

be unique

be measurable

be clear

be engaged

BE TRUSTED

5 TRENDS IN CORPORATE SPONSORSHIP AND WHAT THEY MEAN FOR YOU

By Gail S. Bower

While the economic conditions have been gradually improving— and let's choose to remain optimistic — and word on the street is that sponsorship spending will likely increase in 2010, at least modestly, several other conditions in the marketplace that you may have missed point to opportunity.

If you represent an important cause or community celebration with a strong corporate sponsorship program, now is an excellent time to partner with the corporate sector. Yes, you read me correctly; I said 'an *excellent* time.'

Thanks to the recession, the bail-outs, the bloodletting, and a barrage of other bad news, consumers have grown weary of the corporate sector. Trust has decreased, and reprioritizing has, well, become the priority. Consequently, corporations, especially in the financial sector, have their work cut out for them to rebuild trust and brand loyalty.

Consumer research shows that sponsorship of a nonprofit organization or cause vs. sports or even the arts and culture, would contribute positively to consumers' increased approval of corporations. (Sponsorship of an arts or cultural event, the data suggest, would yield no change in approval, while sponsorship of a sports event would cause a decline.)

Businesses are getting the message. Did you know that Pepsi pulled its Superbowl ad dollars this year and instead launched a cause and social marketing campaign? Disney's in on the action. So is Seventh Generation with another compelling campaign. A blogger with *Fast Company* wondered "whether philanthropy is the new marketing."

So, are you taking advantage of this and other opportunities?

Considering numerous economic and cultural conditions, I've spotted a few other corporate sponsorship trends, and here's what they mean for you:

1. Generic is out.

So is superficial. If you're peddling a typical Gold/Silver/Bronze or other generic proposal as a form of marketing-driven corporate sponsorship, you're off the mark. Your sales pitch will sound increasingly irrelevant.

You're doing a disservice to your organization by offering low value to your corporate partner and failing to build leverage for your cause or event. You're also losing out on significant dollars.

Social media has changed the way we interact and engage with audiences. The proliferation of media over the last 35 years has had a broad effect, including contributing to increasingly niche audiences. We are not a monolithic mass audience. We don't market that way to consumers, and it doesn't work that way in a B2B setting either.

Make a business case about how the investment in your organization, perhaps coupled with dollars from other departments or initiatives, such as human resources, PR, marketing, corporate social responsibility, etc., can help fulfill broader strategic goals.

Sending out generic proposals to people and businesses you don't know sends a signal that you and your organization are inexperienced and unsophisticated. It portends low value. And, it's the quickest way for your materials to wind up in the trash.

Industries are all different, and businesses within those industries have unique needs. Your job is to learn more about them and develop your offerings specifically for that prospective partner.

ACTION: Do your research. Learn more about your partners' and prospective partners' businesses and industries so you have something meaningful to them to talk about. Develop programs for your partners that provide value in support of their specific business goals.

2. Be clear: marketing or philanthropic support?

Are you interested in partnering in support of business goals or are you asking for a donation?

In the last 5 to 10 years, you've no doubt noticed shifts and changes in your work with the for-profit sector. More

corporations have been asking for "benefits" in exchange for their "gifts," which changes the whole dynamic of the corporate giving model. You may have tried to respond to these sorts of requests but felt confused nonetheless. Philanthropy offices don't reduce that confusion.

Here's some clarity. Marketing-driven corporate sponsorship is a different model than the corporate giving model. It's a marketing medium designed to address business or marketing goals of the corporation. If you are in a discussion about corporate sponsorship dollars, you need to be asking questions about the company's business goals, marketing goals, and the ROI the company seeks.

The recession caused everyone – businesses, nonprofits, state and local governments, individuals – to question expenditures. (Everyone, it seems, but the federal

government!) With uncertainty, we all want to know that how we spend our money will have a return and be meaningful in our businesses and lives. This trend is unlikely to stop in 2010. Your partners will want to know that an investment in your organization will move the needle for them.

If you're really seeking a donation, consider whether you really need to offer the kind of marketing value your marketing partners want, but that corporate foundations may not need or be interested in. Find out what's important.

Conversely, perhaps some combination of marketing and philanthropic dollars could be leveraged to meet multiple strategic interests. Think big. How can you really engage the corporation from both angles? How will that engagement propel your own strategic interests?

ACTION: Develop a clear strategy with each prospective corporation with which you're working. How do you envision your partnership? How are you trying to engage with them? What is the business case you need to make? What's in it for both of you?

3. Corporate philanthropy offices will face increased pressure to show a measurable return and support of corporate strategic goals.

As mentioned above, budgets have been placed under microscopes, and ROI, return on investment, is of utmost importance. Corporate leaders want to know that their dollars are invested wisely. Philanthropic monies may contribute to corporations' reputation management, community quality of life issues, workforce development goals, as well as to other corporate social responsibility initiatives, both short- and long-term.

They'll want to know how investing in your organization will change the world, enhance their reputé, and address their specific philanthropic interests.

ACTION: Make a business case about how the investment in your organization, perhaps coupled with dollars from other departments or initiatives, such as human resources, PR, marketing, corporate social responsibility, etc., can help fulfill broader strategic goals. The more departments you can integrate, the better. Why? Because your partner will be more engaged; you'll generate more dollars; and, together, your plans will yield a greater impact in the world.

4. Trust and image building.

Corporations will continue to rely on corporate sponsorship as an excellent way to restore trust and re-engage customers and clients, which is badly needed for some sectors, as noted above. Though it's a source of income for you, remember that corporate sponsorship is an extremely effective marketing promotional medium for your partner. If executed with imagination, integrating multiple business functions and tactics, corporate sponsorship allows your partner to galvanize several initiatives into a larger effort in support of the overall marketing strategy.

Your organization must help the businesses you work with deploy the right tactics for them. That means that you need to understand how your business partners build their businesses and where that brand enhancement is needed. What are the triggers for sales to be made? How do these businesses generate sales: through a retail transaction? A web transaction? Or through a lengthy business development effort?

What point in the sales process is the sponsor trying to influence: work with retailers? To stimulate retail sales? To build relationships with existing clients? New clients? You have to know what the business outcomes are so you know how to focus your program.

ACTION: Learn more about the industry sectors your sponsors are in and about those of new prospects. What changes have occurred during the past year? How has the industry and your prospects responded strategically? What are these businesses likely to need help improving? How can you help? Having these ideas at the ready will predispose you to a favorable discussion.

5. Deeper engagement with your audiences.

The marketing focus for most businesses right now is beyond image-building. Businesses are looking for ways to build customer loyalty and really engage with your audiences. The ultimate result? To increase sales. Your job is to provide meaningful ways for them to engage with your audiences.

It bears repeating that corporate sponsorship is not about just sticking a logo somewhere or hanging a banner at your event or festival. Rather, you need to allow your partners to connect with your audiences face-to-face or to offer something of value to your audiences, something that is meaningful to your customer.

Allow sponsors to connect with your constituents and your organization. How can you provide an environment where the corporate partner, your constituency and donors, and your team have a sense of collaborating for a greater purpose?

Finally, don't sanitize this audience connection or engagement with the corporation in fear. Establish guidelines about what is appropriate or not, what will work best for the partner's needs, but don't erect a barrier between your audiences and the sponsor.

For example, if your sponsor would like to use your mailing list, but you are uncomfortable giving them that level of access, how can you turn that into an opportunity? Could you jointly send a mailing, allowing you to maintain control over the list and the sponsor picks up the tab? Could the mailing, then, become something significant that benefits all parties?

ACTION: Ferret out your own fears or what your organization's misgivings are about sponsorship before you begin. Address them in your staff, board, or committee meetings. Having parameters and policy guidelines is advisable and allows you to then develop sponsorship opportunities with an open heart, with

generosity, and in the interest of increasing value.

Most events and nonprofit organizations have a great deal to offer the right marketers. If you're not taking advantage of these trends, of heightened consciousness to support social causes, you're missing important opportunities to galvanize support for your mission, your cause, your passion, and your constituency. You're also leaving money on the table.

Learn more about the industry sectors your sponsors are in and about those of new prospects.

Gail Bower's Checklist:

9 IMPROVEMENTS TO MAKE FOR YOUR SPONSORSHIP OPERATION IN 2010

- Be able to articulate your event's or organization's value to the corporate sector.
- Develop an operation; sponsorship is not an ad hoc activity.
- Develop a strategy. Wishing for sponsors does not a strategy make.
- Another plug for strategy: your operation is lean, and you have no time to waste.
- Clearly articulate your brand.
- Think in terms of the corporation and its self-interest.
- Innovate your way to meeting your mission through sponsorship.
- Make activation easy for your partners.
- Be proactive. Make fulfillment easy, too.

Gail Bower is the author of the recent guidebook, *How to Jump-start Your Sponsorship Strategy in Tough Times*, called "the Bible for anyone securing sponsorships" by a reader who signed a five-figure title sponsorship for a new event by applying what she learned in the book. Gail is president of Bower & Co. Consulting LLC, which assists nonprofit organizations and events/festivals in dramatically raising their visibility, revenue, and impact. For more information, visit GailBower.com or Gail's blog, SponsorshipStrategist.com.