

SPONSORSHIP'S NEW OPTICS

WHY CHANGING FOCUS IS THE ONLY WAY TO WIN

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For decades, sponsorships have been viewed as assets that sit at the center of a hub of activity designed to support and promote the partnership. But that model is no longer sustainable in a marketplace filled with hundreds of thousands of sponsorships, and in a world where consumer and business targets demonstrate over and over again that they do not know, and do not care, who is the official sponsor of what.

Instead of sponsorship as the platform around which they build campaigns, it is time brands reframe the dialogue.



RATHER THAN ASKING "HOW DO WE ACTIVATE THIS?" THEY MUST POSE TWO OTHER QUESTIONS: **"HOW CAN WE USE THIS TO CREATE A NEW AND VALUABLE ASSET?"** AND **"HOW CAN WE USE IT TO AMPLIFY THE STORIES WE NEED TO TELL?"**

Sponsorships are on the same journey as brands themselves. As Frank Cooper, chief marketing officer, global consumer engagement for PepsiCo Global Beverages Group points out:

“Brands have moved from serving a transactional and functional purpose as shorthand for identifying what is in the bottle, to conveying image and appealing to emotion, to now being a source of meaning and trust. Technology has caused a huge change as to which social institutions provide meaning. People now get meaning from each other and from brands. This is a massive reorientation of the social context.”



BRANDS



MEANING/TRUST

Similarly, sponsorships have evolved from vehicles for generating awareness, to a way to borrow imagery and earn a halo effect, to being the catalyst for ensuring brands create meaning and tell their stories effectively.

WHAT WILL YOUR SPONSORSHIPS PRODUCE?

CREATE AND CURATE

When brands stop thinking of sponsorship as the end game and instead view it in the context of what it can produce, they enable themselves to tap into the social and cultural changes that PepsiCo's Cooper referred to.

This is the natural next step in the evolution that began with sponsorships as branding exercises and transitioned into opportunities to tap emotions and enhance experiences. In this new phase, sponsors will be producers in cooperation with their rightsholder partners.





Currently, we can see examples of this with globally scaled partnerships between large brands and global properties. **Red Bull Stratos** is the ultimate example for the time being.



Pepsi is taking this approach with its partnership with **Beyoncé**. Not satisfied with being a sponsor, Pepsi wants to be a creator. So while the relationship will contain familiar elements such as commercials, involvement with tours, videos, etc., it also will involve collaboration between the brand and the artist on original content that is consistent with their common values and offers cultural value to consumers.



Given the democratization of technology and content production, the concept of sponsors as producers and creators is eminently scalable and applicable to partnerships across all property types. Multimillion-dollar budgets and massive teams of people are not required. For the cost to develop a basic app, **Saucony**—in conjunction with a series of local nonprofits—created the **Run4Good** program, which allows runners to turn the miles they log into donations to fight childhood obesity.

Brands that become creators will not be abandoning traditional activation and engagement elements of sponsorship, but rather will be adding another level of value delivery to them.



If creating is the ultimate method of delivering real value, curating is nearly as important in a world where people need shortcuts to filter massive amounts of information and content to identify what is most important to them.

At **South by Southwest, Samsung** provided a valuable service to attendees by surfacing the most relevant and trending information from the festival's hundreds of events and tens of thousands of conversations, and delivering it directly to them through the device of their choice.



The need for "editors" that can cut through the clutter and deliver critical information offers incredible opportunities for brands to put themselves at the heart of an experience and be of service to their customers and consumers, whether it's developing an online resource that aggregates news, apps and social media; offering tools to help navigate a live event, or spotting worthy causes and social initiatives that would otherwise go unnoticed.



WHAT CAN YOUR PARTNERSHIPS SHINE A LIGHT ON?

MESSENGER, NOT THE MESSAGE

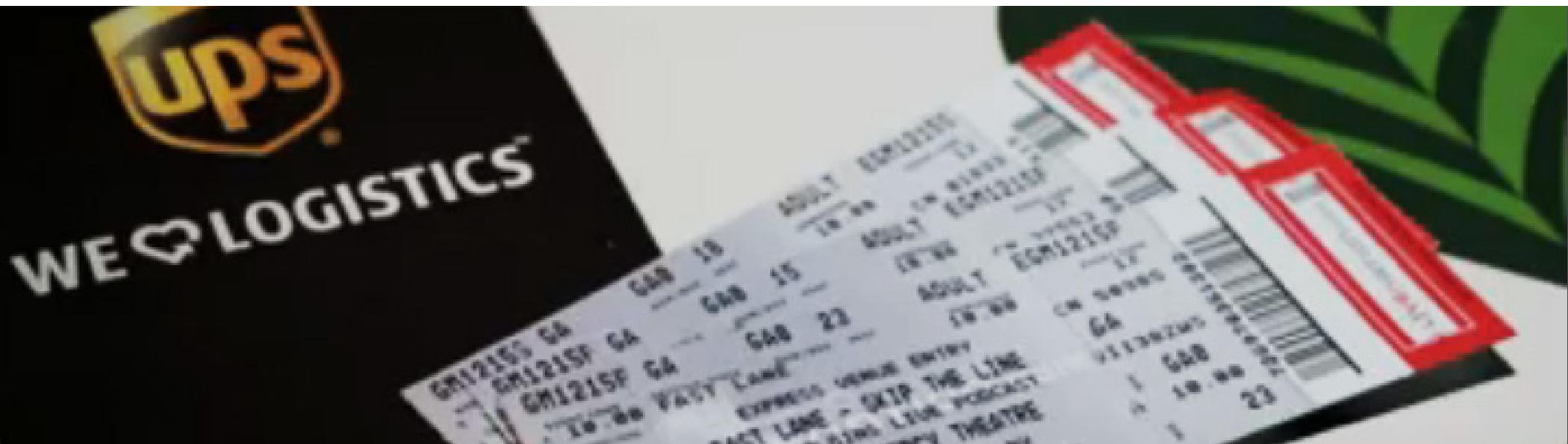
Not only can sponsorships stimulate the creation of new assets, but they also should be seen as a conduit to allow consumers and stakeholders to further discover a brand's story and values.

Sponsorships, especially those with sports and entertainment properties, are powerful megaphones for spreading the word about other company programs, initiatives, legacies, etc. that otherwise would not get the attention they deserve.

Consider the challenge faced by **UPS** in promoting its sustainability efforts to business and consumer customers. Amid a sea of me-too environmental messaging from corporations of all types and sizes, UPS leverages its role as exclusive global package, shipping and logistics sponsor of **Live Nation** to also serve as the official sustainability partner of the entertainment giant.

In addition to the traditional benefits of entertaining customers, prospects and employees at Live Nation events and venues, UPS now has a compelling narrative to share. It created a sustainability program for the live music industry that measures the carbon footprint of concert tours and offers solutions that are more energy efficient and mitigate remaining carbon dioxide output through offsets. This effort is promoted through documentary-style videos and other media.

In addition, all shipping of tickets and merchandise purchased through Live Nation is made carbon-neutral through the use of offsets, directly involving consumers in the effort.





Ultimately, riding a sponsorship's coattails and drawing attention to what a company is doing, or what its values are, can deliver a higher return than even the primary elements of the partnership.

For example, **Lloyds Banking Group**, a sponsor of the **2012 London Olympic Games** reported that among customers aware of its sponsorship, 30 percent were more likely to recommend the bank. But of those aware of the **Local Heroes** community program that Lloyds ran in conjunction with the Games, 50 percent were more likely to recommend.



LIKELY TO RECOMMEND
AWARE OF OLYMPIC
SPONSORSHIP



LIKELY TO RECOMMEND
AWARE OF LOCAL
HEROES PROGRAM

FIVE ACTIONS THAT WILL IMPROVE YOUR SPONSORSHIP RETURN

In addition to expanding the lens through which you view sponsorship to include creating new assets and enhancing storytelling, successful sponsors must strive for the following:

1

EARN CREDIT AND GRATITUDE FROM THE AUDIENCE FOR WHAT YOU BRING TO THE SPONSORED PROPERTY, NOT JUST RECOGNITION THAT YOU WERE THERE. RECEIVING CREDIT TRANSLATES INTO GRATITUDE, WHICH LEADS TO BEHAVIOR AND LOYALTY.

TIP: Credit is more easily earned when the brand's actions are (or are perceived to be) based on bottom-up, consumer-generated ideas, rather than being brand led.

2

DELIVER YOUR MESSAGE WHEN THE AUDIENCE IS READY TO HEAR IT RATHER THAN INTERRUPTING.

TIP: This may mean forgoing the corporate badging or not messaging directly through or during a sponsored activity. Don't be afraid of giving up short-term exposure for more meaningful association.

3

PRIORITIZE ORGANIC, RELEVANT OPPORTUNITIES FOR TELLING YOUR CORPORATE OR BRAND STORY OVER REACHING HUGE NUMBERS OF PEOPLE.

TIP: Ensure that your process for reviewing partnership opportunities is not biased against non-traditional opportunities or those that deliver smaller audiences.

4

DEVELOP AN INTEGRATED, PORTFOLIO-BASED APPROACH TO SPONSORSHIP. EACH PARTNERSHIP DOESN'T NEED TO ACHIEVE ALL OF YOUR BRAND OBJECTIVES AND REACH ALL OF YOUR TARGETS, BUT TOGETHER THEY SHOULD.

TIP: Rank and weight your objectives and communicate with internal stakeholders to gain consensus so that you can appropriately balance your portfolio.

5

FIND RIGHTSHOLDER PARTNERS THAT UNDERSTAND THIS NEW CONTEXT FOR SPONSORSHIP AND CAN BRING THE NECESSARY ASSETS AND IDEAS TO THE TABLE, NOT JUST STANDARD INVENTORY.

TIP: Screen opportunities for new partnerships and renewals on a qualitative as well as quantitative basis, asking questions about how a property will deliver in addition to what it will deliver.

ABOUT IEG

For nearly 30 years, IEG has guided clients through the complex, evolving world of sponsorship, ensuring they stay ahead of the competition and add value to their brands.

We help clients forge deeper connections with targeted audiences through the sports, entertainment, causes and experiences their customers love. We are the only objective sponsorship optimization consultancy fed by smart analytics and strategic expertise.

Our work with industry-leading sponsors—Aon, AT&T, Avis, BP, Canon, Dr Pepper, Exxon, GE Healthcare, Grupo Modelo, GM, HSBC Bank Canada, IBM, JPMorgan Chase, Kodak, Kraft, Nissan, Pfizer, P&G, Subway, Verizon Wireless, Visa and more—provides a practical and informed perspective on what sponsors need to evolve their sponsorship investments.

Only IEG has an objective perspective on the world of sponsorship that is crucial to growing brands. Our consulting for brands focuses on blueprint strategies and metrics to exceed long-term objectives.

A unit of WPP's GroupM, IEG is connected to specialty sibling communications companies in media, digital and activation. GroupM is the leading global media investment management operation that also serves as parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare.

For more information about IEG and the sponsorship industry, please visit www.sponsorship.com or call 800/834-4850 (outside the U.S. and Canada, 312/944-1727).



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