2.1 Activation types

2.1.1 Types of activation

When able to fulfill the activation part of the agreement with a sport sponsorship, the client often has the desire to have their sponsorship activation fulfilled through many different channels. Having multiple channels to deliver the activation of the client ensures that you will not only be a leading-edge partner when it comes to selling sponsorships, but it also shows that you will be thought of as having the best execution after the sale. This part of the sponsorship process is vital to the overall execution of the organizational brand management process as a whole. We will now go through the different types of activation, and some examples of each, to show the different ways in which organizations fulfill the activation phase of this process. While going through these different examples, it will be helpful to imagine how your organization would be able to fulfill these demands through these channels if you had the ability. If your sport organization does not have the ability, it would be beneficial to think about how you might be able to broaden your horizons and obtain said ability so as to achieve access to these channels, and therefore increase your ability.

Loyalty Benefits – This applies to offering special loyalty *members only* benefits to sponsors to increase their ability to engage with your organization and the products it offers. By making this genuine investment in your organization, the sponsorship client is showing their commitment to you even though this way of rewarding them has nothing to do with increasing the visibility of their product. Rewarding them and their employees is actually considered as an extra perk. By *rewarding* them you are also expanding your own brand, which in turn provides your company with an opportunity to truly gain the reward because you are picking up a whole new consumer base. Another potential benefit of this, is that this new consumer base can stay on long after the sponsorship deal is done if they are stewarded in the correct way. Some examples of loyalty/VIP benefits are:

- VIP Apparel.
- VIP Merchandise.
- VIP-only Events.
- VIP Discounts.
- VIP Celebrity Opportunities.
- VIP Seating/ Priority Tickets.
- VIP parking and Luxury Benefits.
- VIP Promotions.

CRM and Database Activation – In this form of activation your sport organization puts in place the channel of having the sponsor fully integrated into the data of your organization and promotes the client through these channels. This is extremely popular amongst companies trying to increase their databases, and those who are steeped heavily in data analytics as it gives them more quality data for them to drive their consumer base from. This can immediately be shown as progress when it comes to market penetration. The following are sources from which you can gather information for your sponsor:

- Online Raffles.
- Ticket Database.
- Discount Offers.
- Coupons.
- POS (Point of Sale) Systems Fan Clubs.
- Sales Receipts.
- Membership/Donor Programs.
- Surveys/Questionnaires.
- Event follow-up Data.

Traditional Advertising activation – In this channel your organization can feature the traditional forms of advertising by using the mediums already created to capitalize on the opportunities that are already available. This is often the most common form of activation within organizations when they are considering sponsorships. Although it can be extremely effective when you are trying to reach the large masses, it can also be very expensive and resource-consuming. Some examples of traditional advertising activation are:

- New advertising focusing on essential parts of the sponsorship.
- Introduction of sponsorship focused celebrities.
- PSA (Public Service Announcement?) advertising with sponsorship information.
- Existing advertising with new sponsorship information.

Digital activation – Digital activation is becoming the most popular, and some would argue the most effective form of activation within sponsorship agreements because of the ability to reach the masses without a huge cost. It is with this advantage and the ability to be very adaptable and evolving that digital advertising can be utilized in many different ways of activation. Some of the examples of digital activation are:

- Organization Website Promotion.
- Social Media Promotion – Facebook, Twitter, Snapchat.
- Links within Digital Advertisements.

- User-generated Content from Sponsor.
- Sponsorship-related Celebrities' Social Media.
- Digital Coupons.
- Online Forums and Message Boards Advertising.
- Online Polls.
- Re-targeting and Selective Activation.

Sales activation – This form of activation has to be done with the mentality that the consumer is going to have enough of a mindset to realize that this is a promotion of the sponsor related to sales promotion and he or she is not the co-creator of the new product. This is a line that organizations within sport must be careful of when it comes to apparel, sport performance consumables and celebrity sponsorship. It must be made clear that your organization is still the one responsible for the product and that you are trying to promote the other company through the product, otherwise the confusion may lead the consumer to think that the product is being produced by another organization. Some examples of sales activation are:

- Trademark/Image Placement on items.
- Media Event for New Products Launch at Sponsored Event.
- Product Demo at Sponsored Event.
- Sponsorship Prizes only made possible through Sponsor Purchasing.

Cross-Promotion/ Cross-Selling Activation – This type of activation is often done through two organizations especially when it involves events. It can be effective when you are trying to sell your product at the same time as the sponsor product and sometimes it can be done in a client-effective manner in which the consumer is the ultimate winner. Some examples of Cross-Promotion/Cross=Selling are:

- Sponsor Cross-Promotion with another Event Sponsor.
- Cross-Promotion of an event with another Non-Sponsor Business Partner.
- Cross-Promotion at an event in which none of the organizations are sponsors.

Internal sales activation – This is very similar to the first way of activation but it is focused on your organization and on having your company gain access to the sponsor's product. Although you would like your organization's employees to be brand ambassadors for your organization, first, it is sometimes essential to have your employees buy in to the concept of true business partnership and support sponsors as well. This can be an especially powerful negotiating tool when you have a large base of employees that the sponsor may access with their product. Keep in mind that they are trying to build their client base as well

and the sponsor can do this by accessing your employees and adding them to their database.

Some examples of internal sales activation are:

- Access to Sponsor Events.
- Access to Sponsor Promotions before the public.
- Special VIP Sponsor Nights/Days for your employees.
- Sponsor Discounts for your employees.
- Monthly Award for employee engagement.

Considering the different types of activation means being able to see what sport entities are offering and the availability with which that can be accessed. As shown by the example laid out by the NBA in module 1 for a specific event, sponsorship activation can be extremely effective for multiple organizations at a singular event.

As an example of how one sport entity executes the different types of activation for themselves over a season, look at the sponsorship guides that you can find in the annexs of this module.

- **Dallas Mavericks 2013-2014 sponsorship overview. (S.d.).** Dallas, Texas. Retrieved from http://www.mavs.com/wp-content/uploads/2013/03/sponsorship-brochure.pdf
- **Miami Heat Corporate Partnership 2015-2016.** (S.d.). Miami, Florida. Retrieved from http://i.cdn.turner.com/nba/nba/.element/media/2.0/teamsites/heat/media/Partnership%20Overview%20(042715).pdf

2.1.2 The importance of activation

Proper sponsorship activation and fulfillment is important for many reasons and it will determine the true success of your organization when it comes to bringing in sustainable sponsorship funds. One of the main reasons that will lead the sport organization, and any other organization for that matter, into true success is the ability to impact multiple brands within multiple industries so as to expand its penetration base within the consumer market. Sponsorship activation is a key ingredient in determining how many consumers can be reached because often times the sponsor with whom you are dealing with has a slightly different client base and/or a deeper client base that you can draw from. What can be seen in this model is a mutually beneficial relationship in which you are providing extra exposure to a sponsor for a fee, but also resorting to a relationship, in which you showcase your professionalism and quality of the highest standards, to l attract new customers to your brand. This is similar to the idea discussed when speaking of brand management

within your organization. Remember that it is the organizations' job to determine what branding and marketing they would like to use to position themselves in the consumers' mind, but it is ultimately the consumer that determines what your brand truly is. This is not only true for individual consumers in the marketplace, but also within the client base from which you are drawing sponsors.

In order to grow your leads and potential prospects in the future to gain a true advantage over your competition, you can resort to the process of gathering referrals through current clients and sponsors. These clients will send business your way to establish a stronger relationship with you and also to show you they are truly committed to sharing in the success of your organization. The referral process is often considered while gathering individual consumers and having these individual consumers drive new prospects to your business. Many organizations use the techniques of a catchy promotion or prize for those who refer the most clients. The referral process for sponsorships is quite different as you will be dealing with large amounts of money that are shown to have a great impact on your organization and it requires a much more significant investment from your client. The benefit for your sponsor in sending some new business to you is much greater than some phone charger or t-shirt that they might be winning. They often will have a vested interest in your success because, as your organization and business grows, the exposure they have will be greater. Having a successful referral base and constantly increasing that client base is often looked upon as part of the individual sales process, but in this instance we will look at it from the organizational and sport sponsorship point of view.

2.1.3 Referrals

As regards the referral process for your sport organization, we will look at it as a four-step process that can be followed by the sport executives themselves, as well as by the organization as a whole as it is represented. The first step of the referral process from the organizational viewpoint that we will be considering will be that of education.

Education - This part of the process for your sponsorship client has to do with informing them of exactly what your company stands for, and what potential clients you are looking for when dealing with a sponsorship. This can be done by providing some literature to the prospective/current client, but it is done more thoroughly through a series of meetings, in which you truly get to know each other. Quite often, during the investigation and engagement part of the sales process, the sport executive learns a great deal about the potential client, and the client often does the same thing about your organization. This is beneficial because it provides for the laying of a groundwork in which they have a general knowledge of your company. After the groundwork has been laid, you will be the person who fills in all the information about your

company and the type of clients you are truly looking for. While some sponsors may understand that you are looking for capital to provide opportunities to grow your organization, as that is almost always a given when looking for sponsorships, the fact that you may be limited to the type of sponsor you are looking for, and to certain terms of the agreement, may not be important details that they might be aware of. An example of this can be seen when an organization with a governmental or academic based sport organization reaches out to potential sponsors. A client may think that since they have a great relationship with a very profitable and wealthy gambling organization, you also might want to be involved in that relationship. As most government and academic sport organizations are built around values other than strictly winning, and their organizational missions are often tied to a certain standard of moral values, most would not be interested in a sponsorship from a gambling organization. Without the education part of the referral process, the client may be thinking they are doing you a favor, when in fact they are potentially damaging your brand which, in turn, will inherently damages their business. This is why the educational part of the referral process is very important, as it helps you not to offend or turn off any client when they might think they are doing you a favor by helping you to grow your business.

The education part of the referral process not only involves the education about your company and what kind of sponsors you would like, but it also refers to the process of being aware of what capabilities your organization has. There could be limitations within the sport organization that are not based on the moral side of business, but rather on the financial resources side. This could be the case if a current client has a deal with you to place their brand on your uniform and wishes you to have the uniforms remade and have their symbol/branding mark added on each piece. The current client sees this as an expense you can handle and if you sign the agreement, it absolutely should be. While this current client is at another business event, an associate of theirs expresses interest in signing a sponsorship deal through which they want to display their mark/image on all of your merchandising, marketing, community literature, digital campaigns, video ribbons, etc. You might not have the current capability to do this quickly with the capital and marketing tools available to you at this time. This is something that the current client could know, but also it is something that could be worked into the deal of the new potential sponsor. An example of this would be how a recent business entity wanted to purchase the naming rights of a stadium at a university. The university was a state-run institution and could not make the adjustments necessary to fulfill the potential client's immediate needs. In the midst of the discussions, the potential client then took on the tasks of not only paying for the rights of displaying the mark, but also of enhancing all of the channels in which the organization had to produce their mark. This can be quite beneficial for a sport organization, but it is

in the education part of the referral process within which the beginnings of this deal are executed.

Broadcasting – The second part of the referral process that we will focus on in relation to sport sponsorships is the informative or broadcasting part. Although this is sometimes thought of as the education part of the process for referrals, it is much different when it is applied to the sport sponsorship and organizational side of the business. Think of the informative and broadcasting part simply as bragging about your accomplishments to your clients, which is in fact telling them about how well your organization is doing, as well as how much you are helping them with what they are trying to accomplish. Broadcasting your wins and celebrating them as a sport organization is often done when it comes to contests on the field if you're a competition based sport organization. It also can be thought of as your profits/loss margin when you are a tangible product based sport organization. No matter what kind of sport organization you are, it is essential that you share your story and tell your clients about your wins as much as possible. This will not only make them feel like they have made a good decision in deciding to be your partner in this venture, but it will also be a great way for them to tell others about the success you are having in your partnership.

An important part of this is to remember that in senior level circles of all areas of industry, the leader of an organization is often consumed with so many different tasks and business dealings that they are not always the best source for what is happening outside their own organization. The chances are that if you do not share with your clients how well your organization is doing they will often never know about it. They might be paying attention to their deals and profits, but often times you will not be the only business partner that they are in business with. It is the organizations that are constantly informing and broadcasting their wins as an organization the ones that will stay in the mind of the senior level executive who will help them refer business to you. Another extra benefit of this part of the process is the way in which these will reveal you to others when a competitor is trying to steal your business away from you. If they are being pitched from another organization and being told how much good it can be done for them and all the extra benefits of being with them, your current client will already have you as a positive organization in their mind, with solid examples of how you have been activating their deal as well as how you are succeeding within your industry.

A great example of how to share your organizational wins with your clients in order to gain referrals is to treat your client as though you would treat an engaged consumer. As a senior sport executive you must make sure that you send them information through many traditional channels such as news media, TV, radio, digital marketing, etc., as well as send them updates via social media to make sure they are able to access your

success through many different channels. Not only will this help you gain referrals by having a proper place in their mind, but it will also give them the possibility of sharing this information with their colleagues and associates across the same platforms. Think about how many times you have seen the success of another sport organization either in an email an associate has sent you, a social media post they liked, or a tweet they retweeted. Once they have this constant cycle of informative data coming in, they are going to be more likely to share the good news with others. You have to do everything possible in constant client management, and the broadcasting stage is essential for this.

Discipline - The third aspect about being successful in the area of gaining referrals for your organization is to have the discipline of asking for referrals from your clients and resort to their networks for your leads. Educating your clients about what your company is and who you are looking for is important. Just as important is the aspect of broadcasting your wins as it was mentioned above. That being said, without the discipline of asking your clients for referrals you will never maximize your success for your organization when the referral process is involved. Your organization may be one that is on the top of its industry, or a startup trying to make its way to its first profitable year. However, regardless of where you are at as an organization, there is always some untapped part of industry or business which can be used as an additional stream of growth. An example of this can be seen in the major sports and sport organizations worldwide which are nowadays trying to penetrate markets they were previously unfamiliar with. This shows that even if you have reached the pinnacle of your industry as some might think, there is always room for more expansion or growth.

There are many different examples of being disciplined while asking for referrals, or while asking for help by organizations, even from those at the top level. An example of this can be observed below in Manchester United, a top-notch class organization within the world of futbol. While reading their example, think of how Manchester United used referrals and what business partners they resorted to in order to grow its brand.

> Next stop, America! United targeting lucrative US market for new revenue
>
> Manchester United have targeted the lucrative US market as their next area of expansion
>
> With a new Premier League deal just under way, United expect to generate annual revenue in excess of £420million by this time next year.
>
> Estimates are the new TV contract will represent an increase of 'between 35 and 38 per cent on the previous

three-year deal' according to Red Devils executive vice-chairman Ed Woodward. Possibilities: Ed Woodward is hoping to expand into the US market, describing it as 'under penetrated' But evidently, commercial income is the main force behind a 13.4 per cent rise in overall revenue to £363.2million. And the United States is where the Old Trafford outfit are looking to expand their horizons now.

'The US market is under penetrated,' Woodward said. 'It is a very big media market, the most developed sports market in the world. 'But we don't want to deals that are quick and wrong, that tie us up and we regret afterwards. 'We believe there has been an inflection point from 2010-11 when interest levels in football have increased.

'In the last three years the number of people watching Manchester United has gone up by between 30 and 35 per cent each year. NBC reported peak viewership for our game against Chelsea last month was the biggest weekday afternoon audience since the Olympics. 'It is moving away from being a niche sport and into the territory of competing with some of the top sports in the country.'

Revenue: United have increased the number of commercial partnerships around the world

United's massive commercial arm, which will shortly boast an office in New York, in addition to the one that was opened in Hong Kong last year, now represents 42 per cent of total revenue, with sponsorship deals alone amounting to £90.9million, a rise of 44.1 per cent.

With a new shirt deal with US car giant Chevrolet due to launch next season and negotiations with Nike over an extension to the lucrative manufacturing contract ongoing, the Glazer family have ridden through the storm that accompanied their massively controversial leveraged buyout in 2005.

While debt remains enormous by usual standards - £389.2million - it is way below the levels it once was and the Glazers still have large cash reserves, in excess of £50million following the summer arrivals of Marouane Fellaini and Wilfried Zaha.

Still the costs associated with the takeover continue to rise, to around £680million, which those fans who remain implacably opposed to the Glazer ownership believe

would have been better invested in either the squad or a further expansion of Old Trafford.

Next season's shirt sponsor: Alex Ferguson attending a Chevrolet event last year in China

Next season's shirt sponsor: Alex Ferguson attending a Chevrolet event last year in China. What some knowledgeable observers now wonder is whether the Glazers will feel sufficient strength in the business to start taking out large dividend payments. That would attract attention given the relative difficulty Moyes had in bringing in new faces this summer, even though the club insisted they had no intention of being drawn into an 'eight-week panic'.

(Stone, 2013, https://goo.gl/70yBpJ).

As you can see from this example of growth, Manchester United uses their deal with Chevrolet to gain access to markets in which Chevrolet has a vested interest. This is achieved by Manchester United by resorting to the business partnerships and relationships it has created with Chevrolet which give them access to a territory Chevrolet is accustomed to. This is also true of the expansion into Hong Kong and China. Leveraging your partners and asking them to make use of their networks is an extremely vital practice done within the world of sport business.

Execution - The fourth and final part of the referral process we will focus on will be the execution part of the process. This part is not only the most essential one when you are engaged with your current client, but it is an excellent standard to maintain in order to prove you have a wonderful execution record in your organization. It is often said that “Action speak louder than words” and that is never truer than when you are dealing with a sponsor and/or business partner relationship. The truth of the matter is that no matter how well your company does for themselves and no matter how much you share with your business partners relating to your success, they will only refer you business if you have delivered on the promises you made when you entered into business with them. This is true of any sort of business transaction and of life too, but it is especially true when dealing with corporate sponsors. You should remember, as a senior sport executive, that most of the times you do business with people, who, although they may be your partners now, they have many other different options to do business within your industry, as well as within other industries. This often gives them power in this aspect of the relationship because if they are not making the profits and/or progress they would like to with your deal, they will take their money and business elsewhere. In business, which is not the same as in personal areas, organizations do not have any sort of genuine loyalty like family, who will always be there for you. That is why the execution and fulfillment part of

the referral process is so essential when it comes to your success. In order to maximize this referral process, you have not only to have good word of mouth but also be able to show data driven results.

The measurable aspects of sponsorship activation refer to the outcomes and impact the sponsorship had on the sponsor organization itself. These numbers can be devised and analyzed in many different ways as we will explore in the next module. Usually, the most common term used when referring to these numbers is the KPIs in which the sponsorship is measured. These KPIs, and the commitment they show, which has been transferred from your entity and aligned with another, are key selling points for the senior sport executive and they are particularly evidenced through the execution phase. In the end, your goal in this execution process is not only to maximize the satisfaction of your sponsorship consumer, but also that of every consumer within your market. This will allow for the ultimate growth and profitability of the partnership, which in turn will lead to long term success for everyone.

2.1.4 Sponsorship activation measurement

Measuring the outputs of sponsorship through the activation process will be a huge component of maintaining and growing your sponsorship base as well as your penetration within other industries for potential sponsors. The methods for measuring sponsorship effectiveness in recent years have changed and it is now more important than ever to be able to showcase results which are data driven. The impact you create for your sponsor across multiple market segments is going to be a determining factor based on preset terms and conditions within the contract as it was laid out in the previous module. In order to evaluate this data properly and customize the individual sponsor activation plan to your partner, you must be both solid in the metrics you create and precise in the data collection process. Throughout this process there are experts in the field who handle sponsorship and its activation as referenced in previous readings, but depending on the size and scale of your organization sometimes the senior sport executive should have a thorough understanding of the activation process.

ROI – The standard

Return on investment, or ROI, as it is commonly known, is measured in the perception of the value of the inputs (money, collateral, etc. from the sponsor versus the outputs (market penetration, brand equity, sales, etc.) of your organization. This approach has been the long standard of sponsorship activation among industry. Sponsorship ROI needs to be measured against the business goals of the sponsorship organization to establish its true value. The organization that is investing capital in your organization must have reasons and objectives to do so, and in turn,

results must be delivered. Sponsors within the sport industry usually have similar objectives, some of which are:

- Increase Brand Loyalty.
- Raise Brand Awareness.
- Create a positive impact on Brand Image.
- Drive additional revenue streams.
- Highlight community outreach.
- Drive distributor traffic.
- Highlight specific products/services.
- Obtain consumer information.
- Lead generation.

With these different objectives, the sponsors activation plan could be complex or simple depending on the size/scale of the sponsorship. As shown below, in the three separate examples, different organizations can have a combination of some, or all, of these objectives. A good practice for the sport executive is to take into account which three potential sponsors they are targeting, and to apply some thought as to what might be their objectives as compared to the ones listed below.

Sponsorship Objectives - Example 1

Television sponsorship for insurance company

1) Build brand awareness among males aged 25-59 in specific geographical location.
2) Encourage obtaining singular type of insurance for non-related consumers.
3) Deepen awareness and loyalty to existing consumers by building awareness of other products in their portfolio.
4) Communicate brand messaging of security and peace of mind over cost.

Sponsorship Objectives – Example 2

Online/Digital sponsorship for new app

1) To increase awareness for organization.
2) To align brand with successful partner.
3) To generate excitement among consumers engaged in social media.
4) To encourage free trial of app.
5) To achieve brand recognition.

Sponsorship Objectives – Example 3

Premium Seating Sponsorship for Jewelry Distributor

1) Associate brand with class.
2) Increase marketing penetration in local area.
3) Engage high-end consumer community with high-end products push.
4) Increase client base by providing entertainment option.

Although the ROI approach is still widely used among partners, it has received more and more analysis over time as to what type of measurements are being used and how to effectively calculate it. As you can see from the example below, many questions arise regarding the effectiveness of different ROI measurements as they related to a situation involving FIFA.

The Fédération Internationale de Football Association stands to make $1.4 billion from sponsorship deals with 20 major companies during the World Cup in Brazil. That's 10 percent more sponsorship revenue than from the last World Cup, in South Africa. Although significant, that's still far below US corporate spending on sports sponsorships, which grew to an estimated $20 billion in 2013—equal to one-third of total US television advertising and one-half of digital advertising.

Considering the huge amounts involved, you would imagine sponsors of athletes and events have clear answers when asked about their return on investment (ROI). You would be wrong. Industry research reveals that about one-third to one-half of US companies don't have a system in place to measure sponsorship ROI comprehensively. And that's costly in another way: in our experience, executives who implement a comprehensive approach to gauge the impact of their sponsorships can increase returns by as much as 30 percent.

Scoring sponsorships

To manage sponsorship spending effectively, advertisers must first articulate a clear sponsorship strategy—the overall objective of their portfolio, the target demographic, and which stages of the consumer decision journey (awareness, consideration, purchase, loyalty) sponsorships can support. Companies should then implement a complete marketing ROI program based on five metrics to measure the performance of sponsorship spending:

1. Cost per reach. Marketing executives should evaluate cost per reach—the number of people exposed to the sponsorship in person as well as through media such as TV, radio, and print— on a quarterly basis using data from internal sources or the sponsorship agency. Costs include not only rights fees but also activation costs (for example, promotional booths and merchandise) and advertising. Reach calculations should favor exposure to the target demographic over total numbers.

To monitor worldwide sponsorships using cost per reach, one retailer built a database using cost and reach data from its agency, the sponsors, and publicly available sources. Analysis revealed that 15 percent of its properties were twice the average cost per reach as others. Some sponsorships (such as a premier sports team) had high costs while others (a music concert, for instance) delivered low reach. The database also identified the sponsorships that did not reach the advertiser's target demographic. With these insights, the company reallocated its sponsorship dollars to better vehicles that increased overall reach by 20 percent at the same cost.

2. Unaided awareness per reach. We find that companies often spend a lot of money acquiring sponsorship rights but very little on activation—that is, marketing activities such as promotional booths and merchandise to promote the sponsorship. Our experience, as well as IEG research from 2011, shows wide variance: for every $1 spent on sponsorship rights, companies devote anywhere from $0.50 to $1.60 to activation. That means many corporations skimp, missing huge opportunities to magnify a sponsorship's impact on sales or awareness. One US consumer-packaged-goods company, for example, allocated 80 percent of its sponsorship budget to rights fees and only 20 percent to activation. After analyzing its efforts, it found that increased activation resulted in greater unaided awareness and higher brand recall. With this insight, the company shifted resources from its low-performing properties to increase activation for its standout sponsorships, increasing unaided awareness of them by 15 percent.

3. Sales/margin per dollar spent. Linking sales directly to sponsorships is typically challenging, but two approaches can help to quantify it. The first is a two-step approach that ties spending on sponsorships to key qualitative marketing measures such as unaided

awareness, propensity to buy, and willingness to consider. It then tracks the impact of each variable on short- and long-term sales. The second approach, based on econometrics, uses data on spending and reach (among a host of other media variables) over an extended period to establish links between sponsorships and sales, and then isolate the impact of sponsorships from other marketing and sales activities.

A handset manufacturer, for example, followed the first method, setting up a quarterly consumer survey to measure the impact of sponsorship on sales. By conducting advanced analysis on the data set, the company was able to identify the sponsorships that were truly driving consumer willingness to consider the company's products, which it then linked to sales. The analysis showed a tenfold ROI difference between the top-quartile and bottom-quartile sponsorships. The company now uses this method to help with negotiations during yearly reviews of its sponsorships.

4. Long-term brand attributes. Sponsorships have the potential to reach beyond short-term sales to build a brand's identity. Brand strength contributes 60 to 80 percent to overall sales, making this benefit critical for sustained, long-term sales growth. A qualitative assessment or survey can help companies identify the brand attributes that each sponsorship property supports. Analysis of those results helps marketers determine which sponsorships are reinforcing a common brand theme. The handset manufacturer above used surveys to determine that a number of its sponsorship properties were misaligned with the brand attributes it wanted to convey—some actually had a negative ROI. The advertiser shed the poor-performing sponsorships and developed new messaging and activation plans for the others.

5. Indirect benefits. Sponsorships may stimulate indirect sales—for instance, when advertisers host executives at sponsored events or when they're part of a balance-of-trade commitment. Therefore, any analysis of sponsorships must also account for these indirect benefits. Companies often either neglect or overestimate these sources of revenue when calculating ROI. A financial institution, for example, used its sponsorship of a golf tournament to host clients for its wealth-management business. Analysis revealed that the impact of the tournament on indirect sales covered the sponsorship

costs, making it one of the most effective sponsorships in its portfolio.

Sponsorships have become an integral component of marketing strategy. Yet many companies still do not effectively quantify the impact of these expenditures, even for events requiring significant spending such as the World Cup. A systematic commitment to a menu of analytics approaches allows executives to identify sponsorships that create value as well as those that don't live up to their names.

(Jacobs, Jain, & Surana, 2014, https://goo.gl/3uYGvD).

As shown in the example above, ROI is not the only determining factor when it comes to evaluating sponsorships. The value of an actual partnership and the measurements that are agreed upon by both parties within the deal are aspects that are set forth in the activation plan. These are based on a number of Key Performance Indicators (KPIs), some of which have been mentioned above. We will be looking into KPIs in much deeper detail, especially in terms of what they are and how KPIs they should be evaluated and the evolving methods of using them not only for your sponsorship measurements over time.

Key Performance Indicators

Specific key performance indicators are going to be the standard with which sponsorships are measured and they have been gaining more and more momentum as far as executives and organizations are concerned. In order to establish the correct KPIs for each sponsorship agreement, first you must understand the research that is done by both the sponsors and your organization. For sponsors, the purposes of sponsorship research and investigation are to:

- Gain information to make better sponsorship decisions.
- Align themselves with the organizations that will deliver.
- Achieve profits.
- Reach certain non-financial measurement objectives.
- Define and build on activation methods used in the past.
- Have a groundwork laid upon which to negotiate contracts/agreements.
- Build on brand equity.
- Deliver long term value to their individual products.

The senior sport executive should keep these objectives in mind when coming up with an individual activation plan and the KPIs within the

agreement for the sponsor organization. In order to achieve a mutually beneficial relationship model that sustains growth, the desires and needs exhibited by the sponsor should be the determining factors as to how the sponsors are to be approached, targeted and activated through the life of the agreement.

Along with having sponsorship research done by the sponsor when it comes to the activation plan, your organization also has to have a set of separate criteria and objections to follow. Sponsorship research is done by the organization in relation to activation so as to achieve the following benefits:

- Gauge what the proper rights fees are.
- Develop a proper understanding of how to work with sponsors.
- Expand and develop a larger portfolio of sponsors.
- Establish and maintain a high renewal rate among current sponsors.
- Attract new sponsors.

Your sport organization must keep in mind that the best sales pitch you can offer your sponsors is to have attained key KPIs and to have a solid activation plan in line for current sponsors. As mentioned before, executives within industries often discuss what has led to success in their organizations, as well as to failures. If your name is constantly being brought up as someone who does good business and delivers on promises, then that will help you in an enormous way. Although, this is all started by the activation plan, it is followed up upon with the KPIs that are introduced.

Defining what KPIs to use is somewhat difficult because of the amount of them that are out there available for use. When working with KPIs, your sport organization must define accurate ways to have standardized methods of what is measured and reported. In the best of scenarios, the sponsor would have an idea of KPIs in advance, but as the sport executive you must show your expertise in this field and have a say in the establishment of metrics that are agreeable to both parties. In fact some of your sponsors, especially some within certain industries, may not be completely educated on KPIs and their effectiveness to determine how successful a sponsorship and/or project can be. This part of the activation process will involve some education as well as some guidance with regards to what is going to be important to them, and what they can expect to look for in the future. To effectively determine what KPIs should be used with each individual sponsor so that they can achieve their goals, the sport executive has to know what defines quality KPIs. Quality KPIs are:

- Synchronized. They must be in line with the organizational mission as well as the mission, objective and strategy of the sponsor.
- Wide-reaching. They should be focused on fulfilling a broad organizational picture of brand value and mission management.
- Quantifiable. They must be able to be measured with hard data.
- Realistic. They should establish goals and standards that can be executed in the sponsorship activation process and do not become unattainable far- reaching futuristic.
- Focused. They must be clear to everyone involved in the process so as not to be misunderstood or misinterpreted by either side.
- Comprehensible. This has to do with an understanding and clarity of what the KPIs are and what they actually mean to the provided outcomes
- Analyzed. In other words, the measurements selected must have preset standards provided by either by the sponsor's historical data or by the industry's broader standards.
- Agreeable. Both sides must be able to come to an agreement regarding what is being defined along with how that is being defined.
- Reportable. Measurements and metrics are only good if they are reported to the sponsor and to everyone within the organization in a clear, precise and understandable manner. A reporting timeline should be in place which should be followed exactly as it laid out in the agreement.

Now that you have what the criteria and selection process should be for KPIs, we will look into some different KPIs for different sponsorships, as well as at examples of how they are used within the sport sponsorship industry.

References

Stone, S. (9/19/2013). Next stop, America! United targeting lucrative US market for new revenue. Retrieved from http://www.mavs.com/wp-content/uploads/2013/03/sponsorship-brochure.pdf

Jacobs, J., Jain, P., & Surana, K. (2014). Is sports sponsorship worth it? Retrieved from http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/is-sports-sponsorship-worth-it