

# Lesson 8.1 – Sponsorship



# What is Sponsorship?

Sponsorship is *not* the same as advertising

Sponsorships provide a natural partnership between two parties

## **Sponsorship:**

A form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits

## LESSON 8.1



### Discussion Topic



Can you think of any examples of sponsorship that you have been exposed to in the last month?

### Sponsorship Examples

Mercedes-Benz investing in a 10-year naming rights deal to rename the Louisiana Superdome to the Mercedes-Benz Superdome



Mercedes-Benz



# Sponsorship & Endorsements

## LESSON 8.1

### Sponsorship Examples

Major corporations sponsoring NCAA college football bowl games



# Sponsorship & Endorsements

## LESSON 8.1

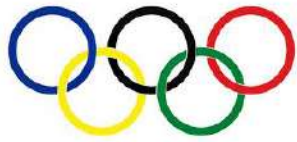
### Sponsorship Examples

Mountain Dew  
sponsoring the  
Action Sports Tour



# Sponsorship & Endorsements

## LESSON 8.1



## Sponsorship Examples



Visa spending millions to sponsor the 2016 Summer Olympic Games in Rio

**VISA**



worldwide sponsor

### Sponsorship Examples

Procter & Gamble's recent sponsorship of the National Football League designates Tide (a P&G brand) as the "Official Laundry Detergent of the NFL"





## LESSON 8.1

# Sponsorship Examples

For example, the 2017 NBA Draft was presented by Under Armour



### Sponsorship Packages

- Right to use team or event marks, logos, names, or trademarks
- Potential for exclusive association
- Opportunity for title or presenting sponsorships
- Right to use various designations or phrases

### Sponsorship Packages

- The right to conduct promotional activities
- Additional forms of company exposure and media time (billboards, commercials etc.)
- Product and merchandise (game tickets, licensed merchandise)

# Sponsorship & Endorsements

## LESSON 8.1

### Sponsorship Packages

In 2013, Moda Health paid \$40 million for the naming rights to the Portland Trailblazer arena as part of its rebranding process in an effort to raise levels of brand awareness. According to the *Sports Business Journal*, the package includes naming rights at a venue that hosts over 200 sports and entertainment events per year, TV, radio and digital advertising, and the company also becomes a sponsor of the Seattle Seahawks and Seattle Sounders (Blazers owner Paul Allen also owns the Seahawks and Sounders).



# Sponsorship & Endorsements

## LESSON 8.1

### What Makes Sponsorship Work?

*Allows companies to reach consumers by appealing to their lifestyle*

*A marketer's message is more effective when consumers participate in something they enjoy*



# Sponsorship & Endorsements

## LESSON 8.1

### What Makes Sponsorship Work?

*Sponsorships allow companies to reach segments they normally would not*



## LESSON 8.1



# What Makes Sponsorship Work?




When Lothar Korn, Head of Marketing Communications for Audi was asked how an affiliation with sailing adds to Audi's image, he responded by saying:

*“Sailing has a lot in parallel with the image of Audi. It can strengthen some aspects of our brand: if you look at the dynamism, at the elegance and the design of the boats, if you look at the technology... Audi is ‘Vorsprung durch Technik’ - ‘Lead through Technology’-, and technology is also very important for the MedCup too, it is a high-tech sports environment. Light weight plays an important role for the boats, they make good use of carbon, and so light weight is also one of Audi's main strengths, so there are a lot of parallel elements.”*

## LESSON 8.1

### What Makes Sponsorship Work?

*In today's new marketing era, traditional marketing efforts have proven to be less effective while more creative approaches, such as sponsorship, offer a more creative and successful means for connecting with consumers*





## LESSON 8.1

### Methods of Sponsorship Implementation

*Five popular ways a company may implement sponsorship programs:*

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- 1) Retail Promotions
- 2) Media Awareness
- 3) Venue and Event On-Site Promotion
- 4) Internal Sales and Marketing Tool
- 5) Product Introduction

# Sponsorship & Endorsements

## LESSON 8.1

*The goal of a retail promotion is to drive traffic to a sponsor's place of business*

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Walmart created a "Race Time" platform at stores that provides NASCAR fans the ability to purchase NASCAR tickets, merchandise, snacks and beverages to take to the race, making Walmart a one stop destination to purchase everything they need to enjoy NASCAR events.



## LESSON 8.1

### Media Awareness

*Refers to the number of people you reach within an audience of a specific segment*



### Effective Sponsorships

Typically the focus of media awareness is on impressions

**Impressions** refer to the number of people exposed to the promotion

## LESSON 8.1

### Media Awareness

*Hankook Tire America Corporation immerses itself in a number of sports marketing programs*

*The company's rationale is provided on its Website*

### Media Awareness

*"Hankook enjoyed more than four billion impressions through its Sports Marketing Programs in baseball, hockey, basketball and football. This level of impressions has brought the Hankook name to millions of households, both reinforcing the Hankook brand while introducing the Hankook name to countless households nationwide."*



## LESSON 8.1

### Media Awareness

According to Apex Marketing Group, Jeff Ruby Steak House gained over \$1.2 million in brand value at the 2017 Kentucky Derby, in large part because of the large number of impressions, by sponsoring Always Dreaming's jockey (who won the race)



### Media Awareness

While impressions are still important, no longer are they an exclusive motivation for a sponsor to engage in a relationship with a sports or entertainment property with activation playing a more significant role in a successful sponsorship strategy.



# Sponsorship & Endorsements

## LESSON 8.1

### Media Awareness

In an interview published in the Sports Business Journal, Michael Kelly, Executive VP of marketing for Phillips-Van Heusen said: *“The days of slapping your logo on a sport and counting the impressions are over... Our partnership with the Izod IndyCar Series is a good example of how to simultaneously activate our brand at Macy’s, and re-energize a sport — we are so intertwined that what benefits one will ultimately be good for all three.”*



## LESSON 8.1

### On-site Promotion

- Allows a company to connect with the audience
- Provides opportunities for a company to network with other sponsors
- Companies are buying fan enthusiasm, access to crowds and the media benefits associated with the event

# Sponsorship & Endorsements

## LESSON 8.1

### On-site Promotion



**RIP CITY**  
**ECO SUMMIT**

Last season, the Portland Trail Blazers teamed up with sponsor Green Sports Alliance to host an Eco Summit event where over 20 of the team's sponsors were invited (as well as all company employees) to participate. Educational and interactive booths along with panel discussions generated networking opportunities for all in attendance.



Rip City Eco Summit  
at the Moda Center

### Internal Sales & Marketing Tool

*Helps companies to:*

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- Maintain an existing customer base
- Attract new customers
- Enhance employee relations and motivate/reward staff

## LESSON 8.1

### Internal Sales & Marketing Tool

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According to a Sponsorship Decision-Makers study by IEG, Inc. and Performance Research, 64% consider measuring “employee/internal response” as a valuable metric when evaluating the effectiveness of a sponsorship.

# Sponsorship & Endorsements

## LESSON 8.1

### Product Introduction

*Sponsorship is a great marketing tool for companies to introduce new products because they provide a quantifiable demographic*

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*Ford may sponsor a "test drive" promotion at a NASCAR event, offering an opportunity for fans to drive a new car model. The promotion enables Ford to capture the information of an identifiable number of the program's participants.*

# Sponsorship & Endorsements

## LESSON 8.1

### Product Introduction

In 2016, Chobani Greek Yogurt sponsored Team USA and used the Rio Olympic Games to launch three limited edition Rio-inspired flavors: Limited Batch Guava, Limited Batch Watermelon and Chobani "Flip" Greek Yogurt Limited Batch Mango Passion Power.



# Sponsorship & Endorsements

## LESSON 8.1

### Product Introduction

Samsung also used the 2016 Rio Olympics games to unveil their Galaxy S7 Edge Olympic Games Limited Edition phone and Gear IconX cord-free earbuds. Over 12,5000 phones and earbuds were distributed to the athletes, which came preloaded with software and apps designed to help them navigate the Olympic games and Rio.





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for Teacher Edits*

# LESSON 8.1 REVIEW (ANSWERS)

## Sponsorship & Endorsements

1) Define and offer examples of sponsorship

Sponsorship is a form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits.

Examples could include Ford Motor Company paying \$1 million for the naming rights to Ford Field in Detroit, Tostitos, Nokia and FedEx sponsoring NCAA college football bowl games or Mountain Dew sponsoring the Action Sports Tour

# LESSON 8.1 REVIEW (ANSWERS)

## Sponsorship & Endorsements

2) List three ways a company might implement sponsorship programs

Sponsorship programs are typically implemented in one of five ways, including:

- Retail promotions
- Media awareness
- Venue/event on-site promotions
- Internal sales and marketing tool
- Product introduction