

Module 1. Winning deals - Sponsorship creating value to customers

Introduction

Many sponsorship contracts are signed with a very specific purpose of providing value to prospect and existing customers. In the first case, sponsorships can be used to win deals while, in the latter, they meant to drive business growth.

In this module, we will cover examples (some real and some fictitious) of what a company can do to properly achieve these objectives. Sometimes, the answer is bringing their expertise, resources, and access to the customers while, in some others, it can involve the use of their own products.

1. Panasonic x Suning x Inter Milan (not real)

The supplier / sponsor: Panasonic

Panasonic Corporation is “a major Japanese multinational electronics corporation, headquartered in Kadoma, Osaka. It was founded by Kōnosuke Matsushita in 1918 as a lightbulb socket manufacturer” (Panasonic, n.d., para. 1).

Panasonic Corporation is comprised of various business domain companies, from AV and home appliances to industrial solutions and other consumer electronic products (appliances, life solutions, connected solutions, automotive and industrial solutions) (Philosophy & Business, 2019).



Figure 1: Panasonic devices. From *Panasonic Service Center in Hyderabad*.



Panasonic Service Center in Hyderabad. <https://panasonicservicecenterhyderabad.in/>

Each company has its distinct R&D, production, and sales functions that satisfy specific consumer needs worldwide.

Satisfying customers' needs is central to Panasonic's mission. This is how they define themselves:

Ever since our founding over a century ago, we have been working to solve various problems through our products and services. Looking at the world from the perspective of our customers, our endless pursuit of the better is what drives us. (Panasonic G70 pinouts, n.d., para. 1)

Across all their business companies,

Panasonic offers a wide range of products and services, including air conditioners, refrigerators, washing machines, compressors, lighting, televisions, personal computers, mobile phones, audio equipment, cameras, broadcasting equipment, projectors, automotive electronics, aircraft in-flight entertainment systems, semiconductors, lithium batteries, electrical components, optical devices, bicycles, electronic materials and photovoltaic modules. (Panasonic G70 pinouts, n.d., para. 1)

While they operate in markets around the world, two geographic regions have a special status in their business: China and Northeast Asia, and North America.

The customer: Suning.com Co

Headquartered in Nanjing, Suning.com Co., Ltd. is one of the largest non-government retailers in China and has more than 10,000 stores in the country. Suning.com, its e-commerce platform, is among the top three Chinese B2C companies. Its operation categories include physical merchandise, such as cosmetics and baby care products, 3C products, content products, home appliances, books, general merchandise, household commodities, and service merchandise with the total number of SKU exceeding 3 million.

Figure 2: Suning employees working at a Suning branch office.



From *Chubb announces preferred provider distribution agreement with Chinese retailing giant Suning*, Inventariado China.

Suning was listed on the Shenzhen Stock Exchange in 2004. They ranked at 328th on the Fortune Global 500 list (2021) and 9th on the list of the 15 fastest growing ecommerce companies (2020), according to a report published by the international finance website Insider Monkey, and ranked 2nd in Total Online Retail Sales in China.

As of December 31, 2010, the company had 1,311 stores in 231 cities across China. As of June 30, 2020, after the acquisition of the Carrefour supermarket network in China, Suning.Com owned 2,791 stores of various types, including 72 Suning Plaza (shopping malls), 2,108 3C specialty shop (household appliances), 197 Suning.Com Stores, 240 Carrefour supermarkets, 146 RedBaby brand stores (baby and maternity products), and 28 shops in Hong Kong.

There were 5,660 Suning.Com franchise stores, for a total of 8,682. In the first quarter of 2021, other 831 stores were opened in June, bringing the total to over 9,000 cloud retail

stores. Suning.com is present in China (the mainland China and Hong Kong S.A.R.) and Japan, in the retail industry, with over 10,000 stores.

If your product category is one of the many sold at one of Suning stores and your company aspires to develop a good business in China, you have to be present in their stores. Knowing their importance to the success of many brands, and similarly to many retailers, Suning charges high prices for listing new products and constant discounts, as well as promotional support in order to keep the products on sale. That sums up to be a very expensive bill for their suppliers to be present in their stores.

The asset: Inter Milan

Figure 3: Inter Milan shirt.



From *Inter de Milão lança novo uniforme inspirado em pele de cobra; veja fotos*. Ge.globo. <https://ge.globo.com/futebol/futebol-internacional/futebol-italiano/noticia/inter-de-milao-lanca-novo-uniforme-inspirado-em-pele-de-cobra-veja-fotos.ghtml>

Football Club Internazionale Milano, commonly referred to as Internazionale or simply Inter (known as Inter Milan outside Italy) is an Italian professional football club based in Milan, Lombardy. Inter is the only Italian side to have always competed in the topflight of Italian football since its debut in 1909.

Founded in 1908 following a schism within the Milan Cricket and Football Club (now AC Milan), Inter won its first championship in 1910. Since its formation, the club has won 30+ domestic trophies, including league titles, Coppa Italia and Supercoppas Italiana. From 2006 to 2010, the club won five successive league titles, equaling the all-time record at that time. They have won the Champions League three times: two back-to-back in 1964 and 1965 and then another in 2010. Their latest win completed an unprecedented Italian seasonal treble, with Inter winning the Coppa Italia and the Scudetto the same year. The club has also won three UEFA Cups, two Intercontinental Cups and one FIFA Club World Cup.

Inter's home games are played at the San Siro stadium, which they share with city rivals AC Milan. The stadium is the largest in Italian football with a capacity of 75,923. They have long-standing rivalries with AC Milan, with whom they contest the Derby della Madonnina, and Juventus, with whom they contest the Derby d'Italia; their rivalry with the former is one of the most followed derbies in football. As of 2019, Inter has the highest home game attendance in Italy and the sixth highest attendance in Europe. The club is one of the most valuable in Italian and world football. (Inter Milan, n.d., para. 1-3)

Suning Holdings Group, a company owned by Zhang Jindong (chairman and co-founder of Suning Commerce Group), on 6 June 2016 acquired a majority stake of Inter from Moratti family's remaining shares in Internazionale Holding S.r.l and from Thohir's consortium International Sports Capital S.p.A. The investment from Suning was €270 million. On June 28 2016, the deal was approved by a general meeting, from which Suning Holdings Group acquired a 68.55% stake in the club.

Bringing it all together:

If you are Panasonic, a global prestigious brand of home appliances with a high interest in the Chinese market, what would you do?

The natural business path would be for Panasonic China to invest heavily to build their partnership with Suning. They would pay the fees, list their product, pay to develop promotions and to get extra in-store space to make their products more visible. Their margins would be likely to be squeezed because of the heavy investments required.

Another potential path for Panasonic would be to approach Inter Milan with an unusual sponsorship proposal. The brand would invest to become a major sponsor of the club and promote it –through their products– in China, at Suning stores, and around the world through their customer network.

The club would benefit from the new sponsor, Suning would benefit from incremental promotions, and Inter Milan would benefit from increased investments and promotions worldwide.

This solution would certainly be a lot less expensive than the traditional “trade marketing” approach and incredibly more interesting and powerful for their business.

2. Mastercard x Santander x Ferrari (not real)

The supplier / sponsor: Mastercard

The American financial services corporation Mastercard Inc. is headquartered in Purchase, New York. Its main business is the process of payments between merchants and banks that issue cards, using the “Mastercard” brand on them.



Figure 4: Mastercard cards.



From *Samsung and Mastercard team up to create payment card with integrated fingerprint reader* – TechSpot. Oltnews. <https://oltnews.com/samsung-and-mastercard-team-up-to-create-payment-card-with-integrated-fingerprint-reader-techspot>

Mastercard doesn't issue cards. Instead, they work with their clients (i.e., banks) to get them to issue as many cards as possible. The banks are the ones promoting the cards to their customers (i.e., cardholders). When we, as bank X client, use our Mastercard for our regular purchases, the bank collects most of the fees (a commission for managing the account and the risk) while Mastercard receives the balance (the smaller part).

Over the last decade, Mastercard expanded their business to work with other non-bank clients. However, banks continue to represent the vast majority of their business.

Mastercard Worldwide has been a publicly traded company since 2006. Prior to its initial public offering, Mastercard Worldwide was a cooperative owned by the more than 25,000 financial institutions that issue its branded cards.

Mastercard is one of the most active global sponsors. Among their sponsorships, there are rugby's New Zealand, the MLB, the UEFA Champions League, the PGA Tour's Arnold Palmer Invitational, the Brazil national football team, and the Copa Libertadores. Previously, it also sponsored the FIFA World Cup, the Mastercard Lola Formula One team, and many more.

Mastercard, in late 2018, became the first major sponsor for League of Legends esports. The company sponsors the League of Legends World Championship, Mid-Season Invitational, and the All-stars event for League of Legends.

The customer: Banco Santander



Figure 5: Santander Bank credit card.



From *Santander Throws its Hat Into Credit Card Cash Back Circus*, 2017. CardTrak. <https://cardtrak.com/2017/07/10/credit-cards-2/santander-throws-hat-credit-card-cash-back-circus/>

Banco Santander S.A. is a Spanish multinational financial services company based in Madrid and Santander, in Spain. Additionally, Santander maintains a presence in all global financial centres as the 16th-largest banking institution in the world. Although known for its European banking operations, it has extended operations across North and South America, and, more recently, in continental Asia. It is considered a systemically important bank by Financial Stability Board.

As of 2017, Santander was the 4th largest bank in Europe, with approximately US\$1.4 trillion in total assets-under-management.

They define their mission as “helping people and businesses prosper by supporting inclusive and sustainable growth through the environmental, social and governance criteria embedded in our business model” (Santander official website, <https://www.santander.com/en/about-us>).

Santander believes that

Sponsorships are a powerful tool that let us support business, consolidate the brand both at a local and international level, increase the emotional connection with our people, customers, shareholders and communities, and communicate the mission of the bank, to help people and businesses prosper

From 2007 to 2017 they sponsored Formula 1 (F1), first with the McLaren team and then, with Scuderia Ferrari. During these years, recognition of the Santander brand increased worldwide and we strengthened their position as a leading global bank.

In 2018, they said goodbye to F1 and, until 2021, we were world sponsors of the world’s most prestigious football club tournament, the UEFA Champions League,

reaching massive audiences in Santander's main markets in Europe and the Americas.

Additionally, in the most important markets for the bank, they complemented global sponsorships with more local sponsorships mainly focused on sports, culture and entertainment (art, theater, music, gastronomy, etc.) such as La Liga in Spain, Santander Cycles in the UK and gastronomy and fashion events in Brazil. (Our sponsorship strategy combines global sponsorships for all the Group with local sponsorships in our 10 main markets, n.d., para. 2-6)

Santander is one of the largest investors in sponsorships in their industry.

The asset: Ferrari F1 Team

Scuderia Ferrari S.p.A. is the racing division of luxury Italian auto manufacturer Ferrari and the racing team that competes in Formula One racing. The team is also nicknamed "The Prancing Horse", with reference to their logo. It is the oldest surviving and most successful Formula One team, having competed in every world championship since the 1950 Formula One season. (Scuderia Ferrari, n.d. para. 1)

The team was founded by Enzo Ferrari, initially to race cars produced by Alfa Romeo, though, by 1947, Ferrari had begun building its own cars.

Figure 6: Formula 1 car.



From *Formula 1 Car / Aston Martin S New Formula 1 Car Amr21 In Pictures: At the helm, by the way, is former formula 1 driver and 13. Painella.* <https://painella.blogspot.com/2021/07/formula-1-car-aston-martin-s-new.html>

As a constructor, Ferrari has a record 16 Constructors' Championships, the last of which was won in 2008. Alberto Ascari, Juan Manuel Fangio, Mike Hawthorn, Phil Hill, John Surtees, Niki Lauda, Jody Scheckter, Michael Schumacher, and Kimi Räikkönen have won a record 15 Drivers' Championships for the team.

Michael Schumacher is the team's most successful driver. Joining the team in 1996 and departing in 2006, he won five consecutive drivers' titles and 72 Grands Prix for the team. His titles came consecutively between 2000 and 2004, and the team won consecutive Constructors' titles between 1999 and 2004; this was the team's most successful period.

Bringing it all together:

During the seven years of the partnership between the bank and Ferrari, Santander was investing estimated \$55 million/year. The sponsorship ended in 2016, when Santander decided to change their focus and invest heavily in football through a UEFA Champions League deal.

However, Santander could have kept its relationship with Scuderia Ferrari if they had worked with their main payments partner, Mastercard.

Figure 7: Ferrari car with Santander advertisement.



From *Santander's sponsorship of Ferrari F1 team to end this year, say reports.* The Guardian. <https://www.theguardian.com/business/2017/nov/26/santanders-sponsorship-ferrari-f1-end-final-2017-race-formula-one>



Few people outside the payments industry understand the importance of a client like Santander for the success of the networks (Visa, Mastercard, etc.). In the same way that a consumer brand needs retailers to display their products, networks need banks to issue their cards. Most banks work with all networks dividing their portfolio of cards (main, premium, debit, etc.) across different brands (i.e., Visa gets some, Mastercard a few others, and so on). The networks must work hard in order to grow their “share of cards” in the banks’ portfolio. This is how they grow their businesses.

A popular way of doing that is by offering the banks financial incentives, discounts, and services. In this particular case, Mastercard could have offered Santander the Scuderia Ferrari sponsorship. It would have worked like this: instead of Santander sign, invest, manage, and promote their brand through Ferrari, Mastercard would have done all the hard work for them. They could have offered Santander the rights fees, the contract negotiation, and even the management of the relationship on behalf of their client. The investments could have replaced other financial incentives Mastercard was paying the back.

In return, Santander would have increased (or maintained) Mastercard preferred position in their portfolio for the duration of the deal, and Mastercard would have become an even more important partner for Santander; the bank would have kept its sponsorship with Scuderia Ferrari and Ferrari a valued partner.

3. Coca-Cola x Amazon x McLaren

The supplier / sponsor: Coca-Cola

Figure 8: Coca-Cola tins with Russia 2018 World Cup advertisement. [Online image].



Retrieved 2021 from <https://twitter.com/angelluvjin/status/1008869756240257025>. Screenshot by author.



The Coca-Cola Company is an American multinational beverage corporation headquartered in Atlanta, Georgia. The Coca-Cola Company has interests in the manufacturing, retailing, and marketing of non-alcoholic beverage concentrates and syrups.

The product that has given the world its best-known taste was born in Atlanta, Georgia, on May 8, 1886. Dr. John Stith Pemberton, a local pharmacist, produced the syrup for Coca-Cola, and carried a jug of the new product down the street to Jacobs' Pharmacy, where it was sampled, pronounced "excellent" and placed on sale for five cents a glass as a soda fountain drink. Carbonated water was teamed with the new syrup to produce a drink that was at once "Delicious and Refreshing," a theme that continues to echo today wherever Coca-Cola is enjoyed. (The Birth of a Refreshing Idea, n.d., para. 1)

The company has operated a franchised distribution system since 1889. It produces syrup concentrate, which is then sold to various bottlers throughout the world who hold exclusive territories (Nnaobi, 2012). The bottlers are responsible for manufacturing the product, bottling it, selling the beverages to millions of customers (retailers and wholesalers) around the world, collecting their payments, and merchandising the products.

The company's stock is listed on the NYSE, and is part of DJIA and the S&P 500 and S&P 100 indexes.

When it comes to sponsorships, few companies in the world are as active as the Coca-Cola Company: from the Olympic Games (since 1928) and the FIFA World Cup (since the late 1950s), to every local team, ballpark, and event. You can hardly see a sport or entertainment event that is not supported by Coca-Cola.

There was a famous say among marketers at Coca-Cola in the 1970s: "If it moves, sponsor it. If it doesn't, paint it red".

The customer: Amazon

Amazon.com is an American multinational conglomerate which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It is one of the Big Five companies in the U.S. information technology industry, along with Google, Apple, Microsoft, and Facebook. The company has been referred to as "one of the most influential economic and cultural forces in the world", as well as the world's most valuable brand.

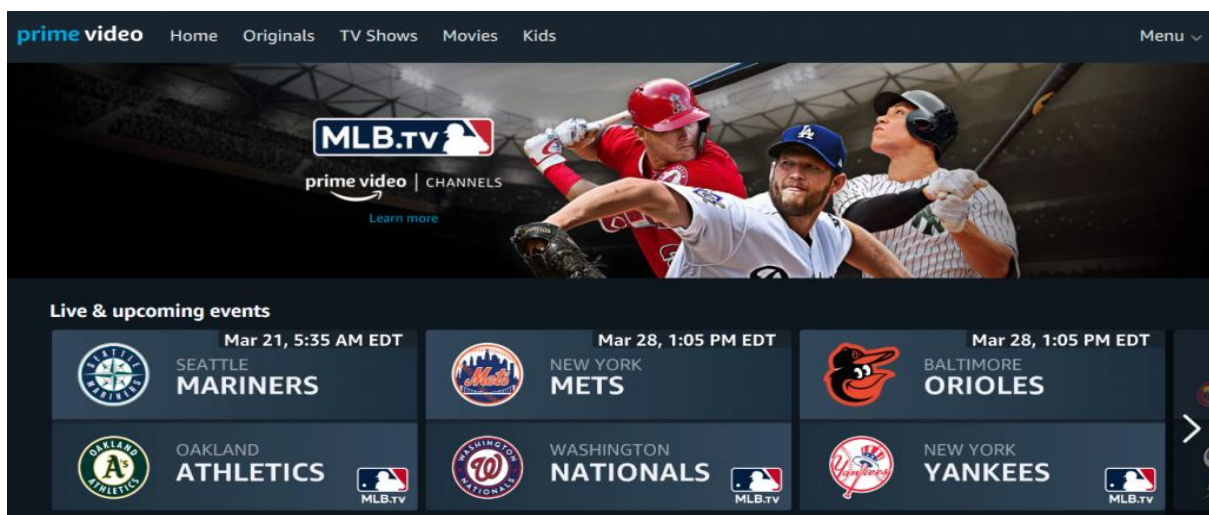
Jeff Bezos founded Amazon from his garage in Bellevue, Washington starting as an online marketplace for books but expanded to sell electronics, software, video games, apparel, furniture, food, toys, and jewellery. In 2015, Amazon surpassed



Walmart as the most valuable retailer in the United States by market capitalization. In 2017, Amazon acquired Whole Foods Market for US\$13.4 billion, which substantially increased its footprint as a physical retailer. In 2018, its two-day delivery service, Amazon Prime, surpassed 100 million subscribers worldwide.

Amazon is known for its disruption of well-established industries through technological innovation and mass scale. It is the world's largest online marketplace, AI assistant provider, live-streaming platform and cloud computing platform as measured by revenue and market capitalization. Amazon is the largest Internet company by revenue in the world. It is the second largest private employer in the United States and one of the world's most valuable companies. As of 2020, Amazon has the highest global brand valuation. (About Amazon, n.d., para. 1-3)

Figure 9: Amazon prime video website; section Sports.



From *Top 20 Sites To Watch Free Movies Online Without Credit Card Required*. Credit Card Forever. <https://www.creditcardforever.com/watch-free-movies-online-without-credit-card/>

When it comes to sports, Amazon has been on a shopping spree acquiring rights for some of the most premium events in the world, like the NFL Thursday Night, MLB, English Premiere League, France's Ligue 1, among others. They are one of the largest players in this space, and their role is only set to grow in the coming years.

The asset: McLaren F1 Team



Figure 10: McLaren racing car.



From *Galeri 2021 McLaren MCL35M tanıtım*. F1tr.com. <https://www.f1tr.com/konu-galeri-2021-mclaren-mcl35m-tanitim.html>

McLaren Racing is a British motor racing team based at the McLaren Technology Centre in Woking, Surrey, England. McLaren is best known as a Formula One constructor, and is the second oldest active team, and second most successful Formula One team after Ferrari, having won 182 races, 12 Drivers' Championships and 8 Constructors' Championships. (McLaren formula one team project, n.d., para. 1)

Founded in 1963 by New Zealander Bruce McLaren, the team won its first Grand Prix at the 1968 Belgian Grand Prix, but their greatest initial success was in Can-Am, which they dominated from 1967 to 1971. After Bruce McLaren died in a testing accident in 1970, Teddy Mayer took over and led the team to their first Formula One Constructors' Championship in 1974, with Emerson Fittipaldi and James Hunt winning the Drivers' Championship in 1974 and 1976 respectively.

In year 1981, McLaren merged with Project Four Racing a Ron Dennis' project. Dennis, who became the team principal, very soon organized a buyout of the original McLaren shareholders in order to take over the team. This began the team's most successful era: with Porsche and Honda engines, Niki Lauda, Alain Prost, and Ayrton Senna took between them seven Drivers' Championships and the team took six Constructors' Championships.

After a few years of poor results in the early 2010s, many important changes in the management team led to a rebirth of McLaren's competitiveness in the F1 tracks. The team went from 9th (2017) to 6th (2018) to 4th (2019) and to 3rd (2020) place in the construction's table, and is poised to do even more in the 2020s.

As a result, McLaren racing has attracted and retained many premium global brands as sponsors.



Figure 11: Premium global brands of McLaren Racing.



From McLaren official website, <https://www.mclaren.com/racing/partners/>

Bringing it all together:

Figure 12: McLaren in a Coca-Cola advertisement.

From McLaren official website <https://www.mclaren.com/racing/partners/coca-cola/>



Amazon might have endless resources to enter sports in whatever any way they chose to. They can easily buy rights for broadcasting, develop content (like the All of Nothing series), or even acquire intellectual property (in the form of traditional sponsorships) that allows them to develop programs and host clients at events. But, while financial resources are critical, there is a certain knowledge that they have not built yet on sponsorship management. This is where some of their Amazon Prime suppliers can come handy.

On the other side of the fence, sits the Coca-Cola Company. As all other consumer goods companies, they see Amazon as a strategic partner that can help them distribute their beverages to millions of consumers around the world.

Today, Coca-Cola –and every other supplier– needs to pay Amazon for the rights to sell and be first on searches. In order to succeed at Amazon stores (digital and physical), suppliers need to pay for listing and display, as previously discussed.

But Coca-Cola has something rarer and more desired by Amazon, as they escalate their sports investments: expertise in sports. This is where McLaren comes in.

Amazon, a tech company, has a great fit with McLaren and Formula 1 as a whole. But instead of doing the heavy lifting of signing a sponsorship deal and managing the day-to-day work with the partner, Amazon relied on Coca-Cola to do the work for them.

Figure 13: McLaren posing for an Amazon campaign.



From *Découvrez comment Coca-Cola, McLaren Racing et Amazon ont créé une campagne unique en son genre*. Amazon ads. <https://advertising.amazon.com/fr-fr/blog/coca-cola-mclaren-campaign>

Coca-Cola evaluated alternatives, selected, and negotiated a sponsorship with McLaren on behalf of Amazon. Besides, as part of this partnership, it develops the promotions and events to promote the Amazon brand.

Amazon wins because it has a great sponsorship at their disposal; Coca-Cola wins because it becomes an even more strategic partner for Amazon; and McLaren wins for counting on these two great brands promoting him.

4. Unilever x Woolworths Australia x Commonwealth Games (not real)

The supplier / sponsor: Unilever

The British consumer goods company Unilever is headquartered in London. Among the several products it sells in about 190 countries, we can mention food, wellbeing vitamins, ice cream, condiments, and supplements. This multinational is also the world's largest soap producer.

Unilever was founded in 1929, by the merger of the British soap maker Lever Brothers and the Dutch margarine producer Margarine Unie. The company, which on the second half of the 20th century, the company expanded its operations worldwide, has made numerous corporate acquisitions, including Lipton (1971), Brooke Bond (1984), Chesebrough-Ponds (1987), Best Foods (2000), Ben & Jerry's (2000), Alberto-Culver (2010), Dollar Shave Club (2016) and Pukka Herbs (2017).

Unilever owns over 400 brands, with a turnover in 2020 of 51 billion euros, and thirteen brands with sales of over 1 billion euros: Heartbrand (Wall's) ice creams, Axe/Lynx, Omo/Persil, Dove, Hellmann's, Lipton, Knorr, Lux, Rexona/Degree, Magnum, Sunlight, Sunsilk, and Lifebuoy.

Figure 14: Unilever's brands.



From *Unilever brand logo*. Logodix. <https://logodix.com/unilever-brand>



Unilever is organized into three main divisions: Foods and Refreshments; Home Care; and Beauty & Personal Care. It has research and development facilities in China, India, the Netherlands, the United Kingdom, and the United States.

The customer: Woolworths Australia

Woolworths, the Australian chain of grocery stores and supermarkets, is owned by Woolworths Group. "Woolies" (as it is colloquially known) was founded in 1924 and, with a market share of 33% as of 2019, is nowadays Australia's biggest supermarket chain.

Figure 15: Woolworths Australia supermarket.



From *Woolworths Commits To 100% Renewable Electricity By 2025*. Intelligent living. <https://www.intelligentliving.co/woolworths-commits-to-renewable-electricity-by-2025/>

Woolworths specializes in groceries (vegetables, fruit, meat, packaged foods, etc.), but also sells magazines, DVDs, health and beauty products, household products, pet and baby supplies, and stationery. As of the end of June 2020, there were 987 Woolworths supermarkets and 64 Woolworths Metro convenience stores. Woolworths Online (formerly HomeShop) is a "click and collect" and home delivery service for Woolworths supermarkets. (Woolworths Supermarkets, n.d., para. 2)



While not a traditional sponsor, in 2017, the supermarket chain signed a deal, becoming a partner Gold Coast 2018 Commonwealth Games merchandise.

The asset: Commonwealth Games

Also known as Gold Coast 2018, the 2018 Commonwealth Games was an international multi-sport event for members of the Commonwealth, which took place on the Gold Coast, located in Queensland, Australia, between 4th and 15th April, 2018.

Figure 16: Woman posing with a 2018 Commonwealth Games ad.



From *Have the Commonwealth Games Become the Forgotten Games?*. The sportsdigest. <http://thesportdigest.com/2018/04/have-the-commonwealth-games-become-the-forgotten-games/>

It was the fifth time Australia had hosted the Commonwealth Games.

4,426 athletes, including 300 para-athletes from 71 Commonwealth Games Associations, took part in the event. The sporting events were held at 14 venues in the host city, two venues in Brisbane and one venue, each in Cairns and Townsville.

The host nation, Australia, topped the medal table for the fourth time in the past five Commonwealth Games, winning the most golds (80) and most medals overall (198). England and India finished second and third respectively.

Bringing it all together:

If you are Unilever, a brand powerhouse with products in many categories, primarily distributed via retailers with a high interest in the profitable Australian market, what would you do?

The natural business path would be for Unilever Australia to invest heavily to build their partnership with Woolworths. They would pay the fees, list their product, pay to develop promotions, and to get extra in-store space to make their products more visible. Their margins would be likely to be squeezed because of the heavy investments required.

Knowing the interest of Woolworths Australia to support the 2018 Commonwealth Games in the Gold Coast, however, they could have approached their customer with an unusual sponsorship proposal. Unilever brands would invest to become a major sponsor of games and promote it –through their products– in Australia exclusively at Woolworths stores. They could even have negotiated the rights to use the Woolworths brand as a sponsor instead of theirs.

The Commonwealth Games Organizing Committee would benefit from the new sponsor; Woolworths would have benefited from a sponsorship at no cost and incremental promotions from Unilever; and Unilever would have benefited from the improved relationship with their key customer in the Australian market.

This solution would certainly be better for everyone, less expensive for Woolworths and Unilever, and more interesting and powerful for their business and clients.

Another use of sponsorships is showcasing products and services.

Sponsors take advantage of the increased interest and visibility of sports and entertainment to display, demo, get leads, and sell their products. These initiatives can come in different shapes, on and offline, but they all have the same purpose: demonstrate that if the products and services are good enough for the toughest athletes and venues, they will be good for you too.

Some rightsholders offer these opportunities by default –every sponsor gets the same space and visibility– while, with others, these are treated as special rights that must be negotiated. Category exclusivity is mandatory in these cases. When the sponsorship is of an event, physical space is also necessary.

Here are some successful examples:

1. Apparel: no category of products relies so much on sports sponsorship as apparel. Because they are an integral part of the game and outfit all players and officials, it is relatively easy to showcase what they do in most of their products.



Figure 17: Barça player Ilaix Moriba in the field.



From *Ilaix Moriba: Tottenham in advanced talks to sign Barcelona teenager*. Flip board. <https://flipboard.com/topic/tottenhamhotspurfc/tottenham-in-advanced-talks-to-sign-barcelona-teenager-ilaix-moriba/a-YlpItzzSRDKYmodPjA9RLA%3Aa%3A1855170754-2558d10fba%2Fco.uk>

There is tremendous technology in modern apparel and sports equipment development, and the sponsorships can display that like no other. In football, the technology of boots and balls are introduced first at the best clubs in the world and, only then, are cascaded down to stores and weekend players like you and me.

Figure 18: Nike 2021 football boots.



From *Nike latest football boots 2021*. Online shop. <http://enstock4u.top/products.aspx?cname=nike+latest+football+boots+2021>

This is how Nike speaks about their new “Nike Flight Ball”.

Every football has some unpredictable movement in flight, and due to a variety of aerodynamic parameters. For instance, if a ball is completely smooth, it is gripped

by the air, creating a significant wake and causing frequent changes in direction. These shifts can result in misplaced long balls, derailing a potentially fruitful counter, or shots that stray off goal.

Nike Flight, a game-changing football, addresses issues of inconsistent aerodynamics through a revolutionary ball design. Incorporating Nike's new AerowSculpt technology, the ball delivers a measurable benefit of 30 percent truer flight than its Nike predecessor. (Nike Flight Ball: A Revolution in Football Aerodynamics, 2020, para. 1-2)

Figure 19: AerowSculpt technology.



From Nike Flight Ball: A Revolution in Football Aerodynamics. News Nike. <https://news.nike.com/news/nike-flight-ball>

If this ball is good enough for the Barcelona players, isn't that good for you too?

2. Beverages: another integral part of sports. As much as apparel companies invest in new technology for development of their products, beverage companies do the same for developing new products that will refresh, replenish, and restore pro athletes' bodies. In this space, PepsiCo's Gatorade reigns above everyone else.

Figure 20: Gatorade containers at the Super Bowl 2020 (part of a Gatorade campaign).





From *Gatorade Bath Color Prop Bet Payout - Red: Super Bowl 55, 2020*. Gambling 911. <https://www.gambling911.com/Gatorade-Bath-Color-Prop-Bet-Payout-Red-Super-Bowl-55.html>

Figure 21: American football player throwing Gatorade over the winning coach.



From *Color de la bebida con la que bañaron a Bruce Arians, reparte millones de dólares en el Super Bowl*. Medio Tiempo. <https://www.mediotiempo.com/futbol-americano/nfl/color-bebida-banaron-bruce-arians-reparte-millones-dolares-super-bowl>

There are few pitch sidelines immune to the orange and green coolers of Gatorade. They are not there only for display. In most cases, we see players consuming the product throughout the games (not to mention the traditional American Gatorade buckles being dumped on winning coaches after championship games).

Gatorade has been working to customize your drinks to our own needs. In order to do it, they use their sponsorships to demonstrate how this new approach can benefit high profile athletes to be better at their jobs. The idea is to measure and analyse the sweat of each athlete to better understand what the nutrients they are losing the most. Then, the beverages are mixed to provide them with exactly what they may need. Eventually, a less sophisticated version of the same technology can be deployed to the rest of us.

3. Technology providers: non-endemic categories are also making ample use of sponsorships to showcase their technology.

Figure 22: Manchester United football players posing for an HCL ad. [Online image].



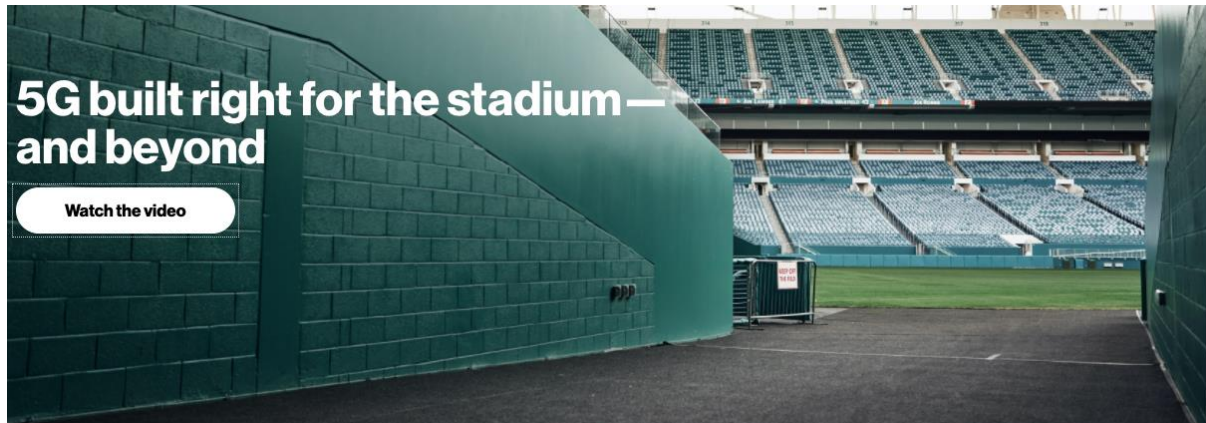
Retrieved 2021 from <https://twitter.com/hcltech/status/1041312018781884419/photo/1>. Screenshot by author

There are many good examples on this category. A first one is the work that HCL does with Manchester United. Developing their digital platforms (web and app), connecting everything the club does online allowing fans to interact with the club and to consume its content in an easy and effective way. If HCL can do it for the massive traffic generated by the millions of fans of the club, they can certainly do it for your brand or company as well.

In the same line, you can find companies that provide 5G connectivity for venues allowing fans to have a much better experience at their favourite sporting and entertainment events. 5G might not be possible in every corner of the planet yet, but they are certainly

possible at a venue despite the dozens of thousands of fans trying to connect their devices at the very same time. If this can be possible thanks to Verizon at an NFL game, it will be possible in my city in a near future.

Figure 23: Stadium by Verizon that provides provide 5G connectivity.



From *5G built right for the stadium—and beyond.* Verizon
<https://www.verizon.com/business/solutions/5g/stadium-venue-experience/>

Another great opportunity heavily utilized by sponsors in stadia is related to the food and beverages operations. It includes, for instance, the payment systems, the delivery of the products to the seats, and the quality of the food.

Figure 24: Uber Eats food delivered in the San Diego Gulls stadium.



From *San Diego Gulls and UberEats team for in-seat food delivery.* The San Diego Union Tribune.
<https://www.sandiegouniontribune.com/business/technology/sd-fi-ubereats-gulls-20170224-story.html>

Many brands operate in this space. Here is how Uber Eats does it:

We teamed up with the San Diego Gulls and Levy Restaurants to make getting concessions delivered to your seat as easy as pushing a button — every home game, all season long.

That's right: UberEATS is now the official food delivery partner of the San Diego Gulls. Now you can sit back and relax to enjoy in-arena concessions delivered right to your seat. With UberEATS, you can order from any of the following vendors at any Gulls home game. (Ariate, 2017, para. 1-2)

Few companies do it as well as Visa. Because the entire live sport experience is so interconnected with commerce, they can credibly play a critical role in making the fan experience painless, removing the friction from the ticket and concession purchases, merchandising shopping, and much more. Here is how they describe their vision for the fans in live events and how they can add value to that through their technology: (click to watch the video):

Video 1. Con visa, siempre puedes más

From: Visa Español. (n/d). Con visa, siempre puedes más. [YouTube Video].

<https://www.youtube.com/watch?v=kvb089RNCnM>

The last example is about how sponsors at the Olympic Games and the FIFA World Cups can showcase their products, in spite of how integrated they might be to the sport or fan's lives. In the case of both rightsholders (this is similar to many others), they create areas where every commercial partner has the right to set up their own activities for the fans. The IOC call it "partner showcase" (usually located at a central location near the main venues) while FIFA call it "commercial displays" (usually set up in every stadium, after the ticketing checkpoint). Here are some examples of FIFA and Olympics sponsors and non-sponsors:

Figure 25: Hisense stand at the FIFA World Cup Russia 2018.



From: Own source

Figure 26: Vivo stand at the FIFA World Cup Russia 2018 (Own source)



From: Own source



Figure 27: McDonald's stand at the FIFA World Cup Germany 2006



From: Own source

Figure 28: Allianz stand at the FIFA World Cup Germany 2006



From: Own source

Figure 29: Emirates stand at the FIFA World Cup Germany 2006



From: Own source

Figure 30: Coca-Cola stand at the FIFA World Cup Germany 2006



From: Own source



Figure 31: Itaú stand at the FIFA World Cup Germany 2006



From: Own source

Using the sponsorships to engage with customers, grow their businesses, build stronger relationships, and showcase new products and services is one of the best uses of sports and entertainment. Many companies still look at their sponsorship investments in a narrow way. Because they expect less, they usually fail at extracting the full value a contract can give the company.

The strategies addressed on this module are two of many more. We will cover a few other ways to strategically use sponsorships to accomplish more for businesses in different forms.



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