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FOR SOME sponsors like Cadbury Schweppes, the decision to invest in an event is a natural one. Andrew Kelly, the company's sponsorship manager, explains: 'Cadbury Schweppes is the leading supplier of drinks and confectionery in the golf market in Australia and the Cadbury Schweppes Australian PGA Championship is the leading professional golf tournament in Australia so it's a perfect fit.'

Conrad Jupiters likes to boost its brand's own glamour quotient by linking it with that of another glittering name—the Magic Millions Carnival. Public Relations Manager, Donna Campbell, reveals what naming rights sponsorship can offer the company that traditional advertising cannot: 'It's specifically aimed at our target audience, not just in Australia but in Asia, which is a key market for us.'

Source: <www.queenslandevents.com.au/news/>

As these extracts illustrate, the 'fit' between a sponsor and an event is critical. A sponsor seldom commits to an event on purely altruistic grounds. There is generally a motive, such as developing brand awareness in association with a particular product. For example, the sponsor will choose a sport that attracts an event audience that has the appropriate characteristics. This is why a beer company will select a sporting code (such as soccer) with a corresponding audience demographic and a car manufacturer will choose another sporting code (such as rugby union) with a different demographic. Most large organisations have long-term strategic plans for sponsorship that are closely linked with their marketing plans. This is again illustrated in the fit between sponsor and event for the Optus National Country Music Muster shown in Figure 7.1.

Inexperienced event organisers often assume that big companies will be generous with sponsorship for small events and often the first step suggested by the committee is to contact corporations. Unfortunately, this seldom works, because companies of this size already have well-established plans, with specific objectives to be achieved as part of their sponsorship deals. In fact, in most cases, the outcome is a joint marketing effort by the sponsor and the event organiser. Most large organisations also have policies with regard to sponsorship and for this reason will reject a request from a fringe arts festival, for example, if this is not consistent with their marketing plan and policy to support a sporting code.

Many organisations have corporate charity partnerships as a means of achieving corporate social responsibility (CSR) goals, one example being Australia Post and Merry Makers Australia, a dance troupe with intellectual or physical disabilities ranging in age from 6 to 56 (Williams 2010). Another example is that of the Telstra Business Women's Awards. The Commonwealth Bank is also a sponsor of these awards.

If a straightforward donation, or patronage, is made to an event, without strings attached (no logo, publicity, etc.), this is known as philanthropy. When seeking assistance for an event, it is important to identify whether the request is for a donation or a sponsorship arrangement. Sponsorship is defined as follows:

A 'partnership' between an organisation and another organisation or event in which the sponsor publicly endorses an activity and ties its reputation with that of the organisation or event being sponsored.

Source: <www.murdoch.edu.au/cwisad/glossary.html>

FIGURE 7.1
Fit between
sponsor and
event

OPTUS NATIONAL COUNTRY MUSIC MUSTER

... 'there are no strangers at the Muster; just friends you haven't met yet ...'



The Optus Muster's picturesque 50-hectare site is an ideal location for this great festival. The site, 2 hours' drive north of Brisbane, 40 minutes from Noosa and 1 hour from heritage listed Fraser Island, is easily accessible by large vehicles—just watch for meandering cows!

Over 50 community groups and 2000 volunteers annually help the event organisers, Gympie Apex Club Inc. to stage this non-profit community-based festival to raise funds to assist charities Australia-wide. Since its inception in 1982, the Optus Muster has raised over \$12M for charities and community groups. The Optus Muster also raises funds through its Rural Aid Appeal, annually raising up to \$100,000 for its nominated charity. Funds are raised through sales from a range of merchandise which includes CDs & DVDs, shirts, caps, leathergoods and Bundaberg Rum.

As well as traditional and modern country, entertainment within 13 other stages and venues includes an aural collage ranging from folk, bluegrass, balladeers and gospel, to blues, bush poetry, clogging, linedancing, salsa and rock 'n roll ... there's even a theatre production, celebrity guest debate and the serious competition of the Maton Talent Search where future careers are established.

The Optus Muster's picturesque 50-hectare site is an ideal location for this great festival. The site, 2 hours' drive north of Brisbane, 40 minutes from Noosa and 1 hour from heritage listed Fraser Island, is easily accessible by large vehicles—just watch for meandering cows!

Source: <www.muster.com.au>, Optus National Country Music Muster.

Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers in return some rights and association that may be used for commercial advantage.

The key distinction between sponsorship and patronage is that no commercial advantage is sought or expected in return for the support of a patron.

Source: <www.sponsorship.co.uk>.

With these definitions in mind, it is clear that any hint of poor media exposure (e.g. drugs in sport, crowd safety issues) is likely to make the sponsor very edgy!

Potential sponsors may include:

- ★ individuals
- ★ private companies
- ★ corporations
- ★ government agencies
- ★ industry associations
- ★ educational institutions
- ★ community organisations.

Sponsorship may cover:

- ★ naming rights for events or event venues (e.g. Optus National Country Music Muster)
- ★ media coverage (e.g. a particular channel always broadcasting a particular series or event creating viewer loyalty)
- ★ staging or performances costs
- ★ telecommunications expenses (e.g. providing communications equipment and service for the event)
- ★ IT support (e.g. scoring, results processing)
- ★ overall sponsorship of the event (e.g. agricultural conference sponsorship)
- ★ physical items (e.g. satchels, prizes)
- ★ food and beverage (e.g. morning and afternoon teas)
- ★ travel for performers, artists or athletes
- ★ entertainment (e.g. new talent)
- ★ speaker sessions (e.g. supporting topical research such as salinity)
- ★ ongoing organisational activities (e.g. annual publications)
- ★ one-off promotional activities or projects.

However, planning a sponsorship program is not a haphazard process; it requires a targeted approach with specific outcomes for both the sponsor and the event organisation. Sponsorship arrangements can, in fact, make or break an event. For example, champion surfer Layne Beachley was recently thrown a financial lifeline by the Commonwealth Bank in a last-minute deal to save the Beachley Classic pro-surfing event. The five-day competition had been hanging in the balance as Beachley and organisers scrambled to find a major sponsor to plug an \$80 000 funding gap (Bashan 2008).

DETERMINE SPONSORSHIP REQUIREMENTS AND OPPORTUNITIES

The first step in determining sponsorship requirements is to establish the amount of financial or other support needed; the second step is to identify items, activities or projects that may have sponsor appeal. Only then is it possible to identify potential sponsors for a particular activity and the fit with the sponsor organisation's profile.

When approaching a potential sponsor, it is essential to address the motivational factor(s) that will spark the potential sponsor's interest. (This is particularly important when making an approach in writing.) Motives for sponsoring events fall into five major categories, as

outlined below. Once the sponsor's motives have been clarified, it is then a matter of developing (where possible) measurable objectives, so that when the event is over the benefits of the sponsorship arrangement can be demonstrated.

BROAD CORPORATE AND SOCIAL OBJECTIVES

Broad corporate and social objectives for a sponsor organisation include community involvement, promoting the organisation's image and linking the company's image to success. Any change in audience attitude to corporate and social objectives of sponsors is, however, hard to measure. Public perception of an organisation shifts very slowly and it is difficult to evaluate this shift over a short time span. Qantas, for example, promotes its corporate image by linking advertising to sporting achievement and national pride, thus cementing its image as the national carrier. Other organisations prefer to support local rather than national events.

PRODUCT/BRAND-RELATED OBJECTIVES

Many sponsors use events to promote a product. Examples of products include airline travel, beer, wine and communications products. Examples of sponsoring organisations include Qantas, Heineken, Lion Nathan, Lindeman's and Telstra. They in turn may have a number of brands. For example, Lion Nathan has several brands in Australia: Toohey's New, Toohey's Extra Dry, XXXX Gold, Hahn Premium Light, Heineken, James Squire Golden Ale and Beck's. The organisation may choose a specific event to promote just one of its products. In many cases, the brand can be sampled at the event (especially beer at sporting matches), hopefully leading to higher brand awareness and strengthening brand preference.

SALES OBJECTIVES

Sales objectives are far more specific, having to do with the sales force prospecting for new customers and strengthening relationships with current customers. Sales staff may circulate at an event. At one recent event a mobile telephone company built product awareness through personal selling. Roving sales staff took photos of spectators and then (with their permission) sent these photos to friends of the spectators using mobile phone technology.

Business-to-business relationships can result from networking between a number of sponsors for a particular event, in turn leading to long-term benefits to all sponsor organisations in the alliance. Events such as the Olympic Games offer exclusive rights and all sponsors must work inclusively with other sponsors, using only their products and services.

Santos is a major partner for the Darwin Festival



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Data capture is of significant benefit to sponsors of trade exhibitions and conferences because the contact information of all attendees is available to sponsors to be used at a future date for direct mail purposes.

MEDIA COVERAGE

Gaining media exposure is one of the most obvious objectives of sponsors. Who has not seen the winning captain put on a cap featuring the sponsor logo before being congratulated on prime time television and thanking the sponsor in view of hundreds of thousands of television viewers? There are many ways that the sponsor organisation can gain media coverage before, during and after the event. Outdoor advertising, publicity activities, branded clothing items and extensive signage are all part of this package.

CORPORATE HOSPITALITY

Hospitality (in the form of corporate boxes) is often a key element of a sponsorship package. The guests are generally current or prospective clients who are entertained during the event. In some cases, the hospitality is also provided to key staff as an incentive for good performance.

SOURCE SPONSORSHIP

According to the ABS Business Generosity Survey, during 2000–01 businesses gave almost \$1.45 billion to organisations and individuals, of which sport and recreation activities received \$628 million (43%). This comprised \$480 million of sponsorship, \$109 million of donations and \$39 million of 'business to community projects' funding. Activities associated with sport and recreation attracted the most business sponsorship compared with the other activities surveyed, namely community service and welfare, health, education and training, environmental activities, and arts and culture (ABS, cat. no. 1301.0).

The Bell Shakespeare Company has two leading partners, Optus and Westpac, as well as major sponsors, supporting partners, company partners, community partners and government partners. The organisation also relies on private giving. There are thus several funding sources supporting just one theatre company.

Some sponsors support events as part of their community profile. For example, McDonalds is the Founding Partner of Clean Up Australia and has been working with the organisation since the first Clean Up in 1989. Clean Up Australia also accepts donations and bequests.

A sponsorship proposal should outline the benefits to the sponsor and associated costs. Once a sponsor indicates interest in the proposal, a period of negotiation generally ensues. It is important to note that the timelines for sponsorship negotiation are generally significant. Three to five years should be allowed for locking in a major sponsor and, during this time, frequent contact should be made with the potential sponsor to maintain their interest in the proposal. Agreement to the sponsorship concludes with the signing of a written contract, including full details of the commitment made by both parties.

Finalisation of the sponsorship agreement has to occur before any of the following can be planned and implemented:

- ★ printing brochures and posters
- ★ developing a website
- ★ ticketing
- ★ merchandising
- ★ signage.

Sponsorship may include sponsorship packages, value-in-kind sponsorship and/or naming rights. These are outlined below.

SPONSORSHIP PACKAGES

Figure 7.2 illustrates the ways in which sponsorship packages can be developed to meet the needs of different types of sponsor; in this case there were six levels of sponsorship: platinum, gold, silver, bronze, trade and special. Sponsorship was for a regional conference, co-hosted by the Australian and New Zealand Societies for Horticultural Science (AuSHS and NZSHS), on 'Harnessing the Potential of Horticulture in the Asia-Pacific Region'. It was held in conjunction with the Fifth International Strawberry Symposium.

For smaller events there is often only one type of sponsorship or one sponsor.

FIGURE 7.2
Example of a
sponsorship
package

REGIONAL HORTICULTURAL CONFERENCE PROGRAM OUTLINE & SPONSORSHIP OPPORTUNITIES

The Regional Horticultural Conference is a joint initiative of the Australian and New Zealand Societies for Horticultural Science in association with the New Zealand Society for Plant Physiology, and is proudly supported by the Horticulture Australia Ltd, Department of Primary Industries, Queensland and the University of Queensland.

The event builds on the synergies across the Tasman and to develop an effective network of horticultural scientists across the Asia-Pacific Region. The Conference is being held in conjunction with the Board, Executive and Council meetings of the International Society for Horticultural Science and the Fifth International Strawberry Symposium, also being held at the Hyatt Regency Coolom in August to September.

Program Outline

Details of the Conference program can be found on <http://www.aushs.org.au/>. The conference program is structured to provide for variety in presentation styles, including formal presentations, workshops and field activities.

Date	Program
Tuesday 31 Aug	Arrival / Welcome Reception / Pre-conference technical tour
Wednesday 1 Sep	Official Opening / Speaker Program 'Achieving commercial potential – Case Studies from discovery through to commercialisation', 'Harvesting the genetic potential', and 'Reaching the potential for sustainable horticulture' – papers, case studies or workshops / Taste of Australia – horticultural delights and wine/ Aussie barbecue
Thursday 2 Sep	Speaker Program: 'Building Bridges – unlocking the potential for international collaboration', and 'Education and Training – training the potential horticulturists of the future' / Poster Session / Annual General Meetings / Conference dinner
Friday 3 Sep	Speaker Program: 'Enhancing Economic Potential by Innovative Production Systems', and 'Harnessing the potential of sensory and postharvest technologies' – papers, case studies or workshops.
Saturday 4 Sep	Technical Tour of horticultural enterprises on the Sunshine Coast / Departure

Sponsorship Opportunities

Attached for your information are details of the wide range of sponsorship opportunities available to your company. Should you require further details please do not hesitate to contact:

Australia: Jodie Campbell e-mail Jodie.ac@bigpond.com.au
New Zealand: Jill Stanley

Sponsorship Registrations

We look forward to your early acceptance of this exceptional opportunity to capture high profile exposure for your goods and services. As they say, the 'early bird gets the worm'.

Jodie Campbell
Conference Secretariat

continued

FIGURE 7.2
continued

**REGIONAL HORTICULTURAL CONFERENCE
SPONSORSHIP ENTITLEMENTS and OPPORTUNITIES
'PLATINUM SPONSOR' — \$20,000 ***

We are proud to offer the following 'Platinum' sponsorship entitlements:

- Exclusive category representation on a first come, first served basis (eg. no other sponsor will be accepted if they directly compete in the same market with same or similar products or services).
- Prime location mega-display booth of 6 metres x 3 metres with high exposure to delegates during the conference.
- Acknowledgment as a 'Platinum Sponsor' in the pre-conference brochures, magazines, and other promotional materials.
- Opportunity to make a five minute presentation during the main conference program.
- Naming rights to conference dinner.
- Public acknowledgment of support at the beginning, during and at the end of the conference.
- Unlimited opportunity to include promotional materials in delegates conference kits.
- Opportunity to display signage on auditorium stage during conference.
- Frequently repeated exposure of individual corporate logo on sponsor's screen via electronic display during all sessions.
- Be provided with contact details of all conference participants for post conference service.
- Five complementary conference session registrations with a complementary table for ten at the conference dinner.
- Allocation as 'host' sponsor to a specific session or room for the Conference program.
- Identification of your organisation on the Conference www site for the world to see.

Pre-Conference Publicity

As part of your sponsorship, you will also receive complimentary editorials in any trade magazines promoting the conference. You will be individually contacted to maximise exposure of your organisation as the major sponsor of this conference.

Other Opportunities

- Additional trade display space by negotiation.
- Additional conference registrations are available at \$350 per person.
- The complete conference proceedings will be printed as an issue of *Acta Horticulturae*, and able to be purchased from the International Society for Horticultural Science (ISHS).

*All prices are quoted inclusive of GST.

**REGIONAL HORTICULTURAL CONFERENCE
SPONSORSHIP ENTITLEMENTS and OPPORTUNITIES
'GOLD SPONSOR' — \$10,000 ***

We are proud to offer the following 'Gold' sponsorship entitlements:

- Prominent display booth of 3 metres x 3 metres with high level access to all delegates during the conference.
- Acknowledgment as a 'Gold Sponsor' in the pre-conference brochures, magazines, and other promotional materials.
- Opportunity to make a five minute presentation during the conference.
- Naming rights to Welcome cocktails, Aussie Barbecue or wine-tasting event.
- Public acknowledgment of support at the beginning and at the end of conference.
- Opportunity to include multiple items of promotional materials in delegates' conference kits.
- Frequently repeated exposure of individual corporate logo via electronic display during main sessions.
- Be provided with contact details of all conference participants for post conference service.
- Three free conference session registrations, and three additional conference dinner tickets.
- Allocation as 'host' sponsor to a specific presentation in the conference program.
- Identification of your organisation on the Conference www site for the world to see.

Pre-Conference Publicity

As part of your sponsorship, you will receive complimentary editorials in any trade magazines promoting the conference. You will be individually contacted to maximise exposure of your organisation as the major sponsor of this conference.

Other Opportunities

- Additional trade display space by negotiation.
- Additional conference registrations are available at \$350 per person.
- The complete conference proceedings will be printed as an issue of *Acta Horticulturae*, and able to be purchased from the International Society for Horticultural Science (ISHS).

*All prices are quoted inclusive of GST.

continued

FIGURE 7.2
continued

**REGIONAL HORTICULTURAL CONFERENCE
SPONSORSHIP ENTITLEMENTS and OPPORTUNITIES
'SILVER SPONSOR' — \$7,500 ***

We are proud to offer the following 'Silver' sponsorship entitlements:

- Display booth of 3 metres x 2.4 metres,
- Acknowledgment as a 'Silver Sponsor' in the pre-conference brochures, magazines, and other promotional materials,
- Opportunity to include two items of promotional materials in delegates' conference kits,
- Frequently repeated exposure of corporate logo via electronic display during concurrent sessions,
- Naming rights to a conference lunch,
- Opportunity to make a five minute presentation prior to lunch,
- Two free conference registrations, plus two additional conference dinner tickets,
- Identification of your organisation on the Conference www site for the world to see.

Pre-Conference Publicity

As part of your sponsorship, you will receive complimentary editorials in any trade magazines promoting the conference. You will be individually contacted to maximise exposure of your organisation as the major sponsor of this conference.

Other Opportunities

- Additional trade display space by negotiation.
- Additional conference registrations are available at \$350 per person.
- The complete conference proceedings will be printed as an issue of *Acta Horticulturae*, and able to be purchased from the International Society for Horticultural Science (ISHS).

*All prices are quoted inclusive of GST.

Source: Australia Society for Horticultural Science and New Zealand Society of Agricultural and Horticultural Science.

VALUE-IN-KIND SPONSORSHIP

In the examples illustrated so far, sponsors were asked to make a cash contribution. In many cases, however, sponsorship is provided as 'value in kind'. This means that the sponsor provides its goods and services free as part of the sponsorship arrangement. For example, air travel could be sponsored by Virgin Blue, vehicles provided by Holden and advertising could be underwritten by Fairfax Publications. A value is placed on this contribution and this value must be reflected in the event budget even though there is no cash contribution.

NAMING RIGHTS

The primary sponsor of an event is often able to obtain naming rights, for example, Rosemount Australian Fashion Week; GMC Australian Motorcycle Grand Prix; Billabong World Junior Championships; Ford Ranger One Day Cup.

In some cases, sponsors negotiate naming rights for event venues or facilities, such as the Etihad Stadium in Melbourne, ANZ Stadium in Sydney, First National Bank Stadium in Johannesburg and the Pepsi Center in Denver. These are generally long-term strategic agreements with associated sponsor benefits such as tickets, hospitality, parking, etc. The exposure of the sponsor's name in all media communications in relation to the facility is a key element of this negotiation.

SERVICE SPONSORS

Sponsorship often plays a crucial part in an event and therefore sponsors need to be 'massaged' by event management throughout the entire process leading to the performance—and

beyond. Issues that sometimes arise include ambush marketing, incompatibility between sponsors or a sense of inequity in the profile achieved by other sponsors. In this last situation, one sponsor may feel that its company profile has been eclipsed by another because it has achieved more air time or its signage was of superior quality. Sponsors can become quite competitive, insisting that one or other has been given higher exposure, a more prominent logo, a taller flag, and so on. Logos must also be handled with care by the event coordinator with regard to correct reproduction in terms of colour and style, as there have been many occasions when a whole production run of T-shirts, banners and posters has had to be written off due to sponsor complaints. When sponsor logos are used in any public arena, a sign-off by the sponsor is an essential procedure.

Sponsors are always concerned about ambush marketing, which can occur when competitors muscle in on the media attention gained by the event. This may happen if T-shirts with a competitor's logos are distributed free or body paint is used to achieve similar exposure.

Incompatibility between sponsors is another issue, although it is fairly obvious that an approach would never be made to more than one organisation in a particular product category: never two beer companies, two soft drink companies or two breakfast cereal brands. Since some of these organisations are major conglomerates with many products and many brands this can be a minefield only avoided if the organisation and its products are carefully researched prior to negotiation. 'Who are the other sponsors?' is one of the first questions asked of the event manager. Sponsors want to be associated with appropriate partners, and this includes the event company as well as other sponsors. Athletes, models, actors and performers also have their own sponsors and they may not be compatible with the sponsors of the event. Rules about exhibiting logos and promoting competing sponsors must be very clear. For example, a competitor logo cannot appear in the event precinct, particularly if worn by a high-profile celebrity.

Ongoing evaluation of the sponsorship arrangements is essential. For most large events there is a dedicated sponsorship manager to manage these sometimes temperamental partners. They can be demanding and often the minor sponsors expect outcomes beyond their original brief. This delicate balancing act can be managed well if sponsorship documentation is maintained throughout. This includes:

- ★ agreed contract with detailed specifications
- ★ activity reports and schedules
- ★ financial records
- ★ minutes of meetings
- ★ records of correspondence and agreements.

Finally, sponsors want to be associated with success. Any hint of failure in the press causes major consternation. This can result from cancellation of acts, ticketing problems, accidents on site and other unforeseen problems that can crop up. For this reason, a risk management plan in relation to sponsorship is essential, with contingencies in place for every eventuality.

EVALUATE SPONSORSHIP

Evaluation is an essential component of the sponsorship arrangement. For a contract to be renewed there must be demonstrable gains made by the sponsorship organisation. These are measured in terms of the sponsorship objectives discussed earlier. The process illustrated in Figure 7.3 shows the process for sponsorship planning and evaluation. Unless evaluation in its various forms is carried out, it is impossible to demonstrate the success or otherwise of the sponsorship arrangement after the event. A warm glow is not enough to convince future sponsors that the event can produce tangible marketing benefits.

There are numerous measures for sponsorship evaluation, including:

- ★ value of 'free' TV or radio exposure (measured as minutes $\times$ advertising rates)
- ★ column centimetres in the press (publicity)
- ★ geographic scope of media reach (number and location of media exposure, such as five country radio stations)
- ★ consumption of sponsor's products at the event
- ★ purchase of sponsor merchandise such as caps and T-shirts
- ★ spectator figures
- ★ spectator demographics
- ★ sponsor name recall surveys
- ★ product awareness surveys
- ★ alliance with other sponsors (value of business generated)
- ★ increased product sales post-event
- ★ success of hospitality provided
- ★ analysis of corporate image (need pre- and post-event surveys).

Sales of merchandise can be a most effective form of measurement, providing that good estimates of sales are made beforehand. Merchandise is becoming increasingly popular with event spectators and audiences—the event audience wants a tangible reminder of their event experience. Big shows sell CDs, soft toys, caps, pens, posters, mouse pads and any number of other products. At sports events people buy hats, T-shirts, pins and stickers. However, these are generally beyond the scope of smaller events. For many events in the small to mid range,

FIGURE 7.3
Process of
sponsorship
planning and
evaluation



sponsorship is one of the largest risk factors to the financial outcome of the event, even if the target is break-even.

Brand recall or awareness are other measures used in evaluating sponsorship; however, some studies have looked at 'congruence' between the brand and the individual's profile or event personality (Close et al 2009; Lee & Cho 2010). The Lee and Cho study showed that the personality congruence between the sponsoring brand and the sporting event was the most significant attitude predictor towards the sponsoring brand. In other words, those individuals whose 'personality' matched the brand image were most likely to have a positive attitude towards the brand. However, for marketing purposes, more than a positive attitude towards a product or brand is needed: the positive attitude has to be converted to a purchase action. The impact of event sponsorship on brand use is hard to predict as there are so many variables involved in the purchase decision. The consumer process can be summarised in this way: sponsor awareness → sponsor attitudinal response → decision to purchase → purchase action.

Research is generally undertaken by a professional market research organisation in order to produce reliable and valid statistical information for reporting. Research consultants Sweeney Sports conduct regular surveys to provide information to sports sponsors, such as that presented in Figure 74.

Event organisations must ask:

- ★ Are we giving sponsors what they want?
- ★ Are they getting value for their investment?
- ★ Are we managing the relationship well?

Sponsors can withdraw funding if they do not perceive value for their investment or if they are not managed well. Ongoing attention must be paid to this important aspect of event management, with a proactive approach being taken to managing these important stakeholder relationships. Maestas (2009) highlights the importance of these measurements: return on investment (ROI) and return on objectives (ROO). The first measures the direct relationship between sponsorship and product sales or company profits. The second measures performance against objectives, such as sponsor recall or web hits. In both cases, plans need to be made and implemented to obtain the data necessary to make these evaluations.



Sports merchandise

FIGURE 7.4
Sports
sponsorship
report

Nike, Billabong solid as Uncle Tobys and Nutri-Grain slip — 3's cricket sponsorship makes ground

Nike and Billabong have consolidated their positions at the head of Australia's sports sponsorship awareness ladder largely because of a slide in the ratings by former long-time leader, Uncle Tobys. The 2006–07 summer edition of the Sweeney Sports Report shows that Nike and Billabong remain in first and second places, respectively, having last year, with Nutri-Grain, deposed Uncle Tobys. The Report — the current summer edition is the 21st — is recognised as Australia's most authoritative sports and sponsorship survey.

It shows that Uncle Tobys, while losing awareness during the past year, has not lost as much ground as Nutri-Grain, moving from fourth to equal third place with Ford.

High levels of focus were the key to Uncle Tobys' success in the 1990s — it concentrated for years on its Iron Man series.

In contrast, a range of executional strategies and tactics are now being used by the plethora of sponsors which are operating in a highly competitive sponsors' market place.

Hence, '3' has broken into the top ranks of sponsors in equal sixth place through its wide-ranging sponsorships of the Australian summer test cricket series, the national team and other sporting teams. It is not far behind the leaders and is closing fast.

Other increases in sponsorship association have been achieved by Telstra, on the back of its NRL sponsorship, Kia (Australian Open tennis) and the Commonwealth Bank (ODI cricket).

And Billabong, Rip Curl and Quiksilver — which have extended their footprints by becoming lifestyle brands — continue to feature among the leading sponsors.

Cricket sponsors such as '3', Emirates, VB, Ford and the Commonwealth Bank have picked a winner by investing in our main national summer pastime. Sweeney Sports data to be released shortly will show that cricket is now the most popular sport in the country with several of its key players among the hottest sponsorship 'properties' in the country.

(Statement by Martin Hirons, Director, Sweeney Sports)

Source: <www.sweeneyresearch.com.au/newsPDF/news_pdf_14.pdf>. Courtesy of Sweeney Research.

SUMMARY

Sponsorship is a partnership arrangement between the event organiser and the sponsor organisation, usually formalised in a legal contract. Developing marketing and publicity objectives as part of the sponsorship plan provides the opportunity to evaluate the success of the event from the sponsor's perspective. This is essential for maintaining ongoing relationships with primary and secondary sponsors from one event to the next. As we have seen in this chapter, all parties have expectations of these relationships and they need to be clarified before operational planning begins. Staff need to be briefed about sponsorship arrangements and activities (e.g. hospitality, signage, merchandising) must be organised in accordance with sponsorship agreements. Every opportunity to enhance the value to the sponsor/s should be taken and every effort must be made to keep sponsors involved and up to date with ongoing plans.

Chapter review questions

- 1 What is the difference between sponsorship and philanthropy?
- 2 What is value in kind (VIK)?
- 3 Explain how the impact of sponsorship can be measured.
- 4 What is ambush marketing?