

## Attracting, Retaining & Engaging Sponsors

Taken from Sports Community Website: <http://sportscommunity.com.au/resources/>

### Understanding why businesses sponsor local clubs:

In order to build long term relationships with sponsors, it is important for clubs to understand what the sponsoring business wants from the club.

Generally there are four reasons a local business will sponsor their local sports club:

1. They have an existing connection with the club, either as a player, member or supporter or have a family member or friend linked to the club.
2. They want to be a part of the club, engaged and feel a strong sense of belonging and inclusion with the club
3. They want to contribute, or at least be seen as contributing, to the local community
4. It is financially beneficial to them

The first three reasons enter into a little psychology that it is beneficial to understand. Abraham Maslow was an American Psychologist who ranked human needs into a five level hierarchy.

This starts with physiological needs such as breathing, food and water as its base, safety and security needs as the next level and then the third most basic of human needs is the need 'to be loved and belong'. (M, 1943).

Local sports clubs have the opportunity to create a real sense of belonging between themselves and its community and sponsors. Creating and maintaining relationships where people feel as though they belong to the club is very powerful.

The result is a sponsor that is more likely to assist the club to achieve its goals and to support the club over the long term. This long term support gives the club every opportunity to maximise the financial value of the sponsorship over time.

Another great point to note is around businesses wanting to be seen to be giving back to the local community. Businesses are aware of how they are perceived in the community and have a responsibility to understand their impact. 'Corporate Responsibility' is a degree of responsibility not only for the economic consequences of their activities, but also for the social and environmental implications (Australian Human Rights Commission, 2014).

The forth reason a business would look to sponsor your club is for financial gain. There are many ways to help sponsors connect with their community and clubs have a wide reaching influence. To create financial gain for a sponsor it is important to consider how best to create financial benefits for each individual business or company.

## How do we best approach sponsors?

Well put simply, like in personal relationships, there needs to be a courtship where each party gets to know each other, learns about each other and works out how they can satisfy each other's needs.

We need to consider what the potential sponsor is looking for in the partnership. A relationship based on trust and one valuable to both parties which will continue to be beneficial in the long term to both parties, not just the sports club.

We challenge clubs to develop a new way of thinking about sponsorship, in particular how we attract and maintain sponsors and grow these relationships. With the aim of working towards creating sponsorship partnerships that will result in more effective, long term relationships that will help sustain your club into the future. A kind of thinking that involves looking beyond the traditional methods of gaining sponsorship and to new and innovative ideas.

## How to value your club's sponsorship packages and offers

Of all the questions we get asked at Sports Community, the question most asked is:

### ***"How do we value club sponsorship packages?"***

Traditionally, sponsors of local sports clubs generally don't seek to receive real commercial value from their sponsorship other than the feel-good knowledge they are supporting their local community.

Today though, sponsors of local clubs are becoming more sophisticated wanting to receive a return on their investment (ROI). Sponsors of local clubs are now moving in the same direction as those businesses who sponsor professional sporting teams. Sponsors may seek:

- Brand awareness through media and social media exposure
- Generation of leads
- Sales of products and services
- Entertainment of staff and customers at club events

If you understand what a sponsor is seeking to achieve, and your club's ability to deliver, valuing your sponsorship packages becomes a lot easier.

## Factors Which Create Sponsorship Value

From our experience, we believe there are five components that come into play when seeking to value your sponsorship packages:

### 1. What are sponsors willing to pay?

**2. How big is your club's audience?** (Including participants in club activities, followers on social media, club databases, spectators, users of the club facilities, website visitors, email newsletter subscribers and the local/broader community.)

**3. What is your club's ability to engage with its audience?** (For example, match day speeches, newsletters, posters, brochures, flyers, signage, media releases, websites, email newsletters, social media, podcasts, YouTube and live streaming)

### 4. What is its ability to influence the behaviour of the audience?

**5. How do sponsors value the sponsorship and its inclusions?** (Inclusions as well as simple signage can also include additional opportunities such as hosting client entertainment/hospitality or staff parties/social events. This allows for the business to sponsor with money from additional budgets, not just the marketing budget)

## Club Assets

The key determinate in valuing sponsorship is your club's ability to influence the behaviour of its audience, or putting it from a sponsor's perspective, your club's ability to promote and sell their products and services.

Let's look at the wide variety of assets your club has to offer sponsors.

- **Club Websites** - From a sponsorship perspective, the people visiting your website page are called your 'website traffic' and depending upon the number of visitors to your site your website traffic may be very valuable to the right sponsor.
- **Email Newsletters** – An email newsletter allows clubs to both grow and influence their audience. The two major determinants of sponsorship value.
- **Social Media** - Social media can be used to take the messages of your sponsors to your social media audience in a really effective manner. Like email newsletters, social media is a great way to maintain relationships with people who may have moved away from the club but still want to maintain a relationship.
- **Club Competitions, Events and Social Activities** – Your sponsors can take advantage of these large groups by bringing their products and services to the events.
- **Bringing Your Crowd to the Sponsor** – The ability to take a large group to your sponsors' is a huge benefit because it gives the sponsor the opportunity to build relationships with your audience and showcase their facility, products and services.
- **Bring the Sponsor to Your Club's Audience**– The idea is to bring your sponsor directly in front of your members and broader audience. This can be invaluable for businesses as it provides an opportunity to build a relationship with your club's audience in person.
- **Exclusive Supplier Contracts** – A great place to start when looking for sponsors is your suppliers.
- **Naming Rights and Branding** – A sponsor can purchase the right to have their name attached to any of your club's physical assets, players, teams or programs. Signage, branding and sponsor's logos can be put on just about anything and anywhere.

- **Street Signage** – Many clubs are located in prime locations within their community and often on very busy roads. If your club is located on a major road or intersection then you may well be able to create a very valuable asset in the form of street signage.

## How to create value from your club's assets to attract and keep sponsors

### Creating Events that Showcase Your Sponsors

When looking to create value for sponsors, a great idea is to create events and activities that promote your sponsor's products and services. This is an incredibly valuable opportunity for potential sponsors as it gives them an opportunity to not only sell their products directly to your audience but also build relationships with potential future customers.

These could be in the form of stand-alone events. For example if the local cinema was a club sponsor, your club could hold a social function movie night at their cinema. This would showcase their business while also allowing them to build relationships with your club's members.

Alternatively, the activity could be part of a larger club event. For example if your club was sponsored by a children's entertainer, during your club's registration day they could come down and perform for the children. This would build rapport with the families and showcase to people who may potentially want to make a booking.

### Commission-based, Affiliate or Referral based Programs

These type of programs are set up between clubs and businesses to provide a win-win arrangement. Generally the business will offer a discount to your club's audience as well as a percentage of sales to be donated back to the club. In return your club promotes the business and encourages members and the club's wider audience to use them.

This structure is potentially very positive for your audience as they receive a discount, potentially great for the club as they generate sponsorship income and great for the business as they gain more customers by this referral.

The main downfall of this kind of arrangement is that if the club doesn't effectively promote the program and in turn create sales for the sponsor, the club will receive no income from the program.

It is important for clubs to plan how they are going to ensure the program stays at the top of their audience's mind.

### Creating Value from Websites, Email Newsletters and Social Media

Club websites, email newsletters and social media pages are all incredibly powerful assets when considering the value your club can offer to potential and current sponsors. They are also incredibly important mediums for communication your sponsors message and call to action.

#### Club Websites

The websites of many local sports clubs have absolutely massive audiences and most clubs don't even know it. Clubs have a huge amount of information that their audience is constantly seeking, driving them to the clubs website time and time again, especially during the season

Visitors to your club's website are there to find our specific information about your club. They are rarely on your website seeking information about club sponsors and what they have to offer. Therefore if your website visitors are going to stop what they are doing and go to a sponsor's website we have to give them a really good reason to do so. The advertisement must capture the reader's attention and call the visitor to action, for example "click here for a free trial".

## Email Newsletter

Many clubs have, or are starting to introduce email newsletters for a very good reason. Email newsletters are an extraordinarily easy way to build or maintain relationships with your club's audience and people who want to engage with your club.

The very high readership of club email newsletters makes it a great way to promote club sponsors. As with your club's website it is important to make the advertisement a call to action rather than a static logo.

## Social Media

As with your club's website and email newsletter, your club's social media is another fantastic way to promote your sponsors. Similarly to your club's website and email newsletter you are able to use the analytics of popular applications such as Twitter and Facebook to measure the 'click through rates' from your social media to your sponsor's website or social media.

The same "call to action" rules apply in social media as they do for your website and email newsletter.

## Measuring Your Impact

One of the brilliant benefits of using digital and social media is that you can clearly identify the traffic you are providing to the sponsor. Whether it be from your club website, your email newsletters or your social media you can easily measure the traffic being generated to the sponsor by looking at the underlying analytics.

## How to prove your club's value to sponsors

The benefits for businesses that choose to sponsor sporting clubs aren't always clear. There is some useful information to be aware of when approaching potential sponsors or when looking to renew and hopefully expand sponsorship agreements.

We know from research are that:

- Sponsoring sports clubs can provide unique opportunities for businesses and help them develop in ways that general advertising doesn't (MediaCom,2014). For example, it may allow the sponsor to show off their capabilities in a way audiences may otherwise not get to see.
- Consumers are generally aware that official sponsors contribute to the events or sports they love, and research shows that sports fans have a more positive perception of event sponsors (MediaCom, 2014).
- Sponsoring sporting clubs can help create loyalty towards the brand.
- Sponsoring sports clubs can increase brand awareness.
- Staff working for the sponsoring business may develop a sense of pride and clients a sense of respect with the knowledge that the business is supporting the community.

- Sponsoring a sports club can help to grow community support and a positive perception for the business.

These benefits for businesses can continue well after the initial sponsorship activities and are important to consider when approaching potential sponsors.

## Proving the Value for Sponsors

**Cost per reach** – this is how much it costs the company to reach each individual member. For example a \$1000 sponsorship with a club of 2000 members equals 50 cents per reach. If engaged, these numbers are very meaningful to businesses.

**Measuring online traffic** – You can measure the traffic to your club's website, social media sites and email newsletters. This is even more effective for businesses when the sponsor's message is connected to a "call to action".

**Measuring the Financial Value** – this could be through monitoring at the sponsor's business, loyalty cards, collecting receipts, creating events for your sponsor, surveys, creating vouchers or sales at your club.

## Sponsorship Do's and Don'ts

### Identifying Different Groups Within Your Audience

To ensure your sponsors' messages reach your audience effectively it is important to consider the different groups within your audience. Each group has the potential to create value differently for different sponsors.

The most obvious breakdown of groups within an audience is into age groups, potentially juniors, teenagers, adults and older members. Each of these groups are at different stages in their lives and therefore have different needs and create different value for a sponsor.

Another obvious breakdown is gender groups, Women and Men. Men and Woman have very different needs and can be of value to different sponsors.

Another consideration is what town or suburb your club is in and what your community might need. For example a growing suburb or well established community will need the services of different companies and potential sponsors.

### When to advertise sponsors

The timing of advertising is also important for sponsors. Some will be more suited to be promoted at the beginning of the season, such as dentists (who may do mouth guard fittings) or sports stores (who may sell the equipment members will be needing). Other businesses may be more suited to advertising at the end of season, such as clothing retailers or hairdressers that may offer special deals to club members who will be preparing for end of season dinners or 'best a fairest' award nights.

### Suitability of sponsors

It is inevitable when clubs start receiving money to promote businesses and their products that at some stage they will be faced with an ethical dilemma about the suitability of certain partnerships.

While it is illegal to accept advertising or sponsorship money to promote tobacco products, many other products are not so clear cut. How will your club respond if approached by an online gambling company, liquor company or fast food company to promote their products? While not illegal, there is significant evidence that the products of these types of companies have the potential to create real social issues.

Many factors will come into play when deciding whether to accept a sponsorship. The most important consideration for clubs is the values of the club and whether accepting a certain sponsorship is consistent with them. It is important to realise that in some cases the “end does not justify the means”. By this we mean that if accepting a sponsorship goes against the core values and beliefs of your club then your club should not proceed with the sponsorship regardless of the benefit the funds will create for your club.

## Exclusive Sponsorships

Ethical sponsorship dilemmas can be created regardless of the sponsor type. Imagine your club is sponsored by one of the local real estate agents. What if your club is approached by another real estate agent in town? What if they offer sponsorship at a level 4 or 5 times higher? Do you accept the sponsorship of the rival real estate agent or do you have an obligation to only accept one sponsor from each business type?

These are decisions for your club to consider, but the easiest way to deal with them is through complete and honest disclosure as sponsors become partners of your club. You may decide that you will only have one of each business type as a sponsor at your club or alternatively you may decide that if a sponsor takes out a lower level sponsorship then this does not provide them with exclusive sponsorship for that business type. As the value of the sponsorship increases, you may decide that it is worthwhile giving exclusivity to the sponsor and committing to not accepting any other sponsorship’s from their local competitors.

One other point to remember when considering these very complex decisions is to make sure that you look ahead more than one year. Many clubs will make a decision based on what creates the best outcome for this year but often this is to the detriment of the club in the long term. Often clubs sacrifice long term partnerships for the enticement of quick cash. Don’t fall into this trap.

## Supporting your sponsors

Clubs should put together a marketing strategy for their sponsors. This will not only maximise the value of the club to the potential sponsor but also demonstrates that it is important to the club that your sponsors benefit from their sponsorship with the club.

Your sponsorship marketing strategy would include:

- What is the message to be received by the members? (And what is the call to action? A call to action (CTA) is an instruction that is designed to promote an immediate response from the audience. Examples include; “call now”, “enter now” or “click here”.)
- What and how will sponsor branding be displayed around the club?
- How often will the message will be communicated?
- Where and when will this message will be communicated?

- What information does the sponsor need to supply?
- Who will be responsible for activating the message and by when?

## Engagement strategies that make your sponsors feel valued and ensure multi-year commitments

“See you next year”

These four simple words are an acknowledgement from the sponsor that they see their contribution to the club as a donation, for which they get very little if anything in return. It also highlights that they certainly have no other involvement with the club.

This type of relationship is generally an opportunity lost as the sponsor may have the capacity to contribute significantly more money, products, services, expertise or resources. The sponsor may see there is no value for them to contribute more and therefore may choose not to sponsor the following year.

A common mistake clubs make is that they think sponsors don't want to be involved in their club, that they don't have the time or the inclination to give more than financial support. Sure, for some sponsors this will be the case but for most the opposite is in fact true.

### ***Sponsors want to belong to your club too.***

In the ideal scenario, sponsors would become an engaged part of the club community where they are participating in at least one of the following activities:

- A sporting participant
- Actively participate in social activities offered by the club
- Assist in the running of the club (volunteering)

**Make sure to include your sponsor (and their families, friends and associates) across the year in club events, social events and on game days, maybe even as a player!**

**You may even create an exclusive membership category for them. Sponsors then become “members” and a strong part of the club.**

## “Sponsor’s Days”

Having a day or an event where the club invites all their sponsors to join them at the club for social gathering of some type is a great concept. Generally this will be on match day so the sponsors get to socialise and then see their sponsored players/teams in action.



The best time to hold a 'Sponsor's Day' is actually before the start of the season and the day should have some very clear objectives. This of course includes thanking the sponsors for making the season possible but also:

- Ensuring all sponsors have a clear understanding of the club's objectives and vision and invite them to help the club achieve them
- Creating ways for the sponsors to participate in club activities

## Keeping your Sponsor's Information safe

We speak to so many businesses who are willing to sponsor clubs, or who did sponsor a club and would do so again except the club "never comes back". It is amazing how much work clubs put into attracting new sponsors but neglect to put the same effort into their existing sponsors.

Often clubs do not ask their sponsors to sponsor them again the next year because they have lost the information relating to their previous seasons sponsors.

### Create a Sponsorship Database

No two sponsors are the same. Each has different motives for sponsoring your club, different desired outcomes and even different components to their sponsorship arrangement.

The one way they are all similar is that they all want to feel like they belong to your club and that they are not being taken for granted.

The reality of not keeping these details and not knowing the basic information of a long term sponsor when approaching them can make them feel less inclined to support your club into the future.

A critical component of ensuring that each sponsorship manager, year after year has all the information they need about each of your sponsors is to create a database of information which includes current and past sponsors, contacts, packages and any other information that helps to support this long term relationship.

### Where to Store Your Sponsorship Information?

Wherever possible, see if your club can create a separate membership category in your membership database. Given we believe that sponsors should be considered members this makes sense but primarily is because clubs manage and maintain their membership registers relatively well.

This reduces, although does not eliminate the potential the information will be lost over time from having this information stored on personal computers.

### Inducting the Next Sponsorship Manager

In a perfect world each time your club has a new sponsorship manager, the previous sponsorship manager would ensure their sponsorship database is updated and would then talk the incoming sponsorship manager through each of the club sponsors. Ideally the outgoing sponsorship manager would actually take the new sponsorship manager to

visit each of the sponsors and introduce them personally. It would be a nice touch that shows the club respects its sponsors enough to take the time to hand over the relationship. This is a very powerful act of respect and commitment by the club to the sponsor and reaffirms that they are not taking the sponsor for granted.

## Creating the perfect sponsorship proposal

Creating a great and easily accessible Sponsorship Proposal is imperative for members to be able to approach potential sponsors on behalf of your club. Once you have created your sponsorship proposal document, save it to the club website so that members can easily access it at any time and it can be constantly referred to in club communication such as email newsletters, social media and even other pages of the website.

It is important that everybody talking to potential sponsors understands the examples and information contained in any sponsorship proposal are simply a guide and a starting point for discussions.

The proposal should be professional and contain the following:

- Photos and Contact Details
- Club Background and History
- Membership, numbers and details
- Audience and the ability for the club to communicate with these groups.
- Traditional and Social media details and audience numbers
- The Players
- Social and Fundraising events
- Future plans and goals
- President's Message
- Sponsorship options. (For example Gold, Silver, Bronze etc)

## Using Video to Enhance Your Proposal

With today's technology it is now very easy to create simple but high quality videos by using a smart phone. Video is an extremely engaging and emotive form of communication and a very effective way to invite new sponsors to your club.

Why not put together a video that highlights your club, its benefits, shows what the funds will be used for and most importantly includes a personal invitation to become part of the club.

Videos begin to create personal relationships and in terms of sponsorship proposals could include players as well as your committee or president. You may wish to talk to sponsors about your club, how the sponsorship would benefit both your club and the potential sponsor and what could be included in the partnership. This then becomes a dynamic way to engage companies and generally stands out above other groups also seeking sponsorship.

## The Importance of Documenting Your Sponsorship Agreement

It is important to document your sponsorship agreement clearly which is to the benefit of both your club and the new sponsor. By documenting the agreement both parties are clear about their responsibilities and it makes it easier for clubs to fulfill their promises.

- See more at: <http://sportscommunity.com.au/resources/>