Understanding A Business Organization’s Approach to Entering A Sponsorship Partnership

JOHN L. CROMPTON*

Sponsors are central to the financial success of many festivals and events. Festival managers are most likely to succeed in soliciting sponsorship partners if a marketing approach is adopted, which means that they look at their sponsorship opportunities through the eyes of the business from which they seek to attract investment. This approach is illustrated by the well-known marketing aphorism, “To sell Jack Jones what Jack Jones buys, you have to see Jack Jones through Jack Jones’ eyes.” The extent to which festival managers are able to understand the processes used by the potential sponsors to select their investments, and to tailor a proposal to meet the needs of businesses, is likely to determine their success in soliciting sponsorship.

This paper focuses on understanding business organizations’ approaches to entering a sponsorship partnership. Five dimensions of concern to businesses are addressed. First, benefits that it is anticipated will be derived by the company from a proposed sponsorship have to be framed in terms of specific communication objectives. Second, the time period required to achieve the specified objectives has to be determined. Sponsorship is likely to be effective only if it is integrated with other communication vehicles, so a third concern is its potential for providing a “hook,” or unifying theme, upon which other vehicles can be focused to communicate the desired message. Sponsorship ambushes occur when a company that is not an official sponsor promotes around an event to give the false impression that it is a sponsor. The extent to which an opportunity can offer protection from ambushing is a fourth concern. The final section of the paper describes the kinds of approaches companies use for screening proposals.

Sponsorship Objectives

Many times sponsors’ objectives indicate only what the sponsor would like an investment to accomplish in general terms. For example, consider the following statement by a Kodak executive:

Kodak’s event marketing objectives for film products include encouraging people to buy more film, to purchase more than one roll at a time, to try different speeds of film, to get excited about taking pictures and to have the film processed by a Kodak Colorwatch dealer (Barr 1988).

The problem with these objectives is that they fail to meet the key criteria for effective objectives which are that they should be specific, measurable and prioritized. Specific means that they should delineate target markets, quantity of impact and timing. Sleight (1989) notes, “There is no such thing as a generally effective sponsorship in an abstract sense.” The types of benefits a sponsorship could offer may be discussed in general terms, but those sought should then be specified in measurable terms.

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Measurable objectives are those that are specific, only if objectives from a sponsor are to be examined carefully to determine if they are sufficient to achieve sponsorship goals.

Most sponsors’ objectives are relatively few and general in terms. However, the demands for sponsorship are big differences. Sponsorship is to Product X,” and “Product of Product Y” to females aged 18 to 25 in the metropolitan area.

Sponsorship goals are the goals of a company’s strategy. At Cadillac, sponsorship investment is tied to one of two strategies.

Two goals are to be met: first, consumer awareness; second, consumer interest in the brand. A third goal is to establish a positive image among target groups, a metaphor for class.” (Page 98)

Dixon (1989) describes sponsorship as an investment that constitutes measuring the effectiveness and efficiency of sponsorship objectives for achieving sponsor objectives.

- How are we performing business, building business?
- Who are our target audience?
- How specific is the audience?
- What is the cost of sponsorship?
- What is the brand awareness?
Measurable objectives achieve two things. First, they facilitate evaluation and accountability since only if objectives are measurable can the outcome from a sponsorship be evaluated. Second, they serve to crystallize executive thinking, since managers are forced to consider the limitations of sponsorship and examine carefully whether or not it is the best vehicle to achieve the specified objective.

Most sponsors have an intuitive feeling for what their investment might deliver. Unfortunately, relatively few express their expectations in measurable terms. However, their numbers are increasing as the demands for accountability accentuate. There is a big difference between, "The objective of our sponsorship is to increase consumer awareness of Product X," and "The objective is to increase awareness of Product X by 10% among professional working females aged between 25 and 40 in the Atlanta metropolitan area in the next three months."

Sponsorship goals have to fit within the broader goals of a company's overall communications strategy. At Cadillac, for example, a specific sponsorship investment's objectives must specifically contribute to one of two broad goals:

Two goals dominate our marketing strategy at Cadillac. A specific sponsorship investment's objectives must specifically contribute to one of these broad goals. One is to impact our narrow and demographically specific target market with direct product exposure that will result in immediate sales. The second goal, though more abstract, is equally important—to reinforce and enhance Cadillac's image among the general public—to use our name as a metaphor for excellence: "The Cadillac of its class." (Perelli & Levin 1988)

Dixon (1985) has developed a series of questions that constitute a type of audit. Answers to them offer a basis for formulating a set of measurable objectives for a sponsorship investment:

- How are we trying to influence—raise brand awareness, build trial, enhance corporate images etc.?
- Who are we trying to influence—what is/are the specific target audiences we are trying to influence?
- What is the nature and size of the event—how and where can the target audience be reached?
- What is the level at which we are starting?

- What levels of effect, increase, change, etc. are desired/necessary in order to proceed with sponsorship or consider the event to be successful?
- What are specific ways in which the event would be promoted?—how extensive would this promotion be and how will prospects be reached?
- What would be done to merchandise the brand following the event and over what period of time?

**Length of Commitment**

There is a general consensus that for sponsorships to be effective there should be a relatively long term commitment. Three to five years is often advanced as the optimum time period (Meenaghan 1983). Armstrong (1988) and Copeland (1991) empirically confirmed this timeframe. Copeland (1991) reported that 46 percent of the 71 major Canadian companies in his sample who sponsored events typically committed for between three and five years, while 86 percent indicated commitments of between one and five years. Short term commitments do not provide adequate time to exploit a sponsorship. It usually takes longer to establish a linkage between the event and a sponsor's product in the target market's mind, and this linkage is key to achieving the awareness and image benefits being sought. A one-off sponsorship may generate some short term awareness, but there is unlikely to be any positive image benefit. Further, once the event is over, awareness is likely to dissipate quickly. Sleigh (1989) suggests to companies that the following sequence is likely to occur:

The first year will be spent learning about the event or activity, making contacts (and probably quite a few mistakes) and finding your way in this new area. The second will start to show the potential you are hoping for, while the third should, if you have done your work correctly, see the benefits accrue, the audience accept your presence and motives, and the media to be comfortable with linking you with the activity.

Long term commitments of more than five years are also problematic for three main reasons. First, market conditions may change over this period, making the sponsorship less effective. Second, a company's management may change leading to different directions in its communications strategy. The
London Marathon sponsorship by Mars was an illustration of this. The Mars candy bar was promoted on its energy-saving properties. Linking it with a high profile energy-saving event like the Marathon appeared to be a natural marriage. However, Mars dropped the title sponsorship because, "The new brand manager wanted to wipe the slate clean so he could write his own programs. (This by the way is a dumb but not uncommon reason for sponsor hopping)" (Special Events Report 1988a).

Another observer of this shift commented, "Even more astounding, the company was heard to complain about the time it will take to break the link between the company and the event that has so effectively been formed in the public's mind!" (Sleight 1989)

A third reason why investment may not be warranted beyond five years is that after this lengthy period of sponsorship there may be a reduction in impact or a disassociation of sponsors from the sponsored activity. For example, Gillette who sponsored various sports for many years found from their research that consumers were more likely to associate Gillette with sport than with safety razors. They also found that public consciousness of the company's sponsorship was not cumulative after year. Repeated sponsorship of the same event seemed eventually to prove unproductive in reaching new consumers, as awareness levels reached a plateau and then stayed there, or even fell away (Gratton & Taylor, 1985).

Integrating Sponsorship With Other Communication Vehicles

There are two attributes of sponsorship which suggest it is likely to be most effective if it is integrated with other communication vehicles, rather than used in isolation. First, increased awareness and enhanced image benefits of sponsorship accrue by providing implicit messages generated by the linkage between a company and the event. Unlike advertising or sales promotions, sponsorship does not offer direct messages indicating why a product should be purchased. If the target audience is aware of the name, but has no idea what the product is or does, then awareness and image benefits are not delivered: "There is absolutely no point in using sponsorship to create name awareness and to develop an image based on association with an event if support-

ing explicit information is not available to the audience of the sponsorship" (Sleight 1989). If the other communications vehicles are not used in conjunction with a sponsorship, the effort may end up like that used to promote name awareness of the brandy Metaxa, "Major television exposure gained from a linkage with international soccer tournaments left millions of people around the world aware of the name but totally unaware of what it meant!" (Sleight 1989)

A second attribute of sponsorship is that it provides a theme that can be incorporated into the message of the other communication vehicles: personal selling, advertising, publicity and incentives. It provides a "hook" - a focus or unifying theme - to which the other communication vehicles can relate.

The importance of this was emphasized by Klein (1988) who noted that the Sunday newspaper may contain 50 advertising inserts; the average household watches more than an hour of commercials during prime time every day; and the average consumer receives approximately three pieces of unsolicited mail a day. Given the extent of this clutter she concluded:

That's why theme marketing events which can synergistically unite all aspects of the communications mix, make sense to Maxwell House. They create a point of difference for our brands and let us build our franchise with both the grocery trade and the consumer, without incurring exorbitant advertising expenses (p.4).

Sponsored activities may subsequently be used as part of a company's mainstream advertising. This should be planned in advance, rather than ad hoced afterwards, so photographs or video footage can be purposefully taken for subsequent integration into the advertising.

The following three vignettes illustrate some of the different ways in which sponsorship can be integrated with other communication vehicles. Cadillac integrated nationwide television and dealer tie-ins, while Keystone Beer used point-of-sales advertising and a sweepstakes competition. The Moore vignette offers examples of opportunities for building promotions or incentives around a sponsorship. These opportunities can generally be classified into three categories: (1) competitions based on the product, with prizes associated with the sponsorship, for example, tickets to the event or dinner with a celebrity; (2) customers receiving incentives associated

with the sponsorship, and (3) couplings to the entry to the game or prizes associated with the game.

- Cadillac spent $5 million on sponsorship, which was a high investment for a single sponsorship. The company paid for the broadcast rights to the ESPN, and the company paid for the media buys, the television, radio, display and hospitality exposure to the owners and the dealers. The franchise is the names of the sponsors and members of the dealer family. Cadillacs receive approximately 50 advertising inserts, (p.4).

- Coors provided a major sponsor to the Winston Cup. Sponsorship was the major sponsor to the Winston Cup, Coors is one of the sponsors of Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. Coors is one of the sponsors of the Winston Cup and Daytona Beach races and the rest of the Daytona Beach races. 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with the sponsorship when the product is purchased; and (3) coupons which may be redeemable against entry to the event or qualify users for drawings with prizes associated with it.

- Cadillac sponsored the American Grandprix Association show jumping events because it delivered a high income clientele and was a prestigious series. The company had title sponsorship of the 10 national events. Five of these were covered on ESPN, and were accompanied by a full-package media buy, which gave Cadillac a commanding television presence. On-site product displays, ID and hospitality tents broadened the company's exposure to those in attendance.

Dealership involvement was another key element. Dealers furnished cars and sales personnel for on-site displays and were encouraged to participate in charity tie-ins leading up to the finals. This put Cadillac dealers before prospects and prominent members of the community. The promotional reach of the sponsorship was also extended through a direct-marketing follow-up program. Event attendees received a letter offering an overnight test-drive at their local dealer (Perelli and Levin, 1988).

- Coors promoted its new Keystone Beer by being a major sponsor of a team on the NASCAR Winston Cup circuit. Primary reason for the sponsorship was to give the company leverage with retailers in the South. The first phase of promotion revolved around its new 12 packs. Secondary packaging advertised the sponsorship and cans carried the Winston Cup schedule. The 12 packs arrived on Daytona Beach shelves a few weeks before the Daytona 500 race and then expanded out to the rest of the region. Retailers received special 12-pack displays. This was accompanied by a sweepstakes competition which was promoted through point-of-purchase materials. (International Events Group, 1992a).

- Benjamin Moore & Co. manufacture paints and stains. The company sponsored the New York Yankees baseball team as part of a strategy for regaining market share from private label brands sold by discount home improvement stores. The sponsorship was exploited by using consumers and trade hooks, as well as print, radio and television exposure.

A month long retail promotion offered paint purchasers a discount on an old-fashioned Yankees' cap. The company also conducted in-store drawings for tickets to Yankee games. These incentives were promoted by 30-second spots during radio game broadcasts. To encourage trade involvement, Moore hosted Yankee run baseball clinics at the stadium for participating retailers. Moore's package included signage at Yankee Stadium and a promotional night at which it distributed logoed painter's caps. Company ID appeared on pocket schedules and score cards, and during an in-stadium video that highlighted great Yankee plays. Moore also gained exposure through advertisements in Yankee Magazine (International Events Group, 1992b).

A study done by NutraSweet evaluating effectiveness of the company's sponsorship found it was important for the on-site sponsorship presence to incorporate an interactive experience to maximize its impact on attendees (Baldwin, 1987). Another study reported that a sponsoring company selling frozen yogurt met its on-site sales goals, but its unpaid recall score was lower than that of other sponsoring companies. The suggested reason for this was that the company did not have an interactive presence, so attendees perceived it to be a vendor rather than a sponsor (Johnson, 1992). These studies suggest that if a sales promotion effort involves people actively doing something, such as signing up for information at a product display or entering a sweepstakes, then the sponsorship is likely to make a stronger impact on them.

A commonly used strategy for obtaining integrated advertising support is for a sponsor to give copromoting media, event tickets, event merchandise, sponsor's products or the opportunity to meet a celebrity in exchange for media time. This type of arrangement is particularly prevalent with radio stations and the ratio of air time value to merchandise value with radio station trade-outs usually approximates 5 to 1 (Special Events Report, 1988a).

Some imaginative companies have taken the concept of copromotion and expanded it into cross-promotion with other companies. These arrangements are often difficult to negotiate, but if the sponsors are compatible and are in non-competing businesses, additional opportunities can be created, especially in the area of sales promotions. If sponsors cooperate in a cross-promotion, the integration is likely to extend impact of their sponsorship because it exposes each partner to the others' established clienteles and
offers each of the clienteles added value. The following vignette illustrates the potential effectiveness of cross-promotion (Special Events Report, 1988b):

Naturite and the Seven-Up/RC Bottling Companies of Southern California implemented a successful cross-promotion at the 1988 Los Angeles marathon race. Naturite gave Seven-Up 200,000 marathon-themed bottle collars, some with vitamin samples, and Naturite inserted Seven-Up coupons in its packages. "This was the most successful of our marathon promotions," said the director of marketing for vitamin-maker Naturite Inc. "Our objective was to reach the consumer. Selling vitamins to retailers doesn't have the intensity of selling soft drinks, so our Seven-Up tie-in gives us access to a well established sales force that is in the stores practically seven days a week." As an example of the power of the cross promotion, the director pointed to a Thrifty Drug and Discount Stores full-page advertisement in the Sunday Los Angeles Times promoting Naturite and Seven-Up. "The bottom line is how much business we generate. Naturite is in three chains and several independent stores that we had never been in before. We are also a solid part of the promotional plans of our existing customers, many of whom called me to make sure we'd repeat the promotion," the marketing director said.

Integration has cost implications. The direct sponsorship investment represents only part of a company's total investment. The related indirect costs incurred in using other communication vehicles in concert to optimize a sponsorship's impact may include those associated with a company's own media promotion highlighting tie-ins, advertising related to the event eg. airtime or program inserts, merchandising, hospitality, video coverage, and dealer or customer tie-ins.

The indirect costs are likely to be at least equal to those of the direct investment and often range up to three times direct costs. For example, a senior executive of American Express observed that sponsors rarely spend enough money promoting their activities. He stated that American Express normally spends $3 on promotion for every $1 spent on the sponsorship (Graham, 1988). Sleight (1989) advises companies, "A promotional spend less than an equal amount to the sponsorship fee suggests that you are not spending enough to secure the proper level of benefits for you—as opposed to the event." Many event managers seeking sponsorship fail to consider these indirect costs and try to convince potential buyers of the sponsorship's value based only on the direct cost.

To reduce sponsorship costs some companies have focused on investments that have potential for being at least partially self-liquidating. For example, Target paid to increase to $400,000 over a five year period for title of the arena where the Minnesota Timberwolves play, but the company could liquidate the majority of its sponsorship costs by utilizing vendor relationships:

• As part of its package, Target received rights to a number of promotional opportunities at the new 18,500 seat arena. By including brands like Coca-Cola and Kodak in these promotions, and perhaps linking their participation to increased shelf space or displays in Target stores, Target could tap into hundreds of thousands of manufacturer's promotional dollars. For example, Target promoted a Timberwolves Birthday Party Club, which let two children host parties for their friends at each game. The retailer could sell cosponsorship of this event to another company, such as a toymaker, and use the fee to offset its title sponsorship costs (Special Events Report, 1990a).

In addition to co-operative tie-ins with product manufacturers or distributors, self-liquidation may be achieved through direct merchandising and sale of television rights fees:

• Volvo sponsored an NFL exhibition game between the Minnesota Vikings and Chicago Bears in Sweden. They gave a financial guarantee of $2.5 million insuring that both teams would earn at least as much as if they played on their home fields. However, staging the game only cost Volvo $300,000. The majority of their investment was recovered by sale of the European television rights and direct gate receipts. The game was broadcast live in the U.S. and the company's distinctive blue and white banners adorned the stadium. The company's high exposure cost less than one minute of Super Bowl air time (Lohr, 1988).

Sponsorship Ambushing

Ambush marketing occurs when a company that is not an official sponsor promotes around an event to give the false impression that a sponsorship has been defined by an organization with an event in mind, seeking recognition and being an official sponsor.

There are two should be emphasized, well-planned efforts to gain exposure per se. The first is regular advertising, where the intent is "to avoid consumer's mind," while the second is to gain the status of sponsor or weaken the exclusivity of the title sponsor (1989).

Potential ambushers. This approach marketing because a company that doesn't belong to an event thing they don't own. The President of the Greater "Lots of companies do not know. However, a market sponsor signage is down unauthorized (Special Events Report, 1990b). An example was the 1984 Super Jevo:

• Domino's Pizza became the sponsor. However, Domino's Pizza translated this reason, marketing its signs and turned up alongside the primary sponsor and gained exposure for very little cost.
to give the false impression that it is a sponsor. It has been defined as, "A planned effort (campaign) by an organization to associate themselves indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor" (Sandler & Shani, 1989).

There are two key points in this definition that should be emphasized. First, ambush marketing is a well-planned effort, not a one-shot commercial or ad-hoc decision. It may be costly to get consumers to perceive the ambushing company as being a sponsor, involving prime-time advertising and expensive tie-in promotions. Thus, the popular perception that ambush marketing may capture the benefits of a sponsor at a fraction of the official sponsor’s costs is often fallacious. Second, the main objective is not exposure per se since this could be achieved by regular advertising independent of the event. Rather the intent is "to create a misperception in the consumer's mind about who the sponsor is and therefore gain the benefits associated with being a sponsor or weaken the impact of a main competitor being the exclusive sponsor of an event" (Sandler and Shani, 1989).

Potential ambushers are the sponsor's competitors. This approach has been termed "parasitic marketing" because ambushers are "taking something that doesn't belong to them and diminishing something they don't own" (Ruffaenach, 1992). The president of the Greater St. Petersburg Grand Prix noted, "Lots of companies, many of whom are major sporting event sponsors hire people to hang unauthorized banners at event sites. At our event these people come out at 4 a.m. and think no one will know. However, we place a seal on all official sponsor signage so volunteers can recognize and tear down unauthorized banners" (Special Events Report, 1990b). An early example of ambush marketing took place at the 1984 Winter Olympic Games in Sarajevo:

- Domino’s Pizza was not an official Olympic sponsor. However, in the local language Dominos Pizza translated into a lewd, bawdy saying. For this reason, many local people sought out Dominos's signs and took great delight in holding them alongside the bobsled run. Thus, Dominos gained exposure in every ABC bobsled broadcast and appeared to be a sponsor of the Games, all for very little cost (Urbanski, 1992).

There are two popular forms of ambushing. First a company’s sponsorship may be ambushed by a major competitor paying for advertisements within a television program covering the event. This allows the ambushing company to be associated with the event without paying fees for the right to be an "official sponsor." Wendy's and Visa used this approach in the 1988 and 1992 Olympic Games, respectively:

- Wendy's used this strategy to ambush McDonald's in the 1988 Winter Olympics. While McDonald's paid a substantial amount of money for the right to be an official sponsor of the Olympics, Wendy's associated itself with the Games for a fraction of the cost by featuring ski-racing posters announcing "We'll Be There!"; by printing Olympic stories on its tray liners; and by advertising during the Olympic broadcast, which earned them the right to come, "A proud sponsor of ABC's broadcast of the 1988 Winter Olympics" (Sandler and Shani, 1989).
- Visa paid $20 million to become the official Olympic credit card for the 1992 Olympic Games. During the Games, American Express sought to ambush their rivals by repeatedly running two television commercials which were set in Barcelona and which used language evocative of the Olympic Games. One concluded, "And remember to visit Spain, you don't need a visa", while the other stated, "Obviously, we’re here for more than just the fun and games" (Elliott, 1992). Although the word "Olympics" was not used in any American Express advertising, the International Olympic Committee threatened to sue American Express for "ambush marketing" and being "regularly involved in trying to create the impression that it is [an Olympic] sponsor" (McKelvey, 1993a). No suit was filed in response to American Express' U.S. advertising campaign. However, in an advertisement in its own publication Expressions, circulated to 400,000 cardholders in Europe, the company’s European division carelessly used the Olympic rings. The French Olympic Organizing Committee filed suit in the Court of the First Instance in Paris, which resulted in a fine of $26,000 against American Express (Levin, 1992).

If a company is sponsoring an event, it will want to keep competitors from participating as vendors or
non-defendable competition strategy is to create an counter attraction to diversely affect the sponsor's impact. For example, Anheuser-Busch was prohibited from bringing its Clydesdales into a Miller sponsored rodeo. Thus, Anheuser-Busch siphoned people and media attention away by scheduling the horses' visit to the city on the same day as the rodeo (Special Events Report, 1990b).

Published empirical evidence assessing results of ambushing is limited to a study reported by Sandler and Shani (1989). They evaluated the relative effectiveness of official sponsorship and ambushers at the 1988 Winter Olymics by assessing recall and recognition of the companies involved in seven product categories. When the data were aggregated across categories, official sponsors were able to achieve significantly higher levels of awareness than ambushers. However, in only four of the seven categories were official sponsors identified more than ambushers. In two of the three other cases, official sponsors were not major advertisers on the Olympic telecast and in the third case the ambushers engaged in extraordinarily heavy advertising. These results appeared to reinforce the importance of supporting official sponsor status with strong advertising.

Reactions to ambush marketing reflect perspectives of the parties involved (McKelvey 1993a). Many will argue that it is a healthy business practice consistent with the American tradition of encouraging competition in the market place. However, events organizations are likely to see it as unfairly undermining the significant time, effort and expense they invest in developing meaningful sponsorship programs. Similar negative reactions will probably be forthcoming from sponsors who see the return on their investments diminished, and visitors who may be misled into purchasing a product or entering a sweepstakes based on the belief that one company rather than another is in fact, the official sponsor.

Approaches For Screening Proposals

The number of sponsorship opportunities offered to companies known to use this communication medium can be overwhelming. For example, it has been reported that in 1984 Philips received 10,000 written inquiries for sponsorship (Kohl & Otker, 1985) and that in 1987 Anheuser-Busch received approximately 200 sponsorship proposals a day (International Advertising Association, 1988; Stotlar, 1989). As sponsors are faced with a large number of potential opportunities, they need a systematic approach which will yield high-quality sponsorship agreements. The criteria and screening process that are intended to evaluate the quality of a company's sponsorship proposal.

The screening criteria is presented in the form of a decision tree (anteacronym CRITIC: cost, revenue, impact, timeliness, impact, cooperation). Each of the criteria is described in detail in a variety of authors (Kohl & Otker 1985; Samson 1986; Samson 1987; Admran 1984, Tortoriello 1987).

A company is likely to have a variety of sponsorship opportunities and to do so would create a complex decision process. The decision process involves two steps. First, the company is likely to screen all of the proposed opportunities using the selected criteria. Second, the company is likely to screen the selected opportunities using the selected criteria.

Many companies face the challenge of using a quantitative process to screen opportunities. For example, a 1 through 5 rating scale for each criterion was used. The outcome of the process is to rank each sponsor opportunity relative to the others.

The total figure gives the company an overall score for each sponsor opportunity. The final step is the decision to accept or reject each proposal. The company's overall score will likely increase over time by combining the decision tree system to actual data to more effectively evaluate the quality of a company's sponsorship proposal.
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As sponsorship has grown, companies have developed approaches for sifting through the multiple opportunities they are offered to identify those which will yield highest return on their investment. The criteria and screening sought and tools they use are intended to ensure the benefits specified in a company’s sponsorship objectives are delivered.

The screening criteria likely to be most pertinent to businesses engaged in sponsorship can be summarized under eight headings from which the mnemonic acronym CEDAR SEE is derived: customer audience, exposure potential, distribution channel audience, advantage over competitors, resource investment level required, event organization’s reputation, event’s characteristics, and entertainment and hospitality opportunities. A set of screening criteria which operationalize these eight major concerns are shown in Figure 1. They are derived from a synthesis of screening criteria that have been reported by a variety of authors (Perelli & Levin 1988, Riffner & Thompson 1987, Forst & Forst 1991, Frankel 1988, Samson 1989, Ensor 1987, Sleight 1989, Ukman 1984, Tortorici 1987).

A company is unlikely to consider all of the criteria listed in Figure 1 in its screening process. To do so would create an unwieldy and unmanageable system that would defeat the objective of clarifying the process. Further, a common set is unlikely to be appropriate for all companies since the benefits sought from sponsorship are different. Rather, each company is likely to select from this comprehensive list the 12 to 15 criteria that are deemed to be most salient to meeting its objectives.

Many companies screen sponsorship proposals by using a quantitative procedure. Thus, each sponsorship opportunity may be evaluated against each of the selected criteria on a rating scale with, for example, a 1 through 10 scoring system. If different levels of importance are ascribed to the selected screening criteria, then the criteria should be weighed. The total figure gained by adding up the score for each criterion multiplied by its weighting gives a final score for each proposal being assessed. If the cost of the project is then divided by the total score, this gives a relative cost figure that can be used to compare projects. The approach can be improved over time by comparing predictions given by the system to actual experience with events. The relative importance of the criteria may be adjusted by modifying their weighting in order to refine the system.

Concluding Comments

The concerns discussed in this paper reflect the trend towards companies making discriminating, objective decisions about sponsorship opportunities. The increased insistence on establishing measurable objectives reflects a parallel emphasis on measuring return on investment from sponsorship. Measurement cannot be undertaken without a priori objectives. The General Motors director of consumer influence operations observed (Penzer, 1990): “If cuts in our ad budgets are made, the first thing to go is events sponsorship, because nobody knows for sure what they are getting.” This suggests it is in the event organization’s best interest to work with sponsoring companies to establish measurable objectives.

Determining optimum length of commitment to an event sponsorship by both partners to achieve the company’s objectives, is likely to facilitate effective strategic planning. Similarly, consideration of the ambushing issue before sponsorships are solicited is likely to influence an event’s planning and packaging of proposal solicitations.

Events organizers often fail to appreciate that the other communication tools have to be used to maximize a company’s exploitation of its sponsorship investment. Involvement of these other vehicles has two implications. First, the additional cost means that the company can commit only a proportion (usually less than 50 percent) of funds allocated to the project for the actual sponsorship. Second, the event organizers should be thinking in terms of how they can assist the company’s total communications strategy, rather than the more myopic perspective of how they can help the company maximize its on-site sponsorship investment.

In the early days of sponsorship, decisions to support a particular event frequently reflected the personal interests of senior management, rather than a careful assessment of the benefits which were likely to accrue to the company from its investment. Today that type of decision is unusual. Accountability for an investment has to be shown by demonstrating its potential for increasing a company’s profitability. This means that most companies will have
1. Customer Audience

- Is the demographic, attitude and lifestyle profile of the target audience congruent with the product’s target market?
- What is the on-site audience?
- Is sponsorship of this event the best way to communicate about the product to this target audience?

2. Exposure Reach

- What is the inherent news value of the event?
- What extended print and broadcast coverage of the sponsorship is likely?
- Will the extended coverage be local, regional or national? Is the geographical scope of this media audience consistent with the product’s sales area?
- Can the event be tied into other media advertising?
- Can the sponsorship be used to create consumer and trade promotions?
- Will concession areas at the event cooperate in selling the company’s product and brand-logoed items?
- What opportunity does the event offer for a sustained presence? i.e. What is its future growth potential? and How long is the sponsorship usable before and after the event?
- Are banners and signage included in the sponsorship? How many? What size? Where placed? Will they be visible during telecasts?
- Will the product’s name or logo be identified on promotional materials for the activity?

- Event posters? How many?
- Press releases? How many?
- On tickets or ticket order forms? How many?
- Point-of-purchase displays? Where?
- Television advertisements? How many spots? Which stations?
- Radio advertisements? How many? Which stations?
- Print advertisements? How many? Which publications?

- Where will the product name appear in the event program? On the front or back cover? How many and size of program advertisements? Number of programs to be printed?
- Will the product’s name be mentioned on the Public Address system? How many times?
- Can the sponsor have display booths? Where will they be located? Will they be visible during telecasts?

3. Distribution Channel Support

- Are the sponsorship’s advantages apparent to wholesalers, retailers or franchisees? Will they participate in promotions associated with the sponsorship?

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Figure 1. Screening Criteria Used By Business Organizations To Determine Which Sponsorship Opportunities Will Be Supported.
4. Competitive Advantage

- Is the event unique or distinctive?
- Has the event previously had sponsors? If so, how successful has it been in delivering desired benefits to them? Is it strongly associated with other sponsors? Will "clutter" be a problem?
- Does the event need co-sponsors? Are other sponsors of the event compatible with the company’s product? Does the company want to be associated with them? Will the product stand out and be recognized among them?
- If there is co-sponsorship, will the product have category and advertising exclusivity?
- Will competitors have access to signage, hospitality or event advertising? Will competition be allowed to sell their product on site?
- If the company does not sponsor it, is it likely that a competitor will? Is that of concern to the company?

5. Level of Resource Investment Required

- How much is the total sponsorship cost, including such items as related promotional investments, staff time and administrative and implementation effort, and in-kind resources as well as the sponsorship fee?
- Will it be unwieldy and difficult to manage the sponsorship investment?
- What are the levels of barter, in-kind, and cash investments?
- Does the organization guarantee a minimum level of benefits to the company?

6. Organization’s Reputation

- Does the organization have a proven track record in staging this or comparable events? Does it have the expertise to help the product achieve its sponsorship goals?
- Does the organization have a reputation and image with which the company desires to be associated?
- Does it have a history of honoring its obligations?
- Has the company worked with this organization before? Was it a positive experience?
- Does it have undisputed authority and control over the activities it sanctions?
- How close to its initial projections has been the organization’s previous performances in delivering benefits to sponsors?
- How responsive is the organization’s staff to sponsors’ requests? Are they readily accessible?
- Is there insurance and what are the company’s potential liabilities?

Figure 1. Continued.
7. Event Characteristics

- What is the perceived stature of the event? Is it the best of its kind? Is it prestigious? Will involvement with it enhance the product’s image?
- Does it have a “clean” image? Is there any probability it will be controversial?
- Does it have continuity or is it a one-off?

8. Entertainment or Hospitality Opportunities

- Are there opportunities for direct sales of product and related merchandise, or for inducing product trial?
- Will celebrities be available to serve as spokespeople for the product? Will they make personal appearances on its behalf at the event, in other markets, or in the media? At what cost?
- Are tickets to the event included in the sponsorship? How many? Which sessions? Where are the seats located?
- Will there be access to VIP hospitality areas for the company’s guests? How many will be authorized? Will celebrities appear?
- Will there be clinics, parties, or playing opportunities at which the company’s guests will be able to interact with the celebrities?

Figure 1. Continued.

criteria that they use to evaluate the relative merit of investment opportunities. Tying proposals to these criteria then becomes a prerequisite for success.

Too often, organizations think in terms of their own needs rather than the needs of their potential sponsors. Major companies are inundated with requests for sponsorship support. To be successful, event managers must adopt a marketing approach to soliciting sponsorship. This involves first understanding how companies make their decisions, and then responding appropriately to their concerns and their processes.

References


UNDERSTANDING SPONSORSHIP PARTNERSHIP

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