Selling Through Sponsorship

Where Sales and Marketing Meet

What should our company sponsor and how can we maximize return on our investment? Unfortunately, for some companies, this question receives inadequate consideration. As a result, sponsorship decisions are made without examining the relevance of the investment to the marketing plan and overall corporate sales priorities.

Sponsorship is an investment by a corporation in a not-for-profit organization or property in exchange for commercial benefits. Sponsorships are business relationships. They are not charitable contributions, philanthropy, or grants.

Companies sponsor for a variety of reasons, including to increase sales, target market, facilitate customer and employee loyalty and retention, and enhance branding/imaging. Over the past ten years, sponsorship expenditures have increased by approximately 250% in North America.

This explosion in growth reflects the stark realization that sponsorship affords marketing opportunities, unavailable in other types of promotions. Sponsorship allows companies to meet and talk directly with customers, obtaining feedback on everything from spending habits to suggestions for product or service improvements.

Sponsorship can permit direct sales opportunities, and the effectiveness of the investment is measurable in both quantitative and qualitative terms. Well placed sponsorship investments are also extraordinarily cost effective.

With the unique benefits of sponsorships being more clearly and readily identifiable, they are becoming a much more integral part of the marketing mix. Companies are beginning to take a strategic approach to sponsorships and are dedicating more employee time to coordinating sponsorships. They are also

hiring outside experts. In addition, companies are using sophisticated measures to evaluate sponsorship proposals in terms of real business value.

If you're going to succeed, you need to treat sponsorships seriously before your competition realizes the benefits, and beats you to reaping the advantages first.

Here's a brief outline of how to go about creating an effective sponsorship program.

■ Develop a Sponsorship Strategy.

This is aimed at establishing a relationship between what you sponsor, your brand values, and the values of your customers. Make sponsorship part of your marketing mix – not a haphazard investment that has little or nothing to do with your business.

■ Establish Criteria for Assessing Sponsorship Proposals.

A tremendous amount of time can be wasted plowing through mounds of sponsorship requests. Clear application forms and assessment criteria can ease frustration and allow for quick decision-making.

■ Determine the Benefits.

Ill-informed sponsorship decisions are ones rooted in the belief that visibility is the only real benefit one can expect from a sponsorship. But there is more to it: Can you sell at the event you're sponsoring? Can you provide a product demonstration? Can an opportunity be built-in for you or your CEO to connect with customers? Is there a client entertainment opportunity? Can you survey the attendees or participants? Would the sponsor recipient's membership database be of interest to you? Visibility is the beginning, but not the end.

■ Pricing and Payment.

Ensure that your expectations in the sponsorship agreement

are appropriately tied to the price and payment provisions. If you don't know what a certain sponsorship typically costs in the market, access the expertise that can tell you.

■ Communication.


Keeping in touch with your sponsor partner can help ensure that there aren't any misunderstandings that might compromise an otherwise solid investment for both parties.

■ Evaluation.

Did you get what you paid for? Did you reach the demographic or psycho-graphic population you were after, and promised? Would you participate again and, if so, what changes would you like made to the terms of any future involvement? Ensure that the targets for the sponsorship are measured.

■ Dedicate Resources.

Sponsorship success comes with ensuring that the expertise and support is there to maximize return on investment and avoid unnecessary costs.

The best sponsorships are partnerships and, as such, are a relationship-building exercise. Effective sponsorships will reward companies not only with a sales advantage, but with the potential for very productive, on-going relationships. 

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