

How to Increase Sponsorship Revenue:

GETTING CREATIVE WITH BENEFITS

By Kim Skildum-Reid

You want more sponsorship revenue. Everyone does. The problem is that you only have so many benefits to offer, so if you want more money, you have to figure out a way to divvy up your benefits pie into smaller pieces, while simultaneously charging more for them.

Common sense dictates that this won't work, and it doesn't. But that doesn't stop management and boards from continuing to increase sponsorship targets and expecting financial miracles.

What we're talking about are "hygiene benefits" – the basic benefits that have historically formed the backbone of a sponsorship offer:

- Logos and/or ads on things
- Tickets to things
- Hospitality
- Official designation

And, depending on the type of property you're selling, maybe...

- Expo stand or other display space
- Athlete or other appearances

These aren't the most important, valuable, or leverageable benefits you could offer, by a long shot, but the problem is that they are still the only benefits offered by a huge majority of sponsorship seekers. Think about it like a toolbox and a hammer. All good toolboxes have a hammer, but if all your toolbox has in it is a hammer, it's really not very useful. A sponsorship offer that only has hygiene benefits is exactly the same. It's going to be of very limited use – and have very limited value – to a sponsor.

Sponsorship seekers have literally hundreds of options for things you could provide to the right sponsor at the right price, but most of you aren't using any of them, and as long as you don't, you won't be anywhere near maximising sponsorship revenues. Building, and learning to use, your full inventory of benefit options is a critical step to increasing your sponsorship fees.

Below, I've listed the rationale for shifting to this vastly more flexible approach, and at the end of this article, provided the two ways to come up with your own creative inventory of benefits.

Hygiene Benefits Reduce What You Offer to a Commodity

If 90% of sponsorship seekers are offering only hygiene benefits – and I may well be estimating low – that means you are offering the exact same benefits as virtually every sport, museum, charity, expo, festival, or whatever that's out there looking for sponsorship. You've commoditised yourself, when what you offer actually has more meaning and relevance to people than any other marketing media.

A best-practice sponsor is looking for meaningful connections, meaningful ways to demonstrate their alignment with fans and customers, and meaningful ways to add value to fan and customer

relationships. Why your fans love you, what your fans care about, how a sponsor can align, and how a sponsor can add value is completely different between a festival, the opera, and a soccer team. It's completely different from one festival to another, or one soccer team to another! If you voluntarily commoditise yourself by offering only hygiene benefits, you are draining the lifeblood out of your real value to sponsors. You have diamonds, but you're selling coal.

Offering Creative, Bespoke Benefits is Worth More Money

Following on from the previous point, selling sponsorship like it's a commodity makes proposal evaluation a numbers game. How many logos and tickets for how much money? This approach invites bargain thinking, and this is not the game you want to be playing.

Think of it like deciding on what roofing material to use on your new house. You could go with a tile roof for \$X per square metre, installed, while a Colorbond roof will cost a bit more. You could ring around and find someone offering a deal on installation or on some particular colour, but whichever way you go, it's a commodity. Your roof will look exactly like a bunch of your neighbours, and cost will have been a primary decision-making factor.

Or, you could look at Tesla roof tiles. Yeah, they're more expensive, but have a look at these babies! Look what they do, and all the money you'll save in the long run! And what does it say about you that you've gone with solar tiles? Green? Trend-setter? Visionary?? Tesla has elevated what was a boring commodity into a statement of personal values and coolness, and that's *worth more money*.

The thing about sponsorship is that, just like Tesla, every single sponsee can elevate themselves out of the morass of commodity offers. Every sponsorship seeker is different and mean something different to your fans. And the plain, flat truth is that providing something creative and meaningful and different is worth a lot more to sponsors.

Creative Benefits Are in Almost Limitless Supply

As I said at the start, the common thread with hygiene benefits is that you only have a finite amount of each of them to offer. That means, if you're trying to grow your revenue, you'll need to slice the same pie into smaller pieces, and somehow justify charging more for each piece. Newsflash: Sponsors can see right through that crap.

When you get creative with benefits, you'll find that not only will you have literally dozens or hundreds more options for benefits you can provide, most of them won't be in limited supply, so you can offer them at whatever scale, or however many times, makes the most sense for your organisation and the sponsors.

You can offer sponsors influence they can pass through to their target markets, added value experiences, special privileges. You can offer ways for sponsors to offer customised experiences, memories, or more for the fans. You can include a sponsor's customers in what you're doing in a meaningful way or create compelling ways for sponsors to celebrate the compelling content that fans create. And speaking of content... CONTENT!! The list goes on and on and on (and there is an *actual* list at the end of this article!).

Getting Creative With Benefits Gives Every Sponsor a Unique Angle to Work

If all of the sponsors are getting basically the same, boring benefits, there's no ownership of angles or ideas or fan wins. They're all leveraging the same, crowded platform, with the result being that they'll either diminish the fan experience in an all-out battle for share-of-voice or languish in a miasma of apathy and checklists.

If you've got an inventory of hundreds of creative benefits, you can pick and choose exactly the right combination to meet every sponsor's needs and to give every sponsor a unique, leverageable platform. You could have dozens of sponsors, but instead of competing with each other for share of voice, they will all be connecting with the fans in different ways, adding value in different ways, aligning with fans in different ways.

Creative Benefits Support Creative Leverage Ideas

We've all seen sponsors phone it in on leverage. They run an uninspired promotion on social media for some tickets or whatnot. They might set up a stand at your festival, where their reps can try to sell people insurance on a Sunday afternoon. They issue a press release. Yawn.

You really want your sponsors to be inspired to do the kind of leverage that makes the fan experience better, engendering advocacy and loyalty and preference. You want sponsors to be inspired to leverage in a way that's seamless and feels natural and welcome. You want them to be inspired to think big and see the scope of what they can accomplish both on-site and with all of your fans that might not be able to attend in person.

But, if you want them to be inspired, you need to be prepared to give sponsors the raw materials that support their big ideas. You need to be flexible and creative and start from a position of "why not".

Creative Benefits are Easy to Leverage for all Kinds of Fans

One of the big issues with hygiene benefits is that they focus primarily on your fans who are engaging in person. Following on from the previous point, sponsors want to be able to leverage a sponsorship against a range of target markets, of which this is just a sample:

- Fans who attend in-person
- Fans who are unable to attend, but love what you do and pay attention through other channels
- Any grassroots organisations, teams, etc. that may be affiliated with you
- Their consumer/end-user markets
- Their intermediary, enterprise, and other VIP markets
- Their staff

These are all very different markets and will be influenced in different ways. The very narrow channel of leverage engendered by providing only hygiene benefits isn't going to work for most of them.

If, however, you have a huge range of creative benefits, you can find benefits that will help a sponsor translate your local event into results across their regional or national markets, or make an arts sponsorship add value to their staff relationships or launch a new product across your extensive network of remote fans.

The Upshot

The upshot of all of this is that if your sponsorship offers are made up primarily or entirely of hygiene benefits, you need to stop whatever you're doing right now – don't pitch another proposal, don't send another prospectus (for oh so many reasons) – until you've reassessed what you can actually offer. I guarantee, what you could be offering is far more robust and compelling to sponsors than what you're offering now.

For a huge running start, download a copy of my Generic Inventory template. This comprehensive template is one of many from my book, *The Sponsorship Seeker's Toolkit 4th Edition*, and it's my gift to you. (If you like it, you'll probably like the rest of the book, as well!)

The template is generic, so you will have to customise it, but in most cases, you'll get as many ideas for things you can add as you will remove from the list. And putting a possible benefit on the list – like naming rights – isn't committing you to anything. It just means that for exactly the right sponsors, at the right price, you'd be willing to consider offering that benefit. That's the Million Dollar Rule: If the perfect sponsor rocked up with a million dollars, would you consider offering that benefit. If so, keep it in your inventory.

Kim Skildum-Reid is one of the sponsorship industry's most influential thought leaders. She has a blue chip list of consulting and training clients spanning six continents, is author of global industry bestsellers, *The Sponsorship Seeker's Toolkit* and *The Corporate Sponsorship Toolkit*, and commentates to major business media around the world. She is the brains behind industry hub, PowerSponsorship.com, and offers sponsorship consulting, training, speaking, and coaching. Kim can be reached at: Email: admin@powersponsorship.com | Phone AU: +61 2 9559 6444 | Phone US: +1 612 326 5265 or for more information, go to: <http://powersponsorship.com/>.

WHAT ARE "HYGIENE BENEFITS"?

"Hygiene benefits" are the basic benefits that have historically formed the backbone of a sponsorship offer:

- logos and/or ads on things
- Tickets to things
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Six reasons you need to look way past hygiene benefits and get creative!

1. Hygiene benefits reduce what you offer to a commodity
Sponsorship is more meaningful and relevant than any other marketing media, but offering the same benefits as 90% of other sponsorship seekers drains its lifeblood and its value.
2. Offering creative benefits is worth more money
When something is both amazing and a perfect fit for you, you'll pay more money for it. By packaging creative benefits (amazing) into bespoke packages (perfect fit), it's worth more money to sponsors.
3. Unlike hygiene benefits, creative benefits are in almost limitless supply
You only have so many hygiene benefits, so increasing revenue means trying to cut that same, small pie into smaller pieces and charging more for them. Getting creative gives you exponentially more benefits to choose from, and most aren't in limited quantities.

4. Getting creative with benefits gives every sponsor a unique angle to work More, and better, benefits give every sponsor room to create something special for the fans, their customers, and their brand.
5. Creative benefits support creative leverage ideas
Sponsors want to get creative with their leverage- what they do with a sponsorship to turn it from an opportunity into a result for their brand. They need benefits with the creativity and scope to match.
6. Creative benefits are easy to leverage for all kinds of fans
Fans who attend, remote fans, customers, VIPs, staff, and every other target market a sponsor might have, will all be receptive to different kinds of leverage, and the very narrow channel for leverage provided by hygiene benefits isn't going to suit most of them.

Want to create your own creative inventory of benefits?

Download the Generic Inventory template from PowerSponsorship.com



