

► Sports sponsorship: Citius, Altius, Fortius

The European Football Championship, Wimbledon, Tour de France, Formula 1, the Olympic Games... last summer really was the 'mother of all sport summers'! But even without taking these giant sporting occasions into account, the sport sector is growing bigger and bigger. And not only sport as a product, but also sport as a marketing tool just

keeps on growing, resulting in the birth of a phenomenon that you will not find in the marketing books of ten years ago: sports marketing. Parallel with the old adage "Sport is big business", one could now say "Sports marketing is big business". Or: there's no business like show business? Except sports marketing business!

In the United States, the sports sector has a yearly turnover of over 200 billion euro, making it the fifth biggest economic sector ahead of advertising at number six in the ranking. Sports has indeed become big, big business. And so has sports marketing, linking (top)sport to trade and industry. "Top sport can simply not survive anymore without financial support from industry," says Prof. Dr. Wim Lagae, author of the authoritative book 'Sport sponsorship and marketing communication – a European perspective'*. "But on the other hand, industry can profit greatly from the intense popularity of sport. It can use it as a vehicle to create brand awareness or brand knowledge, to improve the image of the company or its products, to show social involvement or to create a platform for hospitality events for clients and other useful contacts."

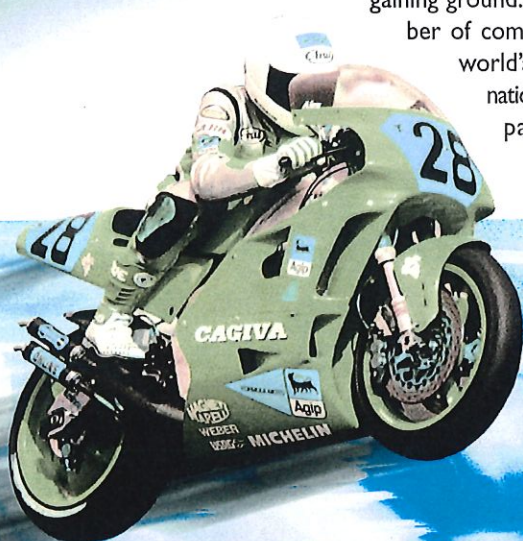
Sport sponsorship

The biggest pillar of sports marketing communication is based on sponsorship. Sport sponsorship, which originated in the early 20th century, was for decades a luxury toy for sport-loving CEOs and other decision makers, not a rational marketing tool worthy of a place in the marketing text books. And even today, there is still a lot of sport sponsorship based on 'management by hobby' or patronage without any return, instead of rational economic decisions. But in the eighties and the nineties, as the importance of marketing and communication grew rapidly, sport sponsorship as a useful alternative for traditional image and brand awareness tools was also swiftly gaining ground. A growing number of companies, from the world's biggest multinationals to local companies, nowadays

see the enormous potential benefits of linking one's name to a known sporting brand. So athletes, teams, federations and events are used as supports to reach brand awareness, brand knowledge, image, hospitality, goodwill or other marketing goals. The excessive cluttering in traditional advertising and the increasing need to stand out from the competition do the rest, resulting in a switch from these traditional forms to sport sponsorship. The statistics here show that sport sponsoring grew in 2003 by 8.7%, compared with 6.9% growth for traditional advertising. (survey IEG)

The other side of the (gold) coin

But sport sponsorship also has its downsides. Of course, there is the inevitable risk of a sponsored athlete being out because of injuries, a sponsored team performing poorly or a sponsored event getting bad press because of accidents or poor weather conditions. Bad luck can mean a bad investment, but sport sponsorship aimed at creating a positive image can even be counterproductive when the subject of the sponsorship is linked with corruption, doping or other criminal act. Undoubtedly, one of the prime examples here is the watch brand Festina, which will forever be linked to the Tour de France of 1998. The Festina cycling team (in cycling, the sponsored team is named after its main sponsor, which results in strong 'auditive support' for this sponsor) was excluded from competition after one of its 'soigneurs' was caught with massive doses of illegal drugs (mainly EPO). It was not the mere fact of the use of illegal substances, which has been a known problem in cycling for decades, but that it was occurring at team level that disgusted the press and the public. The name Festina was daily news for months, and will for many years to come be linked to the 1998 'Festina-Tour'. The result



(*)'Sport sponsorship and marketing communication – a European perspective' by Prof. Dr. Wim Lagae (www.pearsoned.co.uk/lagae)



There's no business like show business? Except sports marketing business!

was of course a negative impact on the Festina image. But on the other hand: skyrocketing name awareness! One might cynically ask here: is any publicity is good publicity...?

Activation

This hidden but ever present danger in sport sponsorship sometimes leads to companies choosing other sponsorship channels, like cultural, educational or social sponsorship. However, around 70% of all sponsorship worldwide is sport sponsorship. This is perfectly logical, since sport is the best sponsorship platform for getting into the spotlight and reaching a large audience. Another argument is that sport is linked with highly desirable values such as passion, endurance, excellence, team spirit, fair play and most important of all, the burning ambition to be the best. Companies strive to link these values to themselves or to their products via the so-called 'image transfer' that occurs between the subject of the sponsorship and the sponsoring brand.

But what is the use of investing big money into a sponsorship object if you don't do anything useful with it afterwards? In this respect, sport sponsorship still remains in its ancient 'management by hobby'-culture in which the patron does not seek any return on his investment. The lack of activation or exploitation of the initial investment is the Achilles' heel of sports sponsorship, downsizing it to a simple loss of investment. This has resulted in the golden rule of effective sports sponsorship: for every euro of sponsorship investment, there needs to be another euro of investment exploiting it. This golden rule needs to be qualified: for US multinationals in 2002, the ratio between activation spending and sponsorship rights was 2.2.

And besides the necessary investment in activation, there's also the important factor of 'the bigger picture'. "Sports sponsorship has to be well anchored into the companies marketing plan," Prof. Dr. Wim Lagae states. "It can be a great tool in a strategy focused on standing out from the competition. But when your sponsorship policy is guided by the boss's personal preference or attraction to the sports' glamour, your sponsorship investment is a waste of money."

Conclusion: only a well-developed and activated sports sponsorship policy, integrated into the overall marketing strategy plan of the organisation, can lead to a winning situation. And despite the words of one of the great sport prophets of the twentieth century, Baron Pierre de Coubertin: in sports sponsorship winning is more important than just taking part.

SOM: Sports sponsorship Opportunity Management

In order to serve her 'sport clients' and integrate the company's broad experience and capabilities in this field, Punta Linea has developed SOM, Sports sponsorship Opportunity Management. This marketing tool structures the evaluation, readjustment and fine-tuning of sports sponsorship in line with its targets. The SOM approach consists of analysis, creative brainstorming on sponsorship exploitation (activation), selection, tactical and strategic planning, implementation and evaluation. The result is well-targeted sponsorship management and result-driven marketing communication, based on the available budget and the targets set (to fire up brand awareness or brand knowledge, image, hospitality,...) and a creative input on above and below activation.

For more info:

werner.s@puntalinea.com

marko.h@puntalinea.com

tomas.v@puntalinea.com

