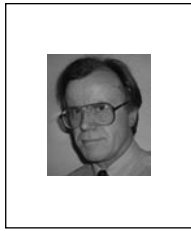

Sponsorship



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Sponsorship

List of Abbreviations	xxx
List of Advisers	xxx
List of Advertisers	xxx



*Richard Fox, Managing Director
uksponsorship.com Ltd. (The UK Sponsorship Database).*

'All human life is there' – what a great slogan! Such a shame the News of the World grabbed it first, many years ago, as the words seem to sum up very neatly one of the main attractions of sponsorship: its sheer variety. True, sport sponsorship seems to dominate the sector. No doubt the London Olympics will be hogging the sponsorship headlines for the next five or six years. And as the big deals get bigger, the shenanigans in sport's upper echelons become ever more visible in the media – Vodafone's dramatic withdrawal from its shirt deal with Manchester United being a case in point.

The level of media interest is understandable, given the speed with which sponsors' budgets are growing. Growth in sponsorship expenditure continues to rise ahead of other forms of marketing. "The current spend on sponsorship is 8% of the total marketing spend across Europe. We expect this figure to rise to around 15% by 2010", said Nigel Currie, Chairman of the ESA (European Sponsorship Association), at the Association's November 2005 Congress. Currie went on to say that the annual sponsorship spend in Europe was now £7.5 billion, with sport accounting for 80% of this figure.

Top-flight sport – and football in particular – is indeed a major beneficiary from sponsorship right across Europe, with eight figure contracts having become almost commonplace. At the time of writing, current ongoing football deals include Tamoi's sponsorship of Juventus at £15m a year; BenQ's support of Real Madrid, £14m a year (from 2006); T-Mobile - Bayern Munich, £11.4m a year; and Samsung's £10m a year deal with Chelsea.

And then, of course, there's the 2012 Olympics. If previous Games are anything to go by, there'll be no shortage of mega-brands prepared to pick up the sponsorship baton and run with it. But the fact that the Games will take place on home turf is not seen as entirely positive in all quarters. "Businesses are committing significant investment in advance of London 2012", notes Arts & Business, the national charity dedicated to encouraging and developing effective partnerships between business and the arts. "Does that mean that there will be less available in the budget for the arts?" it asks, in its December 2005 report, *Arts & Business Private Investment in the Arts*, pledging itself to work "...to ensure that businesses balance their portfolios and invest in the arts to reflect the need for diverse involvement with the community".

Business investment in the arts increased by more than 6% between 2003/2004 and 2004/2005, according to figures published by Arts & Business in December 2005. A&B's estimate for total annual business investment in the arts is £119 million. Only time will tell whether the 'Olympics effect' will make a dent in arts revenues.

But sponsorship's major league is not just about the Olympics, nor indeed about the World Cup and other big sports deals. Brand sponsorship of TV shows is nowadays a routine addition to our evening's viewing; the personal dramas of a round-the-world sailor will inevitably bear the expensive imprint of his or her sponsor; sponsored high profile arts events will also often make waves in the media; and the role of sponsors in the work of charities continues to move centre stage.

With all this focus on the headline-catchers, you'd be forgiven for overlooking the plethora of ways in which sponsorship takes an active role in so much of our everyday lives, too. Providing the support that keeps the lights on for a much-loved local theatre; contributing to some jolly fundraising events that may raise money to keep a local hospital ward running; helping a local educational establishment add crucial new facilities for its sixth form; all of these are also what sponsorship is about – and you won't find many parallels here with your double page spreads or your 30 second TV spots.

Big spend:small spend

The difference between spend at top level and local ventures is a fairly obvious polarisation. Less immediately apparent are differences in how companies perceive and utilise the sponsorship option. "What's interesting about sponsorship is that our understanding of it and what it can do is constantly evolving, and the discipline is definitely segmenting", says Fiona Young, Senior Account Manager at Redmandarin. "At the cutting edge of sponsorship, the most confident brands are utilising an experiential marketing approach, challenging themselves to create meaningful connections with their target audience, while at the other end of the spectrum many brands still regard sponsorship as a badging exercise or even a poor man's advertising campaign."



One place where advertising and sponsorship do rub up against each other is in broadcast media. Ofcom's new sponsorship code came into effect in July last year. The very fact that broadcast sponsorship needs such close control is of course a measure of the power of the TV and radio media. This new code was widely welcomed in media and marketing circles, including as it did a significant degree of deregulation. True, Ofcom still keeps a tight rein, very keen to maintain a clear distinction between editorial and sponsors' messages. Thus sponsor credits must not contain advertising messages or calls to action – and there can be no sponsorship of news and current affairs programmes.

But sponsor credits already offer one real advantage which belies the apparent separation between sponsorship and programming. In an age of PVRs and ad-skipping, the fact that sponsors' credits are positioned strategically at the start and, more importantly, at the end of commercial breaks means that most fast-forwarding viewers use them as a signpost for the beginning of the next programme or programme part. Thus, the anticipated 'bumper break' message works all the harder for the sponsor.

News and current affairs will be an area to keep an eye on over the next 12 months or so. Ofcom are known to be prepared to consider the sponsorship of whole TV channels, subject only to overriding EU sponsorship rules. If the on-screen livery of a channel was to incorporate a sponsor's logo, it might well be impractical to try to keep a barrier between news broadcasts and the identity of the channel's sponsors. Elsewhere, media sponsorship appears poised to enter a new era, with mobile TV combining the impact of television with a one-to-one interface only previously available via newspapers and magazines.

Growth in the supply of, and demand for, sponsorship in its many flavours, is stimulating an appetite for recognised qualifications, with many new courses being offered. Increasingly, higher level professional skills are being applied in areas such as the packaging of sponsorship properties, negotiation (on both the buying and selling sides of the equation) and the delivery of the product.

The fact of the matter is that sponsorship is a marketplace, exhibiting the same characteristics in supply and demand, seasonal fluctuations, etc. as any other market. We know this very well at uk sponsorship.com because of the cyclical variations in numbers of visits to our site (The UK Sponsorship Database) by sponsors and consultants interested in researching current availability, as well as telephone enquiries and site searches. In our experience, the arts seem to be more popular in the autumn; sport (in demand all year round, of course) shows a major upturn in the spring, and education and charities usually peak just after the new year.

And there's a short-term market, too. Corporate fundraisers with a property that's sticking will often be prepared to revise costs downwards, make a package more attractive or throw in some extra 'sweeteners' such as additional hospitality.

Sponsorship and education – a new era

Education is a particularly hot political potato currently – not surprising then that all eyes are on the role played by sponsorship. Funding for the comparatively new specialist schools comes from both Government and the private sector. A school aiming for specialist school status needs to attract at least £50,000 of private sector support to secure matched funding from Government - which equates to nearly £600,000 over four years. The feat has proved difficult for some schools situated in deprived areas.

Officially sponsorship pledges made to schools are completely unconditional and not related to any separate written or oral agreement with any company or organisation. A school applying for specialist status is not allowed to accept sponsorship directly from any company with which it has an existing or potential commercial relationship. But the Specialist Schools and Academies Trust acknowledges that, as well as giving businesses "the opportunity to put something back into the community in which they are based", the scheme has major potential benefits in terms of public perception: "Actively supporting such a crucial, high-profile government initiative provides excellent opportunities for sponsors to demonstrate good corporate citizenship".

Thus Honda leveraged significant positive media coverage, particularly on a local basis, for their backing of a school seeking specialist status near their plant in Swindon. The Co-op's involvement in the scheme has involved sponsorship of a network of schools. Co-operative Group Chairman, Keith Darwin, explained the sponsorship: "By supporting schools that are specialising in business and enterprise we will be able to introduce the co-operative way of doing business to the entrepreneurs and managers of the future." Similarly, July 2005 saw Philip Green, boss of high street fashion retailer The Arcadia Group, named



the Specialist Schools Trust's Sponsor of the Year 2005. The Arcadia Group head received a special commendation at the trust's Annual Lecture, following the group's support of 50 Business & Enterprise specialist schools, with an overall contribution of £1.25 million.

Sponsorship in education is flourishing and extending its influence and visibility. Sometimes its role is controversial; and, as with many other sponsorship sectors, there are always latent potential dangers – note the debate about how well specialist schools are performing.

Sponsorship offers brands and companies a means of becoming identified with the sponsored 'property', of acquiring something of its sheen, its lustre, its emotional pull on those who are involved with it. Such associations can be powerful, as more and more sponsors are finding out.

Richard Fox

Biography

Richard Fox is Managing Director of ukponsorship.com Ltd., which operates The UK Sponsorship Database, a website at www.uksponsorship.com which he founded in May 2000 and which gives free access to details of thousands of current UK sponsorship opportunities. He has over 25 years' experience in advertising and marketing, including many years in the media departments of leading ad. agencies such as Y&R, McCann-Erickson and Leo Burnett and as a founder partner at Washer Fox Coughlan. He has an MA in Literature and holds the CAM Media Diploma. He supports Cardiff City FC and Glamorgan CCC.