



# Capital Fair 2018

## Partner Program

Adapted from excerpts from: Growth Insights for CEOs

### Should You Sponsor?

#### Sponsorship Programs Impact Your Business

In today's world, a CEO or business owner needs to scrutinize how their marketing dollars are impacting their business.

Buying signage at a program venue can be exciting. You get to go to the events, entertain customers and/or incentivize staff, but does the investment translate into more business? Being a title sponsor at a local golf charity event can make you feel good, but are you able to leverage it effectively? Or how about sponsoring a music event, its great music and fun times, but does it help the bottom line? If you are simply putting up a sign and don't have the time to devote to leveraging the event then it's a waste of money. You may as well kiss those dollars goodbye.

Since 2008, sponsorship marketing (sports, arts, cause or event) has slowed due to the economy and as more businesses question what they get for their investment. The focus of any marketing spend, including sponsorships, should be the "Return on Investment".

#### 1) Who is your target audience and what type of activities are most appealing to them?

Knowing this will help you determine the type of sponsorship program that makes the most sense for your firm or brand. For example, if your firm manufactures a product that is mostly used by moms with children, then look for activities that appeal to those moms. In some cases, although mom is the purchaser, the person who actually uses the product is the child or the spouse. In this example, you need to focus your sponsorship dollars on your end user and they will influence the purchaser (mom).

#### 2) What type of marketing outreach & sponsorships does your competition get involved with?

Evaluating how your competitor is spending their marketing dollars helps you better understand the playing field. It also provides insight on whether key sponsorship opportunities are available. Typically sponsorships have a "non-compete" clause when it comes to companies in the same industry.

#### 3) What is your overall strategic plan for your business & where does a sponsorship fit into it?

You should create a strategic plan each year, which would include your firm's, or brand's, communication objectives. During this process, you would also determine whether a sponsorship fits with your short and long term plans.

#### 4) What are your specific sponsorship objectives?

It is critical to determine your objectives up front and ensure everyone is aligned. Your objectives might include driving awareness of your product or service, increasing your firm's community involvement, capturing sales leads, increasing brand loyalty, driving retailer traffic, etc. Every objective should be measurable and include specifics around timing and deliverables.

#### 5) Which sponsorship program best supports your brand or business?

Evaluating which sponsorship program to pursue should be done in conjunction with your overall business / brand and sponsorship objectives, your target audience alignment with the sponsorship audience, the sponsorship cost, how you can effectively activate the sponsorship across channels (i.e. consumer, retailer, sales force, distributor and internal teams), and how the event can be leveraged to build the business over the short and long term.

The sponsorship you select should build equity in your brand (or business). Ideally you should look to identify a space that your brand (or business) can "own" that aligns with your equity message. For example, Nike sponsors top athletes across the globe, which supports their brand message of inspiring athletes around the world.

#### 6) What is the sponsorship's ROI?

At the end of the program, it is critical to evaluate the return on investment based on the established sponsorship objectives. This analysis can be done internally, or through an outside marketing research firm specializing in sponsorship evaluation. Some metrics to analyze include: sales activity, lead generation, lower customer acquisition cost, attitudes toward the brand or firm, response to sponsorship or event related promotions or ads, and TV logo exposure, if applicable.

#### The Key to Managing Sponsorships

The key to managing sponsorships is ensuring you get the "best bang for the buck", while minimizing risk to your brand or business.

So whether you are a title sponsor for a major event or a smaller sponsor at a local event, setting your objectives, ensuring you have the right sponsorship partner and leveraging the association beyond just a sign, will yield better business in the long run.