

Coping with the rising tide of sponsorships

Sponsorships are now very much a part of the traditional marketing mix and hardly a day goes by without a major company receiving a request to sponsor an event, a team, an individual, a project or just about anything else requiring funding in some form or another. The question is: what should be sponsored, and why, and to what extent? More over, how does one separate the genuine from the spurious, the wheat from the chaff?

By [Emeka Enyadike](#) 12 Jun 2007

It's amazing how many proposals for sponsorship companies receive each day, and they range from the sublime to the ridiculous; even more worrying is the outcome from the companies on their choice of properties or events to sponsor. How relevant, or what the sponsorship's objective is, is something even top management sometimes cannot tell you! Do they know?

It's increasingly difficult to explain especially in sub-Saharan Africa that sponsorship is now part of the marketing mix and a significant one in an era dominated by the overwhelming influence of huge advertising agencies. It is as much a marketing channel as advertising, public relations, sales promotion and direct marketing.

More often than not, clients defer to advertising agencies to decide on sponsorship proposals or opportunities. In the main, many of these agencies tend to be hostile to sponsorships because of their impact on marketing budgets. But they're unstoppable. Sponsorship is a moving train that agencies definitely need to catch.

The drive for specialized sponsorship services is coming strongly from the clients. They want to know more, make better decisions and gain better leverage from often heavy investments, avoid litigation and ambush claims.

They need to make sense of the clutter in advertising and other forms or mediums, find alternative ways of reaching out to their market; connecting, bonding with their customers and potential customers alike, exploiting existing or new properties or opportunities.

Elsewhere, in the advanced markets of Europe, the Americas and even Asia, this trend is receiving more and more attention as shown by reports such as 'The Red Mandarin Reports,' the latest published late last year where it was shown that more and more of marketing budgets are shifting from traditional forms of marketing communication to new trends like sponsorship.

The wake-up call for Africa is South Africa's 2010 FIFA World Cup. How prepared is the continent, given the deep-rooted passion and following for the game? How prepared are the partner companies? How prepared are the local partner companies, their agencies? How much indirect association is on the horizon?

There has been little activity on the continent for an event of such global magnitude. It tells you the depth of understanding, the reactive rather than the pro-active state of the art; even more worrying is the fact that few purely African brands and their agencies have capitalized on the unique opportunity to exploit the global appeal. Apart from the 2010 event, 2008 is an Olympic year, but why do companies go berserk in Africa *only* in the months of big events? Why are pre-event and post-event leveraging and activation less

important?

The sponsorship landscape is presently developing in almost every direction... music, the arts, sports, politics, media, broadcast and largely owes a lot to the explosion of the GSM industry and the digital cable TV business taking over from alcohol, beer and tobacco industry that pioneered its use most of the last century.

Specialization

It is hoped there will be more specialization. An exception to a large degree can be made for South Africa where over the last decade there has emerged an assorted group of sponsorship agencies, often part of larger marketing communication agencies or independent, hugely responsible for the better appreciation of the dynamics of sponsorship. But even they are guilty of low world cup momentum. They have yet to light up the African stage-that-was USP of the cup bid.

RO1, evaluation

The other factors to consider are the measurement of sponsorship, return on investment (RO1) and evaluation of the impact of sponsorship the same way advertising and media is measured.

Companies need to begin to justify some of their sponsorship spend, evaluate its impact on the bottom line and then assess whether it's positive or negative.

Some will tell you it may not have increased sales but it boosted popularity or increased name or brand recognition or brand equity. A good example is the TINAPA Sponsorship of English Premier League Broadcast on DSTV's Supersport. The multi-million dollar business resort in the southeastern Nigerian city of Calabar became very well known over a year before its recent commissioning.

Its pay-off line, TINAPA 'Africa's Premier Business Resort' resonated strongly and is cause for curiosity a definitely reason to visit.

Ambush marketing

This is one area where perhaps Africa has something to teach the rest of the world. Again, excuse South Africa largely, because in that country there is greater adherence and respect for other people's rights. Elsewhere, it's a madhouse. Sometimes the ambush is out of ignorance, sometimes it is deliberate, and carried out by companies and their agencies that respond to competition by creating their own versions of other people's properties. This transcends sports. Today there is a preponderance of TV reality shows aimed at undermining competitors' forays into international TV reality brands like 'Big Brother' or local versions in movies, music, jungle life, *a la* survivor series etc.

Intense rivalry in sponsorship of international music artists performing in Africa, in the last three years, there is hardly any known artist who has not performed in Nigeria, from JAY-Z, Beyonce, Wyclef Jean, Sean Paul, Akon, L.L Cool J, Snoop Dogg, Beanie Man, Usher, Lemar, Missy Elliot etc in multi-million dollar sponsored concerts.

Sponsorship as favour!

The greatest obstacle to growth and emancipation of sponsorship is perhaps the misconception of

sponsorship on the part of the chairperson, managing director or marketing director.

The other is the confusion between sponsorship and corporate social responsibility (CSR). While it is part CSR, sponsorship remains a marketing tool to increase the company's marketing penetration and fraternit with its consumers. Unfortunately, this informs most of the decisions made in Africa.

Politics – the grave interrelation between business and government in Africa, where there remains a great deal of state interest in corporations – means sponsorship also is influenced by political considerations. While this is desirable, it also mustn't be confused with public relations.

Finally, large advertising and marketing communication networks or groups need not stifle sponsorship as will not replace traditional advertising. On the contrary, it will create a win-win scenario for everyone. Serious sponsorship paradigms prescribe activation and leverage to make impact, meaning more advertising and sometimes massive multi-discipline earnings for huge networks, with benefits of industry research and knowledge.

The positive results of media specialist agencies and direct marketing/ experimental marketing agencies have been warmly embraced to good effect around Africa. This is the only way it can benefit the sponsor and the sponsored and, above all, cut to the chase. Specialization means informed decisions, researched properties and verifiable outcomes.

For more, visit: <https://www.bizcommunity.com>