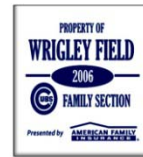




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THE BENEFITS OF INTERMEDIARY SPONSORSHIP MANAGEMENT

Apparel, brochures office displays are simple effective activation tactics

Marketers have options when it comes to entering the sponsorship market. This article explores the benefits of using a third party specialized intermediary as opposed to dealing directly with sponsorship venues or working through a general market ad agency or consultant.

Sports teams and other entertainment organizations have a need to sell signs, print ads, gate give-aways, in-stadium promotions and other such “sponsorship inventory”. Sponsors need to evaluate the relevance of this inventory to their overall marketing plan to get the most out of their investment. Most importantly how sponsors leverage their sponsorship investment by activating it in the marketplace and throughout their organizations will determine the true success of the deal.

Sports teams and entertainment venues by purpose are not complete marketing and communication advocates for sponsors; they supply communication assets such as: trademark licensing, game-day labor and other implementation resources. Their main goal understandably is to get this inventory sold. Activating the sponsorship outside the venue is usually left to the sponsor; teams and venues are not equipped to focus on this part of the equation.

Ad agencies are specialists in activation, but tend to lack interest or expertise in creating and negotiating sponsorships that do not include advertising. Some agencies have created special divisions to handle the sponsorship piece of the business sometimes as a way to create or support additional ad business. But activation is much

more than fitting into an ad campaign. Corporate hospitality, sales meeting promotions, public relations and game tickets are but a few of the activation tactics needed.

A dedicated intermediary can work with both sponsor (and their ad agency) and the team/venue to create concepts that fit the needs of both parties, and include activation as part of the overall commitment. Many times teams can be made a part of the activation process if this is arranged up front and not after the deal is signed. If the sponsorship does not lend itself to “activation” within your budget, you should consider alternatives. Utilizing the sponsorship management services of a sports marketing intermediary such as Avanti to oversee the project will pay great dividends to you in terms of: creativity, integration into your sales and marketing program, dedication to seeing that the job is done correctly and completely, negotiation of terms and rates based on market value, specific commitment for team promises to deliver proof of performance, and for leverage of your investment. Intermediaries help assure that attention is given to both the costs of sponsorship and activation are considered, prior to commitment. After going through our proprietary approach to customizing sponsorships with us on behalf of several of our clients, sports teams which we enlist as partners in the process, have even improved their fulfillment and client service, and have discovered incremental ways to produce revenue and long term associations. This clearly is a win-win-win solution for all parties, with value added to the sponsorship equation.



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For teams and venues, working with a sponsorship manager allows clients' needs to be satisfied while freeing up team and venue staff to execute what they've sold; that is to deliver the communications asset such as representing the client on the playing surface before each game, or executing game-day promotions.

Most teams use independent sources to evaluate the general market sales price for their inventory; now an intermediary sponsorship manager, working on behalf of the client but with in-depth knowledge about how team sponsorship departments function, can help provide the highest return in terms of value to both client and, through development of best practices, the sponsored organization. The sponsor needs an advocate within the teams' marketing infrastructure in order to maximize value and ROI. Since a third party intermediary is free to work with all venues in a marketplace, they are more likely to know the market value of services offered. A team or venue is most likely to over-estimate the value of any service they provide, having input for an intermediary who works with buyers and sellers can help bridge this gap.

For our clients, we insist on detailed contracts, and we insist that the promises made and the bargains struck are upheld. Dealing with a professional sports or entertainment venue can be a "heady" or emotional experience. An intermediary's job is to make sure this emotional enthusiasm does not irrationally translate to higher costs or unneeded "inventory" as part of the deal. The idea is to add value not add cost. We understand and anticipate the problems that the incomplete or general negotiation and agreement can cause; we handle it upfront. This by the way is another area of substantial savings provided by the prep work supplied by the intermediary sponsorship manager. Even when the client needs their internal legal staff to review the deal, it is far less costly (in billable review time) to start with a document that protects the client's basic

Consumer or employee sweepstakes integrate sponsorship into the sales process. (The two fans between the benches are guests of the dasher board sponsor.)

interests, and cuts out the one-sided, boiler-plate clauses that unreasonably excuse the team for not fulfilling key parts of the sponsorship. A good sports marketing manager has not only the creative resources, but the understanding of how intellectual property rights fit into the deal and how the deal needs to be structured. These services will be sub-contracted out and billed as an added cost under a typical advertising agency situation. A client recently told us that one nationally recognized full service" agency billed them more in fees than the combined cost of all media and sponsorship rights and promotions they were hired to run. An analogy is that a supermarket offers a great service for one-stop grocery shopping, but if all you need is a good steak, you can't beat the quality and attention to detail of the local butcher shop (cliché perhaps—but true). It makes sound business sense to hire a specialized manager to oversee and help develop your sponsorship. You won't be paying the overhead for all the services you don't use in the sponsorship process.

We work with quite a few teams in terms of matching up clients' needs with the needs of teams (which is to produce revenue while entertaining their fans and making a profit—this is the way it should be, but sponsorship deals must be fulfilled completely for the client and efficiently by the team). At Avanti, we apply a unique process to take the team's inventories, and integrate them into cohesive-conceptual deliveries that fit our clients' needs. When dealing with such intangible assets as sponsorship, looking after the deal throughout the process should be the norm. The contract management model is used in many other industries, including construction, banking, accounting, financial services, real estate—why not sports marketing? It provides a check and balance situation that is good for all parties involved.