Selling Arts, City, & Event sponsorship: Trends, Best Practice, and Tips

IFEA Europe Annual Conference 2013

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20 years in sponsorship

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• Author *The Sponsorship Handbook*

• Consultant
SPONSORS

Port of Antwerp
Cisco
FedEx
Siemens
Deloitte
Epson

RIGHTS-HOLDERS

British Library
Barbican
Science Museum
Dubai International Film Festival
Olympic Business Club
National Maritime Museum

Clients
Agenda

- Understanding The Power of Modern Sponsorship
- Latest Trends 2013
- Festival Sponsorship Best Practice
- Selling Sponsorship
1. Understanding The Power of Modern Sponsorship
The Power of Sponsorship

- 10 years ago 90% of P&G’s advertising budget was TV
- now only 25%
We want to ensure that you have a terrific experience in our restaurants and on our Web site.
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The experience economy

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Designed as a curvilinear space crossed by a great arc of light, [it] offers a moment of relaxation with bright areas open to the sky making it a warm, welcoming and light-filled place.
The experience economy

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New badges of allegiance
How we live now

- Sharing
- Keeping in touch
- Cheap, fast and easy
- Snack culture
- Niches, tribes
- Searchability
- Micro celebrity
- Customization, personalization
A communications explosion

- Interruption advertising
- Limited channels
- Mass media strategy
- Single information source
- Monologue
- Passive audience
- Targets

- Permission to speak
- Multiple channels
- Multi-niche strategy
- Multiple sources
- Dialogue
- Interactive audience
- Communities

1958 – TV Advertising began
Social networks
“The days of high demand and limited supply are over…it’s a new game now. A game where the limited supply is attention.”

Seth Goodin
“Permission Marketing”
Advertising: generates awareness
Public Relations: informs and influences
Sales promotion: stimulates interest and trial
Sponsorship’s USP

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Sponsorship: reaches the parts other media cannot reach…
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Sponsorship: reaches the parts other media cannot reach…
2. Latest Trends 2013
UEFA EUROPA LEAGUE MATCH DAY 4. WHO WERE THE TOP 5 PASSING NATIONS?

- **England** (ENG) 51.2% Pass Average, Pass Total: 1,177, Players: 23
- **Romania** (ROM) 44.2% Pass Average, Pass Total: 530, Players: 12
- **Australia** (AUS) 43.6% Pass Average, Pass Total: 523, Players: 12
- **Czech Republic** (CZE) 43.5% Pass Average, Pass Total: 1,131, Players: 26
- **Switzerland** (SWI) 42.7% Pass Average, Pass Total: 807, Players: 21

1 Pass = 1 Day of Education
Total Days of Education So Far: **83,054**

2 million teachers are needed to meet global education needs. Help us achieve this. For more see WuPass.org or @WuPass.
Everyone is a Star

- [http://www.youtube.com/watch?v=n23XAXi9a2g](http://www.youtube.com/watch?v=n23XAXi9a2g)
Festivals are well positioned

- Sponsorship sectors growth potential:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cause related</td>
<td>40%</td>
</tr>
<tr>
<td>Concerts/Festivals</td>
<td>30%</td>
</tr>
<tr>
<td>Stadia/Venues</td>
<td>30%</td>
</tr>
<tr>
<td>Education</td>
<td>26%</td>
</tr>
<tr>
<td>Music</td>
<td>4%</td>
</tr>
<tr>
<td>Football</td>
<td>23%</td>
</tr>
<tr>
<td>Extreme Sports</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: European Sponsorship Association 2007
€118m. invested in live music event sponsorship rights across Europe

SPORT+MARKT Live Music Sponsorship Report 2012
3. Festival Best Practice
What We Look For

- institutions which have a great collection/event
- a strong brand
- authenticity
- can describe their audience
- event integration and activation platforms
- make an effort to understand a sponsors' business
- leverage the pedigree of existing sponsors to attract new partners
Quick Festival Tips

- Awards provide media and celebrity opportunities
- A short film program increases the variety of content
- Links with music and fashion add breadth
- Green initiatives recognise the need for corporate responsibility
- A charity overlay is increasingly important
Quick Festival Tips

- Offer year-round packages
- Segment audience base
- Provide “ownable” platforms…
36% more likely to buy a sponsor’s product after experiencing their activation at the festival.

65% say brands improve the festival experience.

Summer 2011 European Music Festival Study
HSBC Taste
Selling Sponsorship
Standard proposal contents

- The property
  - History, frequency, timeline,
  - Core values and attributes
- Audience
  - Size, demographics, viewership, purchase behaviour
  - Levels of participation
- The individuals
  - Background, qualifications, success
- Other sponsors
  - Rights, designations
- Hygiene factors
  - Ambush protections, security, insurance, risk management, weather etc.
- The offer
  - Designations and logo usage
  - Exposure opportunities on boards, internet, tickets, posters, venue
  - Hospitality, personal appearances, database access, sampling etc.
“It’s going to cost us £100,000 to deliver the festival, so that must be the value to the sponsor...”
“If I had eight hours to chop down a tree, I would spend six hours sharpening my axe.”
Shotgun approach:

- Can work for some event sponsorship to a known database
  
  + Might identify a few good prospects
  + Has an added awareness creation bonus

- Doesn’t allow for research
- Difficult for effective, rapid follow-up
- Very difficult to personalise
- Requires high volume to be effective
Rifle approach:

- Generally considered to be more effective

  + Effective research
  + Facilitates follow-up
  + Allows flexibility
  + Personalised approaches
  + Allows “strategic alliance” programmes

- Time consuming
- Relies on good door-opening technique

- Research can be a highly effective door opener
Targeting by Industry Sector

• Saves time on research and helps develop knowledge of:
  - prospects’ needs
  - key players in the sector
  - up and coming players
  - key industry events
  - the problems of the industry sector

• Generates respect within the sector for your level of knowledge
Top 10 Sponsoring Industries in Arts & Culture 2011

in reported commitment $m.
City Festivals 1998-2012

number of reported sponsorships

<table>
<thead>
<tr>
<th>Category</th>
<th>Sponsorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinks - Beer</td>
<td>7</td>
</tr>
<tr>
<td>Fin. services Credit Cards</td>
<td>7</td>
</tr>
<tr>
<td>Airlines</td>
<td>4</td>
</tr>
<tr>
<td>Cars/Automotive</td>
<td>4</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>3</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>2</td>
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<tr>
<td>Energy/Power/Gas/Electricity</td>
<td>2</td>
</tr>
<tr>
<td>Financial Services - Other</td>
<td>2</td>
</tr>
<tr>
<td>Restaurants</td>
<td>2</td>
</tr>
<tr>
<td>Travel</td>
<td>2</td>
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</table>
Prospect Sourcing:

- LinkedIn
- Brand Channel
- Google Alerts
- Referrals: friends, business contacts.....
Negotiating the right deal

Both parties want to optimise their returns:

- Rights-holders package up most attractive rights with less attractive elements
- Sponsors want to cherry-pick the assets that are most relevant to them
Some tips from Carlsberg

Do's:

- Do your homework
- Make sure you know the history & current portfolio of sponsorship properties, don't try to 'sell' something they already have
- Accurate, up to date figures show a positive approach

Gareth Roberts
Director of Sponsorship & Media Relations
Some tips from Carlsberg

Do's:

- Be clear up front on what it is you are proposing
- Have a clear reason why it would fit
- Don't attempt to put two things together that won't work i.e. alcohol and boxing
Some tips from Carlsberg

Do's:

- Try and deliver the benefits at an early stage, the longer the pitch, the more likely a negative response
- Try and get a strong reference from another sponsor
Summary

- Experiences
- Attention deficit
- Online
- Festivals well placed
- Strong brand/authenticity
- Ownable platform
- Sales: sharpen your axe!

- Partnership is the new paradigm