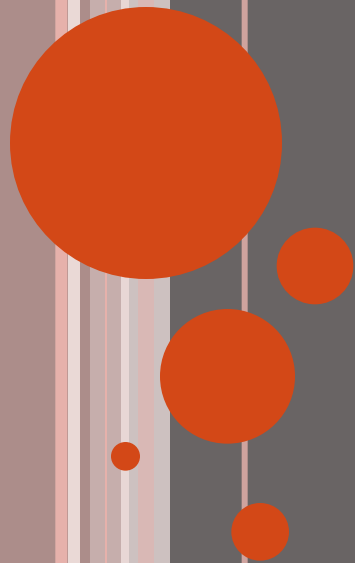




# STRATEGIES, TACTICS AND ATTITUDES TO KEEP SELLING SPONSORSHIP DURING TOUGH TIMES

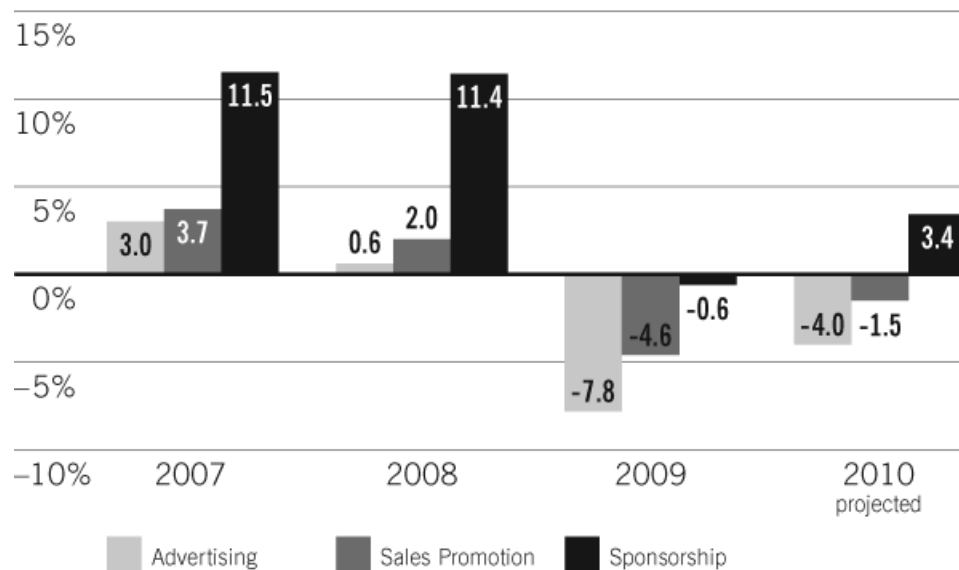
*A Presentation by*  
Bruce L. Erley  
Creative Strategies Group

# WEATHER REPORT



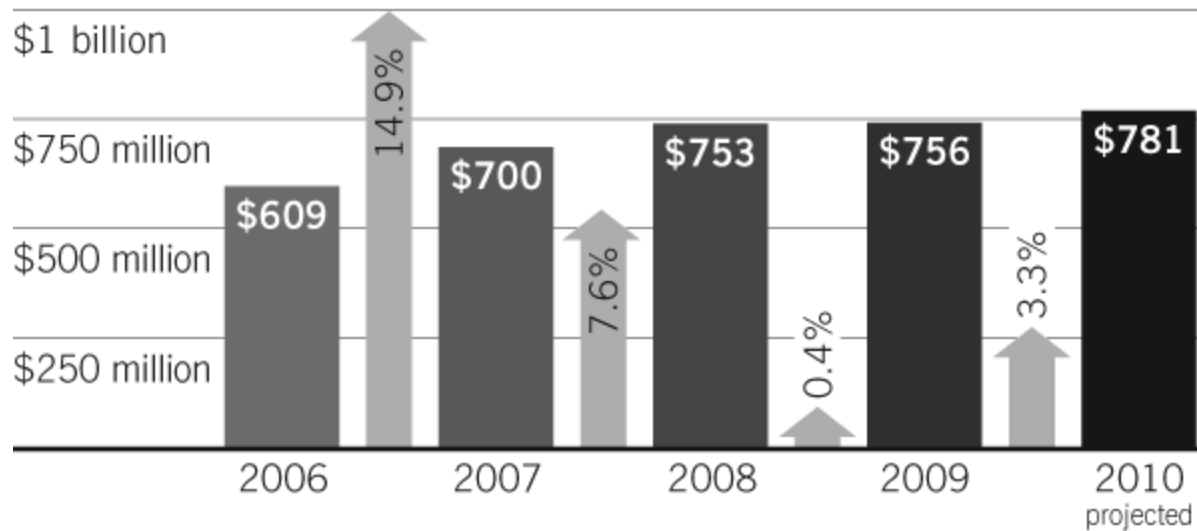
# IS IT SAFE TO COME OUT?

- IEG Forecast (ref. [www.sponsorship.com](http://www.sponsorship.com))
  - 2009 was first year since they began tracking with a shrinking in sponsorship spending (0.6%)
  - \$100 million was lost to properties



# IS IT SAFE TO COME OUT?

- IEG Forecast (continued)
  - 2010 showing signs of recovery
  - Expect modest 3.4% growth in sponsorship spending
  - Rebound should be faster than advertising and promotion
  - Festivals and events should grow 3.3% or by \$25 million



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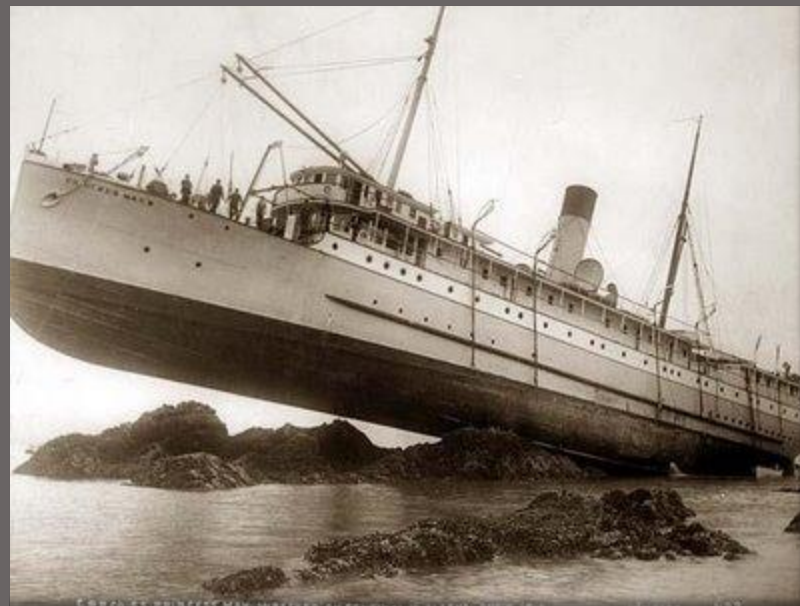


# IS IT SAFE TO COME OUT?

- Wide regional differences
- What are you experiencing?
  - 2009 results
  - 2010 trends



WHAT THE \*#?\*&%% Do I Do NOW?



# WHAT DO I DO NOW?!?

- Assure event performance and benefit fulfillment (over deliver)
  - When times are good, sponsors can overlook some of the inefficiencies, their “good feelings” can compensate for complacent performance. But when times are tough they are taking a much harder look at deliverables and the related ROI (*ref. The Bonham Group*)
- Get rid of “deadwood” or underperforming benefits or assets in your sponsor packages that distract from the real value of sponsorship or create an unnecessary expense for you or your sponsor



# WHAT DO I DO NOW?!?

- Focus on sponsor ROI
  - Make sure you are adding value to your sponsorships and that your event is working hard and effectively for your sponsors
  - Provide sponsors with leveraging ideas that are creative, effective and improve success
- Sell Deep, sell wide
  - Get as many irons in the fire as possible
  - Don't hold off on selling into a category just because you have a lead or two.
  - Keep leads coming into the funnel through marketing efforts





# WHAT DO I DO NOW?!?

- Subdivide categories
  - Banking
  - Insurance
  - Soft drink
  - Telecom
- Make up budget shortfalls by selling a greater number of smaller deals
  - Co-presentation rights of larger assets
  - Be wary of sponsor clutter

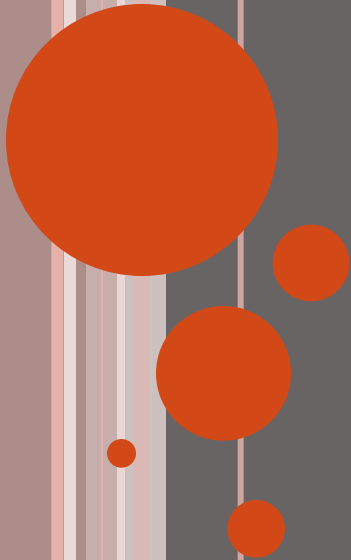


# WHAT DO I DO NOW?!?

- Consider alternative funding models
  - Propose co-funding between different departments within your sponsor's company or co-op payments with sister brands or vendors
  - Pay-for-performance deals
  - Accept budget-relieving trade in lieu of cash
  - Propose payment plans or spreading payments over fiscal years
  - Target year-end funds
- Ask for referrals from current sponsors
- Meet with sponsor contacts to get their feel for the future without selling (intelligence gathering)



# WHAT CAN I DO TO **SAVE** MY RENEWALS?



# WHAT CAN I DO TO SAVE MY RENEWALS?

- Relax renewal deadlines
  - Don't pressure for a final decision (I'd rather wait for a possible "yes" than push for an immediate "no.")
- Everything is negotiable
  - Better to keep a sponsor at a lower level than loose altogether
- Encourage sponsors to reduce their leveraging dollars and thus the overall cost of sponsorship through creative low-or-no cost activations that better utilize their rights and benefits



## WHAT CAN I DO TO SAVE MY RENEWALS?

- Unbundle your benefits packages and assets so that a sponsor can get to the specific “fruit” they desire
- Sell them more refined product categories and go sell the “released” subcategories
- Before you lose a sponsor altogether...
  - Propose smaller deals with better leveraging
  - Renegotiate the fee down (as much as 25% reduction) to reflect your understanding of the pressures your sponsors are experiencing
  - Offer a multi-year deal with a bigger discount for 2009

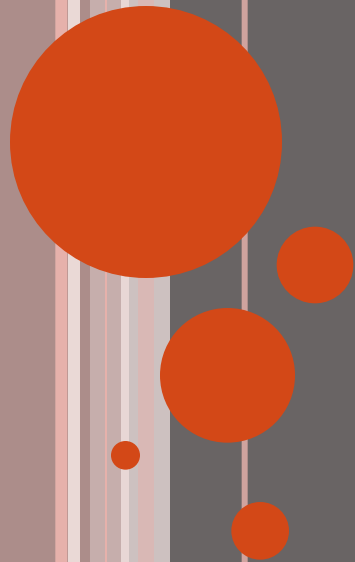


# WHAT CAN I DO TO SAVE MY RENEWALS?

- If a sponsor is leaving your event...
  - Ask for a reference stating the effectiveness of the sponsorship with their recommendation
  - Ask for a referral – who do they know that they feel might benefit from an association with your event?
  - Ask for assistance – a “grant” or funding for a sponsorship audit, agency assistance, etc.
- Resist abandoning relationships just because the answer is “no”
  - Continue to build relationships for when the economy turns around



# WHERE DO I GO TO FIND NEW SPONSORS?



# WHERE DO I GO TO FIND NEW SPONSORS?

- Up sell/cross sell existing partners
  - They already know the value of your event; make an incremental pricing offer to get them to step-up a level
- Go back to old “no’s”
  - The world is changing. An old rejection, even from a few years back, might well be a new opportunity
- Don’t expect much (or spend valuable sales time) on categories that are in complete distress, especially for new deals
  - Airlines
  - Automotive
  - Financial services
  - Real Estate





# WHERE DO I GO TO FIND NEW SPONSORS?

- Pursue categories not in distress during a recession
  - Discount retailers of consumer staples (Wal-Mart, Target, Costco)
  - Energy (Fuel)
  - Gaming
  - Healthcare/medical
  - Insurance
  - Lost cost fast food restaurants
  - Telecommunications (Mobile)
  - Utilities



# WHERE DO I GO TO FIND NEW SPONSORS?

- Look into categories that will flourish under a Democrat administration and congress
  - AARP
  - Alternative energy
  - Green industries
  - Hybrid and alternative technology automobiles
  - Stem cell research
  - Unions

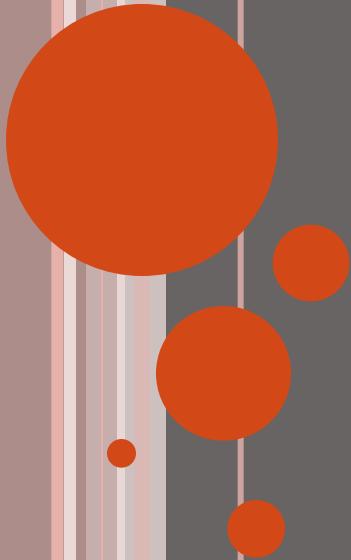


## WHERE DO I GO TO FIND NEW SPONSORS?

- Go to local companies with a larger employee base and leverage the “local pride” and “community commitment” appeals
- Pursue categories that need to sample
  - Energy drinks
  - Technology
  - Mobile marketers



**MAKING THE CASE  
FOR THE EFFICIENCY AND EFFECTIVENESS  
OF EVENT MARKETING  
DURING A RECESSION**



# THE CASE FOR SPONSORSHIP DURING A RECESSION

- In a down economy, event marketing offers a unique, innovative, creative and flexible vehicle to reach, impact and influence customers
- When sponsorship is done well, there is no more powerful marketing media
  - It is flexible
  - Creative
  - Generates PR (earned media)
  - Is relevant and valued by your target market
  - It is effective at achieving multiple objectives across multiple departments (marketing, sales, PR, government relations, staff morale, etc.)



# THE CASE FOR SPONSORSHIP DURING A RECESSION

- Public appeal of public events during economic downturns
  - More people are sticking closer to home (Stay-cations) and thus finding local events more appealing
  - Many are now-or-low cost
  - Escapism
  - Interest/lifestyles-oriented



# THE CASE FOR SPONSORSHIP DURING A RECESSION

- Maintaining marketing and advertising during a recession benefits the brand. According to the World Advertising Research Center, brands that maintain ad spending during a recession come out stronger and with bigger gains than those who cut spending
- Brands can increase value during a recession
  - Exploit your competitors marketing contractions to build market share
  - Consumers are re-evaluating how they consult/brand loyalties are being challenged (*ref. Research International*)
  - Innovation is a highly effective manner to attract new customers



# THE CASE FOR SPONSORSHIP DURING A RECESSION

- During a recessionary period, empathy and authenticity become increasingly important sources of brand differentiation. (*ref. David Murphy, WikiBranding*)
  - Consumers put their trust in brands they truly believe understand them
  - When a company continues with a sponsorship (especially a high profile one) it speaks volumes to their customers about their strength and fortitude as well as their commitment to the community



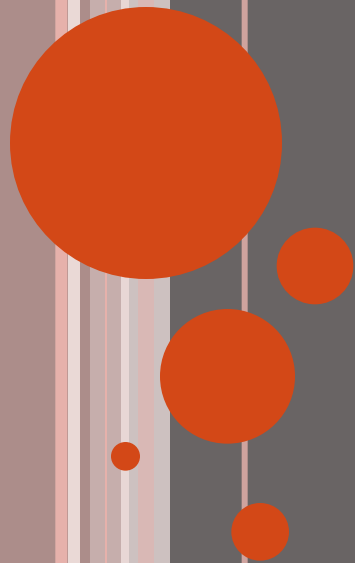


# THE CASE FOR SPONSORSHIP DURING A RECESSION

- Take advantage of your competitor's contracted marketing efforts
  - Marketers who cut their spending lost an average of 0.1% of total market, while those who increased marketing saw their market share rise by an average of 0.5% (*ref. Research International*)
- Use creativity to create brand experiences
- Use events for special offers (discounts) as incentives
- CPM for events is generally more effective as compares to most traditional advertising (\$60/M)



# MAKE AN ATTITUDE ADJUSTMENT



# MAKE AN ATTITUDE ADJUSTMENT

- Embrace you “new normal”
  - Back to basics – practice the fundamentals
  - 50/50 Rule: For now, I am working 50% harder and making 50% less
- Believe in yourself and your property
- Stay resilient
  - Don't take rejection personally
  - Remember, this is not a situation of your making – Keep your confidence up!
- The energy and attitude you project will be the energy and attitude you get back
- Don't let your stress show or become channeled as anger toward the sponsor (it's not their fault either)



# MAKE AN ATTITUDE ADJUSTMENT

- Empathize with your sponsor and their current circumstances (they don't like this situation any more than you do!)
- Stay laser focused on your sponsors' objectives and how can most effectively and efficiently assure their fulfillment
- Don't burn any bridges by using unprofessional tactics or bad mouthing a non-renewing sponsor
- Celebrate the small successes
- Keep a sense of humor 😊



# FINAL (DEEP) THOUGHTS

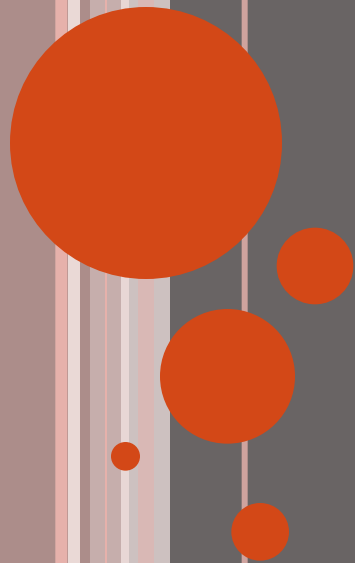


# FINAL (DEEP) THOUGHTS

- Focus on the basics
- Stay flexible and creative
- Think long-term - You want to be in the best possible position when the economy does improve and sponsors come out from cover
- Good luck (We'll all need a bit of that as well!)
- Finally...



**WHEN THE WINDS OF CHANGE  
BEGIN TO BLOW...  
BUILD A WINDMILL,  
NOT A SHELTER**





## FOR MORE INFORMATION

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