**Events Management: Principles & Practice, 4th Edition**

**Instructor’s Manual**

**Written by: Dr Razaq Raj and Dr Tahir Rashid**

**Chapter 9**

**Event Sponsorship**

**Chapter Overview**

This chapter will critically evaluate the role of event sponsorships and their influence on events by reinforcing brand value for both parties and offering a return on investment. The chapter will also analyse the main purposes of what event sponsorships may plan to achieve in the long term and discuss the benefits of partnerships between event organisers and sponsors. The chapter will outline how organisers and sponsors can build long term relationships and visions for the future, develop effective sustainable models and highlight key advantages and disadvantages for sponsors looking to get involved with event organisers.

**Exercises and activities**

**Tips for Tutor**

1. Ask each student to read following sections from the chapter 9, before coming to class.

* Role of the Event Sponsorship
* Benefits of Event Sponsorships
* Impacts of Sponsorship Deals for Festivals and Sporting Events
* Large-Scale Sporting Deals
* Strategic Importance of Events Sponsorship
* Brand Sponsorship of Outdoor Festivals

**Tips for Tutor**

It is best to begin the class by discussing and summarising the key points, why sponsorship is an essential income generating strategy for outdoor festivals and events organisers. How do they capture the enthusiasm of festival attendees through sponsoring live events?

1. **Internet resources**

These are internet and YouTube clips, we recommend you ask students to visit internet sites and YouTube clips and asking them to watch and read the material for classroom discussion.

**Internet resources**

* <https://sponsorshipcollective.com/sponsorship-for-festivals/>

**Sponsorship for Festivals?**

What You Need To Know For Your Event To Be A Hit

Festivals are big business these days. Tens of millions of people attend festivals every year. No matter which type of festival you’d like to host, you want it to make a huge splash. That means seeking sponsorship opportunities, but you’re not quite sure where to start. How do you obtain sponsorship for festivals?

* <https://www.youtube.com/watch?v=lesWfViHqJQ&t=160s>

**How is coronavirus affecting the sports industry?**

It's a very lucrative business and almost recession-proof. But sport is being dealt a financial blow by the coronavirus. Major events have been cancelled or postponed for the first time in many years. From the Tokyo Olympic games to football matches; fields, arenas and stadiums will be empty for a long time.

Athletes, organisations and thousands of people who work at sporting events are affected. Revenues from broadcasting deals, sponsorship contracts and match tickets are drying up. The business model for many sports is under threat and has to adapt to measures to counter covid-19.

* <https://www.youtube.com/watch?v=HhtMn2IxFEk&t=2s>

**Want some help with growing your sponsorship program?**

- The 3 high impact areas you need to focus your time and energy

- The 9-part blueprint to systematize and grow your sponsorship program

- The essential systems you need to turn sponsors into true partners

- What information sponsors are looking for in order to make a decision

- How to move from the old, transactional model to the new model of sponsorship

Acquisition

* <https://www.youtube.com/watch?v=RMgYFpJoFRY>

**Benefits of Event Sponsorship**

Hear from Wen Free of Security Metrics, Ronald Tosto of Verizon, and Kyle Ferguson of SSIC as they discuss the benefits of sponsorship at PCI Community Meetings.

**Tips for Tutor**

* 1. Divide students into groups of four to five and instruct them to:
* Read case study 9.1: The Benefits of Event Sponsorship
* Ask students to discuss and explore how organiser and sponsor can build long term heritage and develop an effective sustainable model that can be used by the events and festivals?
* Using the case study 9.1: The Benefits of Event Sponsorship ask students to critically investigate impacts of sponsorship deals for festivals and sporting events?

**Case Study 9.1: The Benefits of Event Sponsorship**

**1.Lead Generation**

The number one reason we see for businesses to sponsor an event is to generate qualified leads. And what better way to do so than to be part of an event where your target demographic is present? The right event allows your company to interact with a group of prospects that already have an interest in who you are and what you do. In these days of social media, face-to-face content can really enhance your online connection with your potential customers. Make sure you are using the Twitter hashtags regularly and watch the social media marketing that happens for the event on Facebook so you can comment on the posts and gain visibility with other attendees before the event.

**2. Customer Engagement**

Events offer an unparalleled level of customer engagement, with an opportunity for positive, personal interaction that builds loyalty. Plus, every marketer knows that companies can realize the biggest ROI on their marketing dollars by retaining and growing existing customers. The challenge is to gain the attention of your customers amid the distractions of daily work. At events, you enjoy the chance to connect with customers by introducing them to products and services that they may not know about—or may not realize could address their needs.

**3. Branding and Awareness**

A key reason for a business to participate in an event is to establish and build its brand. Event marketing allows your company to cultivate and express its identity firsthand. Through events, you gain the perfect venue to share your ideas, thoughts, and name in the exact manner you want to present them.

**4. Education**

Most people attend events to network and be educated. Both are powerful draws in their own ways. No matter what type of event you are at, it is critical to impart knowledge that the audience will value—and that sets your company apart.

**5. Associating your company’s name with a trusted brand**

Driving awareness of your brand is one thing. Inspiring respect and admiration are another. Thus, event sponsorships are a great way to drive positive PR and build credibility. You can also use events to position your brand in your niche accurately. This includes advertising that is associated with the events. For smaller companies, events are active venues to be cast alongside heavyweights and be showcased in all the promotional activity leading up to and the day of the event

**6. Direct access to the ideal customer profile.**

Another pro is in-person interactions with customers. Events are fantastic opportunities to drive a connection between your brand and your ideal customer. This is your chance to create personalized experiences with demos/emails/swag, etc.

**7. Social media, website traffic, and focuses on content strategy.**

Major events represent a wellspring for high-quality content. As events are promoted, traffic is being driven to the sponsor’s websites, social pages, and other digital channels.

**8. Audience Insight**

Demographic data and audience preferences from events are ideal for your nurture campaigns. It shows which segment of your market likes a particular type of event and which aren’t.

**9. Expanded Reach**

Tapping into the audience and reach of a larger event expands the exposure beyond a social network, website traffic, and advertising budget that many companies can provide.

Source: https://www.virginiamedia.com/blog/the-benefits-of-event-sponsorship/

**Divide students into groups of four to five and instruct them to:**

* Read Case Study 9.2: Will 2020 be a watershed moment for Olympians, athletes and their sponsorship?
* Ask students to discuss key advantages that sponsors are looking for to get involved with event organiser and increasing consumer awareness of company brands through sponsoring events?

**Case Study 9.2: Will 2020 be a watershed moment for Olympians, athletes and their sponsorship?**

At the athlete level, 2020 has been a watershed moment in which Olympic and Paralympic athletes have yet again challenged the International Olympic Committee's (IOC) Rule 40 interpretation to allow for a greater level of commercial freedom.

Event organisers and brands do not want to send the wrong message and that's why Rule 40 as an IOC rule was designed to support and protect the IOC's ability to host the Olympic Games and support solidarity funding of athletes across the globe.

Rule 40 governs how athletes can use, and can allow their personal sponsors to use, their name and image during the Games period (10 days before, during and two days after the Olympics) in any advertising or commercial materials.

Advertising or commercial materials include all digital media (including social media) and other more traditional forms of advertising (whether paid-for or not) such as out of home, TV, radio and print.

Athletes have always been encouraged to generate income through personal sponsorships and this can be commercially appealing by appearing for their sponsors through well-planned advertising during the Olympic Games.

The British Olympic Association (BOA) acknowledges the evolution of the advertising landscape, but there is a need to be equitable to athletes selected close to the commencement of the Games period rather than a long way before.

By accepting some limited restrictions on these activities during the Games, athletes who enjoy personal sponsorship deals are helping to secure funding to support Team GB's wider participation in the Games, and beyond.

It also allows athletes from all sports and nations to enjoy opportunities to compete in the Olympic Games regardless of their profile or funding, in accordance with the IOC's solidarity principle.

The IOC distributes 90 per cent of its revenues to Organising Committees, International Federations, National Olympic Committees, athletes and athlete programmes. The BOA is the National Olympic Committee for Great Britain and Northern Ireland and its mission is to develop, promote and protect the Olympic Movement in accordance with the Olympic Charter.

The BOA achieves this through working in partnership with its members and key stakeholders (sponsors) to deliver world-leading services and support to enable British athletes to reach their full potential at the Olympic Games or other IOC-sanctioned events.

Most of the British athletes who were preparing for the Olympic Games in Tokyo, now postponed until 2021, challenged the BOA on the interpretation of Rule 40 and an agreement followed in due course.

The Rule 40 agreement now allows athletes to maximise their earning potential and benefit from their personal sponsors while assisting the BOA to raise funds to support all athletes at the Games.

At present a lot of the sponsorship agreements come from luxury brands, sovereign investment funds and traditional fast-moving consumer goods.

With the ever-increasing social media environment, brands want to capitalise on the popularity of viral content, which provides visibility to large numbers of consumers and often the press.

At a corporate level there is an increasing amount of style guides for social media posts, and the more control the brand tries to have through the sponsorship arrangement and the less discretion the athlete has, the more risk there is that the relationship is characterised as one of employment, leading to tax and other statutory consequences.

It is important to make sure that the small print in the sponsorship or endorsement agreement is clear and unambiguous. It is important to negotiate how the athlete might interact with others on social media, public appearances, their behaviour and how or when they make any statements, whether political, social justice or other.

It will be important to the sponsoring companies that they avoid the negative publicity of bringing any breach of contract proceedings against an athlete taking a stance on a subject that is politically or socially sensitive, which is why it is important to have their termination rights clearly set out in any contracts. Never have the legalities of these agreements been more important.

Brands that can provide an authentic message that resembles the athletes' desire to speak out on topical issues such as the environment, social responsibility, sustainability and equal rights issues are going to be much better placed to maximise their reach and resonate with the consumers they are targeting.

Source: <https://www.reuters.com/article/us-olympics-ioc-sponsorship-idUSKCN1TQ1QY>

1. **Discussion questions**

**Question 1**

Critically discuss and evaluate the importance of financial sustainability and highlight key advantages that event organisers and sponsors look in relation to entering into association with large multinational brands.

**Question 2**

Discuss and highlight key inspirational benefits for brand names and accessibility establishment compared to other marketing tools.

**Question 3**

Identify and explain the reasons, why multinational companies target specific events and festivals to influence certain consumer groups as the attendees become more diverse over the last decade.

**Question 4**

Critically analyse the statement below by Rowley and Williams (2008, p.783)

*“Event related sponsorship of sports and arts events is one of the main types of sponsorship. Sports sponsorship, in particular, is a significant investment opportunity with large-scale world-wide events, such as the FIFA World Cup and the Olympic Games reaching global television audiences numbered in billions.”*