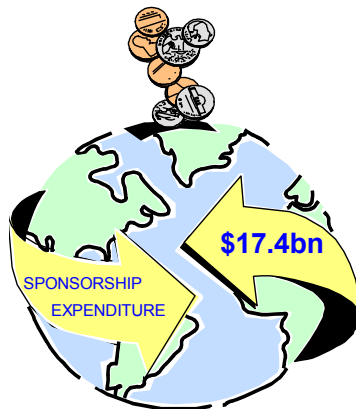


BUILDING A  
CLEARER  
PICTURE  
OF YOUR  
ORGANISATION

## SPONSORSHIP

### A Suitable Case for Measurement



# SPONSORSHIP

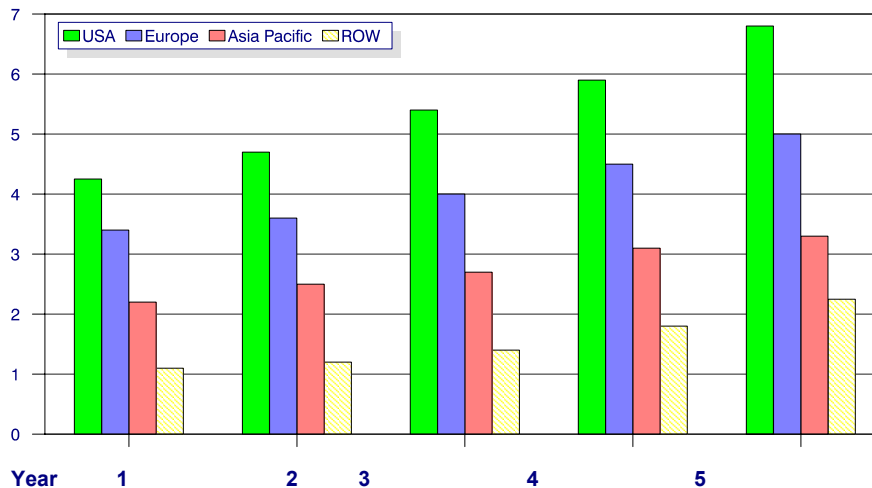
## A SUITABLE CASE FOR MEASUREMENT

### THE NEED FOR CONTROL

Global sponsorship spend has increased at a staggering rate of more than an average of 10% per annum over the last few years. National and international blockbuster events out of the USA have set the pace, attracting multi-national companies into individual sponsorship deals of \$10m and more. The heightening of media interest and the corporate pitch battles in and around events has also enticed more and more companies, irrespective of size, into sponsorship commitments of almost any nature imaginable.

### FIVE YEAR GROWTH IN SPONSORSHIP SPEND

By BILLION\$



SOURCE: IEG SPONSORSHIP REPORT

IEG Industry forecasts are for 12% global increase, spread across North America (11%), Europe (12%), Asia (2%) and Rest of World (18%). Projections are expected to exceed those for advertising (6%) and for Sales Promotions (5%). North America is currently the most organised region in terms of expenditure classification, with sponsorship divided into Sports (65%), Concerts & Exhibitions (10%), Arts & Theatre (9%) and Cause-related marketing (6%). Europe's contribution of 24% of global spend is more difficult to segment as is Asia (18%) and RoW (22%). Broadcast sponsorship is classified as Advertising spend for the purpose of this Study. In the absence of industry-wide measurement criteria for monitoring performance of sponsorship spend, it is amazing that such growth is forecast to continue.



## SETTING OBJECTIVES

However the more experienced and sophisticated companies are becoming better equipped to control and maximise their expenditure. They are conducting careful research to identify a natural fit between sponsorship property and brand, and setting clear, specific and relevant objectives against which performance is constantly reviewed and enhanced. As a consequence more and more evidence is emerging to support the claim that a sponsorship integrated into a marketing programme, rather than left as a stand alone activity, can play an influential and productive role within the commercial plan.

Once the strategic role for sponsorship within a marketing plan is defined, it then becomes a natural step to set quantifiable objectives from which a co-ordinated programme of activities can be planned and implemented. Regular interim and year end performance reviews throughout the duration of the sponsorship can have a significant bearing on the eventual return on investment through:

- continually quantifying progress and results of executives, teams and third parties
- using constant monitoring to provide 'early warnings' of difficulties approaching, enabling counter plans and corrective action to overcome any such problems
- directing limited human and financial resources to areas of high business priority and impact
- using the results each year to set new objectives which will raise performance and return
- creating benchmarks against which any new sponsorship initiatives can be assessed
- providing senior management with relevant and commercial data on which to base future decision-making
- projecting the sponsor as a modern sophisticated marketing company that deploys sound measurement and financial disciplines throughout its entire business



## THE STRATEGIC IMPORTANCE OF PRINT MEDIA

As marketing directors constantly search for more innovative and effective ways of gaining a genuine advantage over their rivals, so sponsorship has taken on a wider range of roles and demands within the strategic plan. Careful analysis of the different roles that corporations expect sponsorship to perform include:

- increasing sales
- broadening distribution
- increasing customer traffic
- raising top-of-mind awareness
- enhancing brand image and perception
- strengthening customer loyalty
- revitalising corporate or brand image
- raising product knowledge and education
- endorsing unique characteristics and core values
- accessing new (geographical and user) markets
- launching new products
- building a brand franchise
- widening user appeal
- motivating employees
- enhancing community relations
- reassuring financial partners, investors and shareholders

### Media Coverage

Common to fulfilling each of these strategic roles is the important role played by media coverage - whether electronic or print - in communicating the basic proposition to the specific and relevant audiences essential to a successful campaign.

Electronic media coverage is generally classified as either television or radio, both of which media tend to report 'live' on events and activities as they happen. Measurement of TV exposure of sponsored events is now a matter of course, although most analysis is of a quantitative nature rather than qualitative.

With print media, on the other hand, more time necessarily lapses between the activity being reported upon and the reader actually being able to read the published editorial. This 'time lag' permits the author much more time to prepare the appropriate editorial, providing him with the right to offer a more subjective and personal view of occurrences than his counterpart on either television or radio.



Editorial coverage, therefore, is unlike advertising, advertorial, media competitions and promotions, where the client can quantify precisely the depth and extent of brand exposure, circulation and readership in a newspaper or magazine. It is much more of an unknown quantity, with many more variable factors often outside the control of the sponsor.

### **Positive Comment**

All sponsored activity is likely to attract journalistic interest of some kind. Unless a sponsor is totally prepared for such an investigative approach, however, there is a chance that the editorial coverage may not project the sponsor in the way that he would like his association communicated to the readers. In recent years there have been many such examples of sponsors who have suffered harmful exposure in the press because of either incomplete planning in formulating the sponsorship, or a failure to react swiftly and efficiently to the occurrence of an unfortunate incident beyond their control.

Whether the editorial piece is favourable or otherwise is very significant. A highly favourable article about an event or activity can project a very positive impression on the reader, especially if the level of brand identification within the article is of a reasonable level. These 'positive' impressions can significantly increase the likelihood of the reader being drawn more closely to the product or service that the sponsor is promoting, perhaps even enhancing his perception of the company as well as increasing his propensity to recommend or even purchase.

At the other end of the scale, an article with either a low level of brand mention, or one which reports negatively on an activity or event for whatever reason, can contribute towards a deterioration of a company's standing in the mind of the reader.

The more remarkable the incident, whether of a positive or of a negative nature, the more likely it will be that the reader will in turn pass on his views and opinions to contacts of his own.

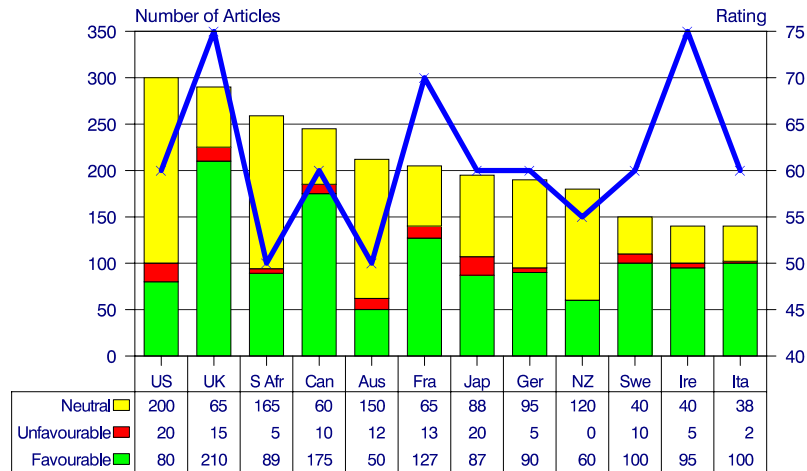
One of the advantages that publicity enjoys over advertising is that when positive media coverage is generated, it is communicated (by the journalist) as a third party endorsement and genuine editorial. As it is unlikely that the cost of generating the article in the first instance will be as much as the cost of a similar size advertisement, this type of brand communication can be very cost efficient.

Measurement of this type of exposure is usually confined to quantitative evaluation, then reduced to an advertising equivalency value. Qualitative assessment of print media coverage is generally overlooked. It therefore seems logical to examine exactly what constitutes a 'positive' piece of sponsorship editorial and which are the factors that can most influence 'favourability'.



## COUNTRY ANALYSIS - ALL ARTICLES

By Volume, Favourability & Rating



### RATING

The Rating has been compiled after many years of extensive analysis of print media coverage in general. For sponsored events and activities the main factors of influence include:

- Overall mood and tone of article
- Placement of the article (positioning in publication and on page, plus size)
- Supporting photograph, or logo (with brand identification in photo and/or caption)
- Brand mentions in editorial (headline, sub-heading, first paragraph or body text)
- Third party endorsements within article (via quotes and interviews)
- Inclusion of key messages in article (reflecting core values and statements consistent with the sponsor's desired status)



## HOW TO WORK WITH THE PRINT MEDIA

The international print media scene has grown significantly in recent years, offering even more ways of communicating with a clearly defined target audience. News and information can now be relayed faster than ever due to new technology, news agencies, photowire transmissions and computer layout and typesetting. Underneath a global umbrella of international newspapers and magazines, each country is proud of its vast range of publications that inform, interest and entertain its local people. In many countries the choice of print media has increased as new titles have been introduced. This is especially so in the field of contract and custom publishing whereby corporations are now able to target consumers more precisely through their own magazines, newsletters and other direct marketing initiatives.

### Media Strategy

With such a wide choice of media to communicate through, it is essential to identify the publications that can provide the most effective influence, reach and impact on the specific target groups. The brand owner (and relevant agency) must then consider ways in which the sponsorship can be re-presented to appeal to each publication. Key to this will be establishing a close rapport with the editor or journalist considered to be most influential and relevant within each publication. From this relationship should emerge a degree of trust and confidence between both parties and a clear understanding of the significance of the sponsorship to both brand owner and publication.

Having completed the 'media schedule', the sponsor should then define the key brand messages to be communicated by the sponsorship through these publications. The key messages should not only reflect the unique characteristics of the sponsor's association with the event or activity, but also be consistent with the core values and messages being communicated through all other elements within the marketing mix.

### Content Analysis

This 'media strategy' provides the basis for media content analysis. Too many sponsors aim solely for volume media exposure rather than for qualitative impact and value, and very few concentrate on the real 'favourability' of the coverage obtained. Based on some of the factors of influence referred to in the previous section, tactics which have often proved effective in raising levels of 'favourability' include:

- Ensuring every publication is aware of the full title of the event / activity, understands its rationale and purpose, has graphic references of official logos, and knows who and how to contact for more details and information
- Being consistent in all sponsor communications (verbal and print) with descriptors that reflect the unique positioning of both the event / activity and sponsor



- Briefing and encouraging interviewees to include some key messages within the natural context of an interview or profile
- At events, providing highly efficient information systems to enable the journalist to submit copy in advance of strict deadlines
- Providing on-site facilities for news agencies to syndicate articles to their contacts
- Providing photographs and photocall opportunities that pictorially reflect not only the sponsor's branding but also the overall mood and tone of the event / activity
- Making available on-site photowire transmission facilities for fast release to the world's news agencies
- Preparing reports (containing key messages) for release to news agencies and publications not able to be present at the event / activity
- Initiating awards and presentations to increase news and branded photographic opportunities
- Opinions of influential spokespersons (company or external) to stimulate interest and public debate
- Pre- event / activity media releases and announcements to build up awareness amongst the media (and readers)
- Media competitions and promotions in advance to raise interest levels (circulation and readership)



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## WHAT TO DO IF MEDIA COVERAGE SLIPS OUT OF CONTROL

Even the most meticulously planned sponsorships can encounter unforeseen problems. The solution, particularly for sponsorships of a more controversial nature, is to anticipate and prepare contingency plans accordingly. There are numerous unexpected 'hitches' that can occur:

- In sport, drug scandals can not only overshadow the competition, but even result in disqualification and expulsion of teams and individuals (Tour de France).
- Bad weather can cause disruption and cancellation of any outdoor activity (sports, concerts).
- Accidents, whether within the event / activity or amongst spectators and onlookers (Martell Grand National, Royal SunAlliance Challenge, PruTour Cycling).
- Personal scandals affect individuals and the activities they participate in (Michael Jackson and Pepsi).
- A sudden international news story breaking during a sponsorship can cause a severe reduction in the number of other stories carried (terrorist activity, death of a celebrity).
- Financial problems can cause cancellation, uncertainty and a loss of respect and loyalty (World Cup Football Marquee and Boddingtons)
- Technical failures can appear to temporarily destroy a company's credibility, especially if the product is an official product or supplier (IBM and Atlanta Olympics).

Sponsors are best advised to prepare contingency plans in the event of a crisis emerging. With a well prepared media relations strategy in place, the sponsor should be able to take swift action to regain some control of the situation and commence a damage limitation programme. Ongoing media content analysis will provide instant feedback on which issues to concentrate on in order to minimise loss of 'favourability'.

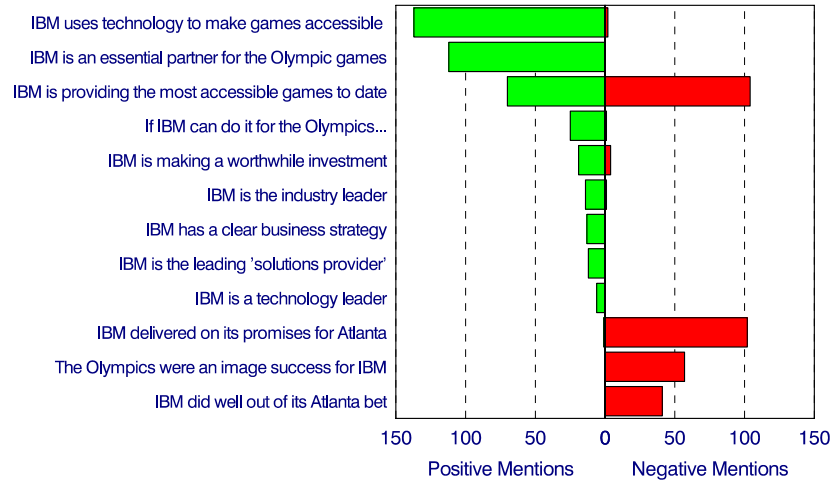


**OLYMPIC GAMES 1996 : IBM SPONSORSHIP**

When the Games began the nature of the coverage changed rapidly and for the worse. Initial reporting was general in nature, focusing on the perceived organisational problems of the Atlanta Organising Committee in transport and security as well as in information systems. Subsequently, media frustration, particularly among journalists, led to a rash of anecdotal articles on the delays and inaccuracies of the Olympic information systems. With IBM's formal apology and the ACOG offer to reimburse broadcasters' fees the steam went out of the topic, though there were very few articles which reported on the improvements or the original causes of IBM's difficulties.

Leading Messages - all articles

By Volume



That IBM suffered from the unfortunate events at Atlanta cannot be denied. The extent to which that damage may be long-lasting is more debatable. The media showed considerable *schadenfreude* in detailing specific errors, but generally failed to acknowledge improvements or achievements. The relatively small amount of comment from the technical press indicates a better understanding of both problems and achievements. It was encouraging that, in spite of the difficulties, IBM's role in **“industry leadership”** and as an **“essential Olympics partner”** continued to be acknowledged. Problems there might have been, but IBM's position in the industry and the Olympics movement seemed assured.

*“When the Games began, six out seven major systems worked perfectly. However, the one supplying the WNPA was slow and sometimes inaccurate...What should have been a sports sponsorship event quickly became a crisis management exercise in front of the whole world...But the key audiences for IBM are...people well aware of technology's vulnerabilities. If IBM addresses the problems of these Games effectively, it can use this to rescue the marketing effort”.* Greg Levendusky, Weber Group, PR Week (UK).



**KEEPING JOURNALISTS INFORMED**

Staying in touch with how the media report on a sponsored event or activity by careful and regular analysis of articles generated by key journalists often provides early warning of approaching difficulties. The editorial freedom of journalists should be respected at all times, but often the cause of a negative article is due to the author not being fully aware of all the necessary facts and figures. Unless action is taken almost immediately to rectify the situation, the journalist will continue to influence colleagues and readers in conversation and editorial.

**Media Sponsorship**

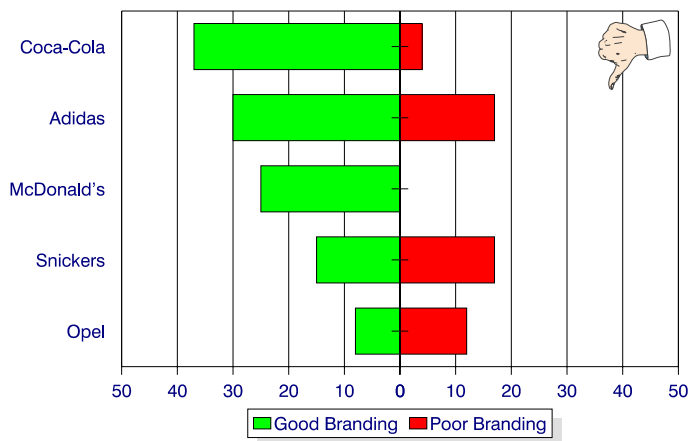
The increasing profile of media sponsorship has spawned the concept of media becoming official partners to sponsored events. A factor often not taken into account when negotiating such an arrangement is the detrimental affect on other media, some of whom may withdraw editorial interest for fear of promoting a competitor.

**Content Analysis**

Media content analysis can also play a valuable role in monitoring the effectiveness of external event management and marketing agencies. Favourability targets can be set from year to year in order to increase results, performance and return on investment. In the case of international events and activities, evaluation can be conducted at country level, comparisons drawn between markets and lessons of best and worst practice shared for future benefit.

Analysing the media’s perception of the sponsorship can also provide the data to support a shift in strategic direction. The media may feel that the concept is in need of modification in order to increase its credibility, status and appeal, in which case the sponsor can use this ‘objective’ evidence to request the event promoters and organisers to take appropriate corrective action.

**PHOTOGRAPHY**



A comparison of sponsors' visual branding in photographs of the World Cup



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**SUMMARY:****KEY STEPS TO MANAGING PRINT MEDIA FOR EFFECTIVE SPONSORSHIP**

In an increasingly cluttered market-place, it is essential that marketing directors treat their sponsorships in the same way that they nurture and expand their own brand franchises. Sponsorships should be considered as part of the brand equity, reflecting the same core values, unique characteristics and appeal that are communicated through all other elements of the marketing mix.

Broadly speaking, the key three steps to achieving this are:

- Separating sponsorship as a commercial marketing property from charity and patronage, the sponsor should define how he wants the event / activity to be perceived by any member of a target group that will come into contact with the event or activity. Once the desired impression is identified, the key communication messages can be agreed and the print media selected on the basis of offering most cost-efficient reach, impact and influence.
- Developing and maintaining a professional and close relationship with the relevant journalist within each publication will enhance the effectiveness of sponsorship communications. Understanding each journalist's requirements can not only increase the accuracy of reporting but also enhance the way in which the branded sponsorship is communicated on to the publication's readers. The power and influence of such third party endorsement through editorial can provide valuable and cost effective support to other brand communication efforts similarly aiming to attract target groups into a closer and more profitable relationship with the company.
- As each target publication's needs are serviced through a combination of media releases, interviews, competitions, promotions, photocalls and briefings, so it becomes important to monitor the quality and relevance of the media coverage generated. By analysing articles on a regular basis the sponsor can remain proactive in working with the media to ensure that the public profile of the branded sponsorship is consistent with all other forms of relevant marketing communications. Once trust and confidence is established, the likelihood of photographs accompanying the article increases. Whether branded in content or caption, a supporting photograph can boost 'favourability' ratings significantly.



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**CASE STUDY: SAINSBURY'S THE OFFICIAL ENGLAND SUPERMARKET**

Echo Research client Sainsbury's became the Official England Supermarket in an exclusive deal with the FA to tie in with the World Cup in July 1998. A media campaign started in February and continued throughout the competition with the aim of boosting sales of their World Cup products and Feast of Football meals. The campaign generated 284 pieces of coverage in the press and broadcast media, ranging from items in The Sun and the Financial Times to News At Ten and C4's The Big Breakfast. Chris Evans' quipped "Sainsbury's - they're on the ball!" on his breakfast programme on Virgin Radio.

Echo's analysis showed that 93 per cent of the coverage was editorially based and not linked to any promotions and, importantly, that Sainsbury's favourability rating rose significantly during the period. Rebecca Devison, Sainsbury's national PR manager, says that sales targets were exceeded during the promotion.

Some journalists were sceptical of the need for an 'official' supermarket, but the campaign's early launch stole a march over other sponsors' activities and those of their rival supermarkets. Devison reports that 12 per cent of the media budget was spent on evaluation from Echo Research. "It was extremely important that our work was measurable as adding real value to the business" she said.

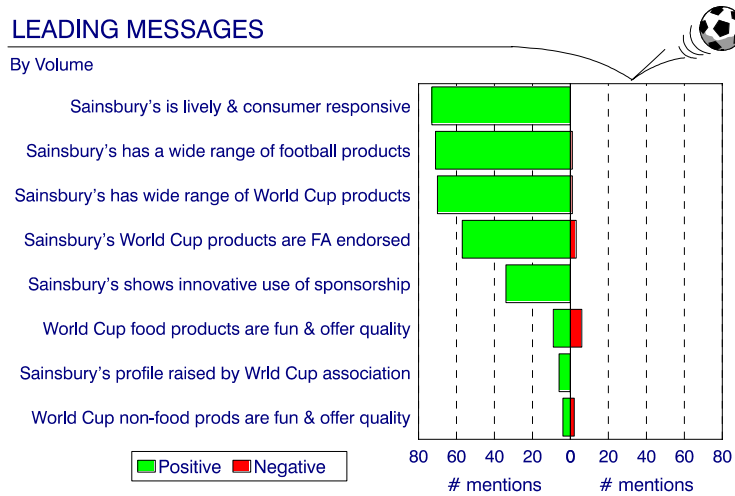
'Good news' stories and the reaction from customers (particularly children collecting the World Cup medals) featured both prominently and positively. The support of staff was another strength in the extensive coverage achieved. Criticism was not significant, with some questioning the need for an 'Official Supermarket', and a small amount of expected complaint from Plaid Cymru. Sainsbury's branding was prominent across all media from the outset and the whole campaign gave the appearance of a multi-faceted promotion,



conducted at national level, but with plenty of opportunity for local interaction by individual store managers.

LEADING MESSAGES

By Volume



There was a very high incidence of messages, with a total of 325 messages carried in the total of 284 items. The three leading messages were all picked up in 22 per cent of the coverage. Endorsement of Sainsbury's is a lively and consumer-responsive company came both from Sainsbury's spokespeople as well as customers:

*"Football is very big business and the World Cup is huge with our customers. Historically we've been criticised for being a bit stuffy. Now we can prove we listen to our customers and bring them the things they want"* Stuart Mitchell, Sainsbury's trading director, quoted in the Express On Sunday.

*"I know that Sainsbury's are sponsors of the World Cup. My boys have driven me mad for the merchandise Sainsbury's have. I think it's an excellent scheme that Sainsbury's are running alongside the World Cup and it certainly encourages me to come here and buy because I pick up the medals and things on the way as well "* - unnamed female shopper, BBCTV2, Working Lunch.



**Evaluating the qualitative coverage of a sponsorship in the print media can add a powerful new dimension to a company's management operations. With the proliferation of media throughout the world it is becoming increasingly important for companies to manage all aspects of external communications in a pro-active and effective way. The stakes are high as image and reputation are at risk, but the rewards are also high if companies implement sound and professional disciplines to implement, monitor and react to a well organised media relations strategy.**

The word "echo" is rendered in a stylized, blue, 3D-effect font. The letters are thick and have a slight shadow, giving them a three-dimensional appearance. The 'e' is lowercase and rounded, the 'c' is lowercase and rounded, the 'h' is lowercase and has a tall vertical stem, and the 'o' is lowercase and rounded. The overall style is modern and clean.

Echo Research is grateful to Wyn Fanshawe of Objective Performance Ltd for his help in compiling this paper.