

Sport Event Management and Promotion

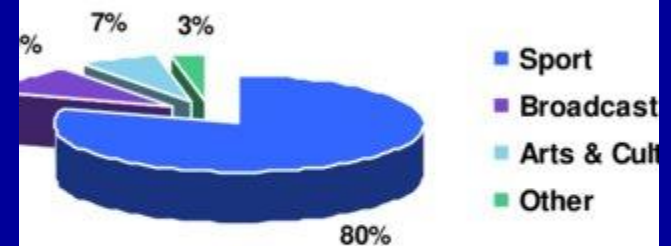
Sponsorship

Amount of money spent by companies on sport sponsorship:

- 14 companies are Worldwide Olympic Partners, each paying minimally \$200m-\$500m/4 year cycle
- €52-65m/year UEFA Champions League
- Formula 1: Oracle to RedBull \$100m/5 year; 1 race \$1-5m
- Lexus to ATP \$47m in 2023
- A UCI Team sponsorship \$4.8m/year

Sport	Average Attendance	Major Sponsors
	68,400	       
	30,500	     
	17,400	      
	17,600	      
	19,200	       
	Varies by sport	      

Sport is the largest and most widely used sponsorship sector



Key questions regarding sponsorship

- How much capital do you need to raise through sponsorships?
- What key audience segment of your event will be most attractive to potential sponsors?
- How many sponsors are most beneficial to your event?
- How many levels of sponsorship do you want to have?
 - Set the dollar/krown value on each of those levels (remember much sponsorship is in kind).
 - Establish sponsorship packages for each level.

Think about it from the perspective of the potential sponsor. What are their objectives?

- Increase public awareness of their company
- Influence public perception about their company
- Establish association with particular market segments
- Become involved in the community
- Build goodwill among decision makers
- Generate media benefits
- Achieve sales objectives
- Create advantage over competitors through association or exclusivity
- Gain unique opportunities in terms of hospitality and entertainment

Corporate Sponsorships

- Global events
- International events
- National events
- Regional events
- Local events

Sponsor and event
demographic reach
must match

Worldwide Olympic Partners

Global sponsor:

Samsung
Coca-Cola
Visa
Toyota
P&G
GE
Atos
McDonald's
Omega
Bridgestone
Alibaba
Intel
Panasonic

Unpaid Media Mentions:

20,635
17,405
9,781
1,614
4,224
3,573
3,389
6,452
4,071

Each paid \$200-500million for the 2020-2024 Olympic cycle.

Sport Platform for Sponsorship

- Team
- Sport
- Event
- Athlete
- Professional primary sport
- Professional secondary sport
- Youth sport
- Recreational

Each brings a different target audience, visibility and level of involvement by participants and spectators.

Sponsorship Proposal & Agreement

- No absolute model or format
- Creative & neat
- Contents
 - Objectives of sponsorship program
 - Profile & background of sponsoree
 - Promotional opportunities available
 - Activation timeline
 - Levels of sponsorship
 - Fee structure
 - Contract length & renewal options
 - Evaluation methodology

Levels of Sponsorship

- Exclusive sponsor
- Primary sponsor
- Subsidiary sponsor
- Official supplier

Exclusive Sponsor

- Sole financial commitment
- May own event
- Major say in the event



Primary Sponsor

- Major financial commitment but shares commitment with one or more companies that provide a smaller financial commitment
- Opportunity to maximize exposure opportunities with minimal effort and financial risk
- Major say in organization and management of event



Subsidiary Sponsor

- Provides a smaller financial commitment behind a primary sponsor
- Usually have exclusivity within a particular product category
- Product category is essential to event



Official Supplier

- Same level as a subsidiary sponsor
- Product is not crucial to event
- Exclusivity within product category



Customizing a Sponsorship Package

- Official status
- Sponsorship fee
- Title rights
- Television exposure
- Public relations/media exposure
- Social media activation
- Logo use
- Signage
- Advertising rights
- Hospitality rights
- Point-of-sale promotions
- Direct mail lists
- Product sampling
- Legal liabilities
- Future options

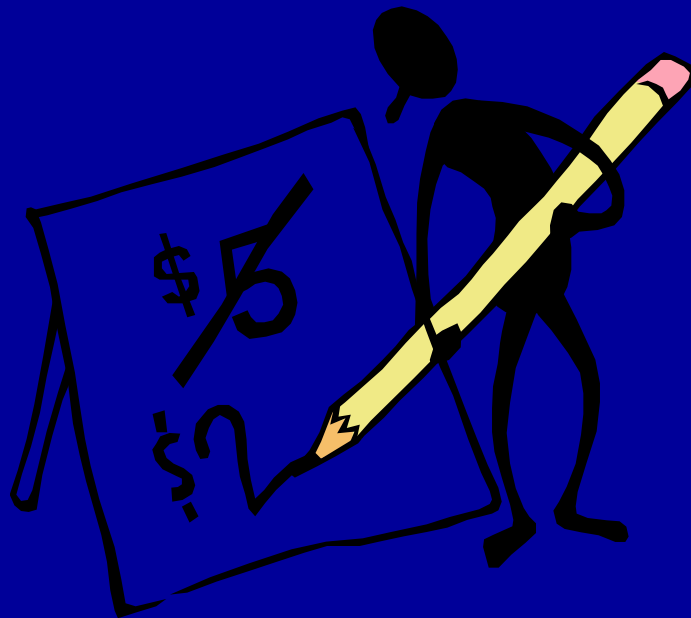
Timeline

Sponsor Benefits

- Season tickets for events
- Yearbook, program, media guide, and scoreboard advertisement
- Scoreboard/PA exposure
- Special events nights
- Arena signage
- #Hashtags, social media activation
- Special items (VIP room, luxury box, parking passes)

Sponsor Benefits

- Do not “sell the farm”
- Do not provide benefits that equate to substantially more than what the sponsor is providing

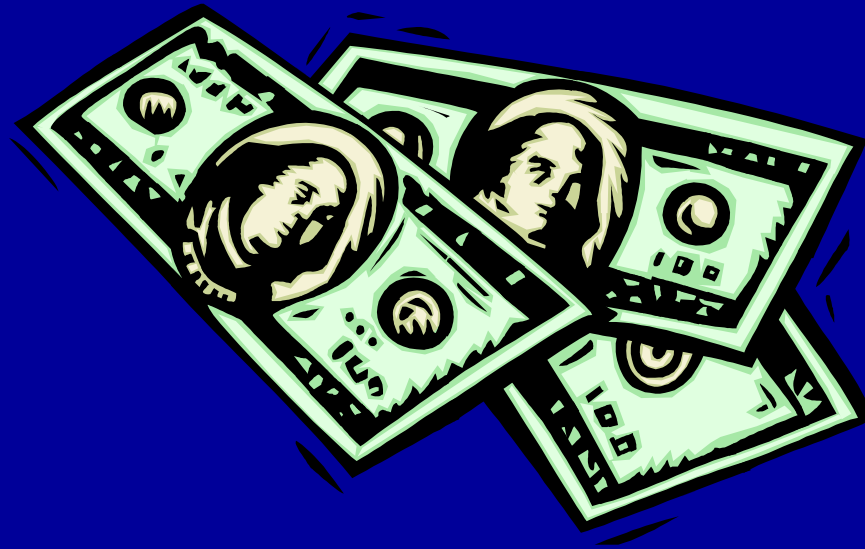


Pricing a Sponsorship

- Sponsorships are dynamic entities
- Sponsorship agreements change due to:
 - Increased competition
 - Changing economy
 - Volatile marketplace

Pricing a Sponsorship

- Three basic approaches
 - Cost-plus strategy
 - Competitive market strategy
 - Relative-value strategy



Cost-Plus Strategy

- Calculating real cost of sponsorship package
- Adding a predetermined percentage for profit
- Percentage is tricky
- Do not neglect needs of sponsor

Competitive Market Strategy

- Opposite end of continuum
- Based on what managers think the market will bear given the competitive environment
 - Degree of primary consumer match with company's target market
 - Size of the primary consumer base
 - Potential media publicity
 - Sales opportunity, psychological association
 - Exposure opportunity

Relative-Value Strategy

- Sport manager shows the perspective company the value of a sponsorship package
- Sport manager must have excellent knowledge of market value of what is being offered as well as the value to the sponsor

Final words regarding sponsorship

- Know your sponsor
- Network
- **Take care of sponsors** – Easier to keep than obtain new

HALL OF FAME (limit 5):

- Name/logo on Front of program
- Full Page color (5.5 X 8.5) inside program
- 5 signs may be hung in venue
- Name/logo on front of all t-shirts
- 2 PA mentions
- 8.5 x 11 group photos with sign in picture
- Spot on back cover of official tournament program
- 10 corporate V.I.P. passes for all tournament games in reserved seating courtside
- 10 corporate V.I.P. passes to sponsor hospitality room after each game
- 10 complimentary copies of official tournament program
- 10 official tournament t-shirts
- 4'x5' banner displayed in tourney venue - tourney supplied
- 2'x16' illuminated scrolling courtside sign display
- Sponsor would receive trademark logo on tournament related promotional materials possibly including but not limited to tickets, brochures, media guide, flyers, tournament program, credentials and logo on official tournament website
- Sponsor of Championship Trophy Presentation
- Complimentary dinner with celebrity talent

PROFESSIONAL:

- Half page (5.5 x 4.25) inside program
- Name/logo on all teams shirts
- 3 signs may be hung in venue
- 5 x 7 team photos with sign in picture
- Full page color ad in official tournament program
- Full page B&W ad in official tournament program
- 6 corporate V.I.P. passes for all tournament games in reserved seating courtside
- 6 corporate V.I.P. passes to sponsor hospitality room after each game
- 6 complimentary copies of official tournament program
- Company logo placed on the official tournament website
- 4'x5' banner displayed in tourney venue - tourney supplied
- A 15-second PA announcement read once throughout each game

AMATUER:

- Business card in program
- 1 Sign may be hung in venue
- 1 PA mention given at no specific time
- Logo placed on the official tournament website
- 4'x5' banner displayed in tourney venue
- A 15-second PA announcement read once throughout each game
- 4 corporate V.I.P. passes for all tournament games in reserved seating courtside
- 4 corporate V.I.P. passes to sponsor hospitality room after each game
- 4 complimentary copies of official tournament program

NUMBER ONE FAN:

- Income tax donation receipt
- Thanked in program
- Scrolling sign with company logo/name 10 times during tournament
- 2 complimentary tournament t-shirts
- 2 corporate V.I.P. passes to sponsor hospitality room after each game
- 2 corporate V.I.P. passes for all tournament games in reserved seating courtside

A LA CARTE OPPORTUNITIES:

- Additional marquee scrolls
- Ad/logo on website
- Colored page in program/media guide
- B & W page in program/media guide
- Additional loud speaker announcements
- Business card in program/media guide
- Group photos with company sign in background (5x7 only)
- Additional signage in venue
- ½ page color in program/media guide
- ½ page B & W in program/media guide
- Logo/name depiction on specific merchandise (in contract)

Next week

- No class- Easter Monday
- Hand in Sponsorship proposals April 13