



The Essence of Sponsorship

*Launching a Successful Sponsorship Program
Even in a Lean Economy*

Hosted by:



Presented by

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sponsorshipnetwork.com



Launching a Successful Sponsorship Program

Introduction

Agenda

- Part 1 – Sponsorship Defined & Ethics
- Part 2 – Selling in a Lean Economy
- Part 3 – Assessing & Building Marketing Benefits
- Part 4 – Getting Started
- Part 5 – Fast-Track Your Sponsorship Knowledge

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Sponsorship Network

- Selling sponsorship programs for 20 years.
- Started out in the amusement industry.
- Sign sponsors from \$500 single event programs to multi-million dollar naming rights of venues.



Sponsorship Network

- Provide variety of services for clients around country.
- Nonprofits, major sporting events and entertainment attractions.
- Established by partners Barbara Harrington and Randall Murray in 1992.



Sponsorship Call-in Days

July 20 - 21, 2009

- Available to answer additional questions.
- Please limit questions to 15 minutes.
- E-mail materials: barbara@sponsorshipnetwork.com
- Call Sponsorship Network at 716-565-6900.



Part 1 – Sponsorship Defined

- Definition of Terms
- What's Right For Your Organization



Definition of Terms

Sponsorship: marketing-driven programs which provide sales benefits. For example: logo on banner, VIP seating, product sampling or discount ticket offer.

Philanthropy/Development: company participates to better the community. Typically, tax-deductible.



Philanthropic or Marketing Sponsorships

What's right for your organization?

Key questions to answer.



Common Terms

Asset: Resource owned by organization, ie: website, logo

Category Exclusivity: Company is the only sponsor within specific product/ service category.

In-Kind Sponsors: Payment provided with goods or services.

Right to First Refusal: Corporation has first opportunity to renew by specific date. May include opportunity for nonprofit to renegotiate.



Common Terms

Cause Promotion: May be short or long-term, consumer focused, includes transaction. Example: American Cancer Society & Florida Orange Growers.

Cause Branding: Long-term, multidimensional, goal of driving sustainable social change and growing business.

Socially Aligned Business Initiatives: Transformational, multiple focuses, issues in line with business goals, values go beyond philanthropy or marketing and are deeply connected to the structure of the business and overall operations.



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Part 1 - Sponsorship Defined

25th Anniversary of Cause Marketing

American Express teamed with the Statue of Liberty and raised \$1.7 million over three months by donating a penny for each transaction.

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Signing Sponsors in a Lean Economy

Part 3 – Meaningful Benefits

Sample Cause Marketing

Participating tack shops sponsor Homes for Horses

- In conjunction with statewide Horse Rescue

Multiple tack shops donate 3% of all September sales
Advertising in local newspapers
Awareness campaign with press releases and interviews

INVESTMENT: \$5,000 - \$100,000+

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Statistics

- Sponsorship expenditures will reach \$17 billion in 2009
- Giving to causes –\$1.57 billion (up 3.1%)
- Source: IEG



The Breakdown

- Arts - \$848 million (up 2.5%)
- Association/membership Org - \$503 million (up 4.4%)
- Fairs/Events - \$786 million (up 4.4%)



Ethics Statement

Corporate sponsorship provides an important revenue stream for many nonprofit organizations. At ABC Charity, we pledge to pursue corporate sponsors based on a foundation of truthfulness. Our approaches will be consistent with goals. We will be mindful of the interests of corporate sponsors and commit fully to delivering on benefits promised.



Corporate Ethics Statement

We are actively listening to and learning from our stakeholders. We recognize our commercial obligations as well as our environmental, economic and social responsibilities. Our commitment to *'doing the right thing'* is independently monitored and verifiable. (Ethical brand international)



Ethics & Sponsorship

- Be selective.
- Research prospects.
- Ethics is a two-way street.



Ethics & Sponsorship

- Draft a statement of excellence.
- Opportunities tie in with mission.
- Share with key stakeholders, staff, others.



What's Right For Your Organization?

- Naming Rights
- Special Event Sponsors
- Product Sponsors
- Hospitality
- Organizational Sponsors
- Cause-Related
- Program Sponsors



Avoiding Common Pitfalls

- Keep prospects to a reasonable number.
- Don't approach top prospect first.



Sponsorship Planning and Integrity

Sponsorship must support your mission *and*:

- Bring in significant revenue.
- Enhance your image.
- Increase quality of event, program or service.



Part 2 – Selling in a Lean Economy



Companies continue to partner with charities because it drives sales.



Cause Marketing

Cone Studies

Leading strategy and communications agency engaged in building brand trust.



Very Latest Cone Study

Corporate Responsibility in the New World Survey.



Survey Highlights

Role of the President Obama

- 86% say he will have a positive impact on advance the corporate responsibilities agenda.



The Economic Crisis

- 63% say economic turmoil would not have been as severe if businesses had more effective corporate responsibility programs and practices.



Great Optimism

- 72% agree there will be more demands on business to solve societal problems. More than half (of this group) are confident businesses will meet these demands.



Cone Cause Survey Highlights

- Cause is mainstream
- Short-term or superficial are not enough
- Commitment to cause extends beyond consumers to employees, investors and other stakeholders.



Survey Highlights

- Business practices are additional purchasing influence.
- Americans understand that in addition to causes they care about, companies should address causes that are relevant to their business.



Compelling Data

- 83% of Americans say that companies have a responsibility to help support causes.



Compelling Data

- 92% have a more positive image of a company that supports a cause they care about.



Sales Payoff

- 87% are likely to switch from one product to another if the other product is associated with a good cause (up from 66% in 1993)



Companies Continue to Advertise

Sponsorship is a powerful form of advertising that produces excellent results for corporation and outperforms traditional media.



Why Sponsorship?

- Drive sales
- Entertain top clients or prospective clients
- Create awareness
- Change image
- Retain excellent employees
- Stand out from competition



Sponsorship Delivers Results

- Tradition media is distraction with declining viewership/readership.
- Delivers two-way communication.
- Viewed as giving back.



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Part 2 - Lean Economy

University Heights City School District - Cleveland



Looking to create partnerships around Safe
Prom and Health/Wellness.

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Part 2 - Lean Economy

Sponsorship Benefits

Official Sponsor of District
National City Bank.... An Official Sponsor
Bank Prom Safety Awareness Campaign
(Spring Promotion)
Promoting message of Buddy System and
Parental Involvement

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Pledges for parents and students available at bank branches
Tags on advertising – Sun Weekly
Bank Prom Giveaway – Limo rides
In-school dialogue on alcohol use with anchor Kim Wheeler
Bank Meet & Greet following the in-school dialogue
School promotional materials for Prom Giveaway (posters)
Tickets to the School District Appreciation Dinner
Promotional mentions in e-mail blast to district staff
Summary of execution
INVESTMENT: \$5,000 - \$30,000



Calculating Value

Sponsorship must be properly valued.
Cost to implement has nothing to do with
dollars charged.



Pricing Packages

Three Tools to Better Price Packages

1. Pyramid Strategy
2. Sponsorship Audit
3. Pricing Formulas



Pricing Pyramid





Pricing Pyramid

- For your eyes only.
- Used as organizational tool.
- Maintains equity among sponsors.
- Used as framework for tailoring packages.



Sponsorship Formulas

- Industry standards
- Similar to advertising rates... based on impressions
- For your eyes only



Pricing Formulas

PA Announcements .0025 per impression

For example:

10,000 people at Festival x 30 PA announcements = 300,000 impressions

300,000 impressions x .0025 = \$750 value

This is not what sponsor pays! Take "intangibles" into account.



Pricing Formulas

PA Announcements .0025 per impression

Banners, mention on tix .0025 per impression

Logo in brochure .02 - .05 per impression

Coupons .02 - .05 per impression

Website .10 per impression

Sampling .15 - .20 per impression



Pricing Formulas

Advertising commercials (sponsor uses entire spot)	rate card value
Advertising "tags" (sponsor uses final seconds)	rate card x 10%
Tickets & Parking	cost (or retail cost)
Celebrity Appearances	cost per hour
Use of Mailing List	.15 - .30 per name



Intangibles

- Prestige
- Awareness
- Newsworthiness
- Networking potential
- Exclusivity or limited number of sponsors
- Record of successful implementation



Simple T Chart

Tangibles

Tag on \$3,000 ad

- \$300 (10% of whole)

Intangibles (rounding up)

Value with high prestige

- Increases up to 50%

Exclusivity

- May bump 30% – 50%



Tailoring a Prospect List

- Essential for organized Prospect List
- Organize by categories
- Flag companies most likely to commit



In A Lean Economy

- Must vet your list.
- Look for companies interested in reaching your audience.



Involving Board Members

- Board members who understand marketing sponsorship and the philanthropic ask are more likely to provide contacts and assist with sales.



Tailoring Proposals

Must meet sponsor's goals.

Help promote "What's New."

May include testimonials from past sponsors or other evidence of successful implementation.



Proposals Must

- Identify key demographics
- Address concept and logical connection
- Clarify how sponsor's sale will increase
- Demonstrate a good value



Motivating Decision-Makers

- Provide connection with key audience.
- Deliver better value than traditional media.
- Demonstrate ability to follow through with past sponsorships.



Part 3 – Assessing Marketing Benefits



Identifying Assets

Resources owned by organization:
website, logo, events, etc.



Most Nonprofits Overlook Promotional Tie-ins



Sponsorship Menu

- Master list of every benefit you can provide to a sponsor.
- For your eyes only.
- Used to build packages.
- Key tool for staying organized.



Purchasing Additional Benefits

- Marketing Sponsorships are not 100% profit.
- Plan to re-invest 15%-20%.



Top Benefits To Purchase

- Advertising
- Giveaways
- Tickets to something “bigger”



Expanding The Sponsorship Menu

- Watch what others are doing... beyond your own industry.
- If you don't currently have “meaty” benefits, they must be created!



Key Benefits For Events

Title or Presenting Sponsorship

Advance promotion

Tags in advertising

VIP tickets

Hospitality (not just tickets!)



Hospitality

- Not just a nicety
- Essential part of business
- Growing because of technology



Spelling Bee



Presenting Sponsor of Spelling Bee

- Spelling Bee Presented By Barnes & Noble
- Private Meet & Greet with Author
- Guests receive signed copy of book
- 30-minutes prior to start

Advance promotion – Stop By Barnes & Noble to register to participate



Spelling Bee

Register-to-Win promotion

- Register for Spelling Bee at Barnes & Noble to win
- Grand Prize: \$500 gift certificate

Opportunity to briefly address the group

Tasteful on-site promotion

- Sign up for rewards program and receive promotional item

Business profile in newsletter

Signage

INVESTMENT: \$5,000

Possible ads in business newspaper



Annual Sponsorships

- Provide exposure throughout the year.
- Provide sponsor with critical connections and communicate logical tie-in to key stakeholders.



Annual Sponsors

Albertsons.... the Official Discount Ticket Outlet for Fort Worth Zoo

- Official Grocery Store of the Fort Worth Zoo
- Over 1 million people visit

Rights to use Fort Worth Zoo logo in Albertsons advertising

Prime location for Albertsons Display at Fort Worth Zoo

- Sign up for Albertsons Preferred Savings Card



Annual Sponsors

Two Albertsons VIP Hospitality Receptions at the Fort Worth Zoo
Mentions as Official Sponsor in "Education" advertising campaign

- Billboards, newspaper
- Will mention Albertsons as Official Discount Ticket Outlet

Tickets to Press Preview for exhibit Grand Opening

General Admission tickets to the Fort Worth Zoo



Annual Sponsors

Prominent mentions as Official Grocery Store in materials

- Attraction Map distributed at front gate (200,000)
- Event Brochures, Posters

Prominent recognition on signage

Prominent mentions as sponsor on Fort Worth Zoo website

- Link to the Albertsons website

Non-competitive environment

INVESTMENT: \$85,000 per year



Display Sponsorships

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Fun Day For The Dogs

Title Sponsorship

- Bissell's Fun Day For the Dogs
- Retailer Register-to-Win promotion
- Visit Bissell displays to win event tickets
 - Grand Prize trip to Westminster Dog Show in NYC

Tags on advertising

Premier space for demonstrations

INVESTMENT: \$5,000 - \$15,000

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Part 3 – Meaningful Benefits

Advance Promotions

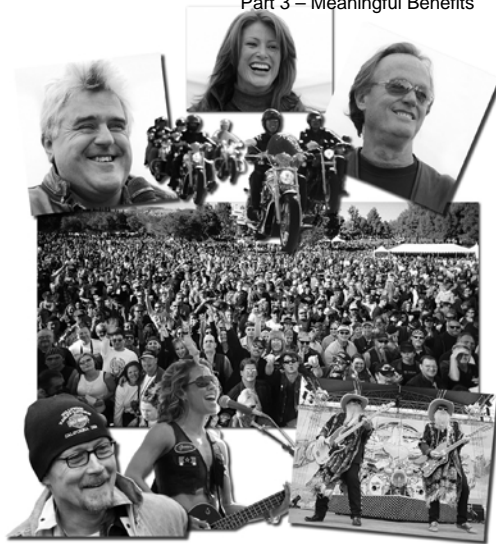
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Part 3 – Meaningful Benefits

The Love Ride



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Launching a Successful Sponsorship Program

Part 3 – Meaningful Benefits

The Love Ride

- Designation as Presenting Sponsor
- Space for a private VIP Hospitality Reception
- Meet & Greet with Love Ride celebrities
- Farmers Insurance Register-to-Win Promotion
- Mentions as Presenting Sponsor in all advertising
- Mentions as Official Sponsor in Love Ride collateral
- 35 VIP Passes to The Love Ride
- Space for a Farmers Insurance display

INVESTMENT: \$150,000



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Launching a Successful Sponsorship Program

Part 4 – Getting Started

Part 4 - Getting Started

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Check List

- ✓ Shared sponsorship knowledge and buy-in
- ✓ Definition of assets and best opportunities identified
- ✓ Values established
- ✓ Top prospects identified
- ✓ Proposal summary (for initial pitch)
- ✓ Zero on on “friendly face”



Top Companies

Narrowing the search to companies most likely to say yes to your organization.



Lauching a Successful Sponsorship Program Part 4 – Getting Started

Most Active Sponsors

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Lauching a Successful Sponsorship Program Part 4 – Getting Started

Building Relationships

Attend functions that draw marketing-decision
marketers.

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Social Media

Cone defines social media as technology facilitated dialogue among individuals or groups, such as blogs/microblogs, forums, wikis, content sharing, social networking, social bookmarking and social gaming.



Social Media

What groups will you join?
Can you build in social networking platform into your website and extend to sponsors?



Social Networking On Your Website

Provides opportunity for supports to connect around
your cause.

Attracts youthful audience.

Creates year round exposure.

Captures personal data.



Managing Current Relationships Through Tough Times



Launching a Successful Sponsorship Program Part 4 – Getting Started

Managing Expectations

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Launching a Successful Sponsorship Program Part 5 – Fast Track

Part 5 – Fast Track Your Sponsorship Knowledge With Just Three Hours

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1. Additional Researching – Gather key resources such as Advertising Age, Brand Week, Business Journal, Book of Lists and FSIs. Scan, tear and file. (30-minutes.)



2. Networking – E-mail colleagues, board members, staff and friends for suggestions on connecting locally. Visit key websites for events featuring keynote speakers from companies targeted for sponsorship and those attended by marketing decision-makers. Select four meetings and get on the calendar. (30-minutes)



3. **Creating** – Select leads from new research or networking functions. Identify likely sponsorship package. Send e-mail to colleagues and board asking for contact.



4. **Visit corporate website for contact info, paying close attention to sales numbers. (30-minutes)**



5. **Connecting – Don't try to sell sponsorships on-the-spot during social gatherings or during the initial phone call or e-mail. Instead, focus on securing a meeting. (60-minutes)**



6. **Educating Internally –Clearly spell out the connection between dollars and mission. Publish in internal documents and share during meetings. Ask staff and board to share names of companies they feel reflect the standards put forth. (30-minutes)**



Pulling it All Together

- Sponsorship means different things to different organizations
- Focus on creating ethical partnerships that raise awareness for you and drive sales for the corporation.

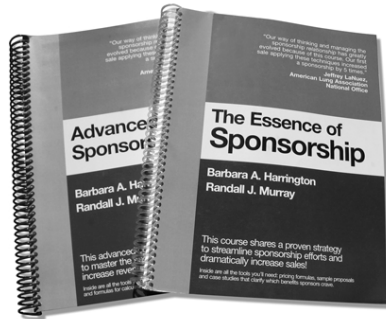


Strategic Sponsorship Plan

- Creation of marketing-driven sponsorships
- Value Certification
- Prospect List
- Proposal Summary
- Sample Agreement
- Strategic Sales Strategy



Two Sponsorship Courses



25 case studies, sample proposals, agreements and more.

Each Course: \$159

Discounted to \$129 for Minnesota



Special Thanks To





Launching a Successful Sponsorship Program



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