

SHORTSTOP

PROSERV: Donald Dell, the first player agent in tennis and co-founder of the Association of Tennis Professionals (ATP), has said he expects companies to start signing new sport sponsorship deals again in the next year.

AUSTRALIA: Alcohol sponsorship in Australia, including in sport, would be phased out over an 11-year period should the recommendations of a government report be adopted. The National Preventative Health Strategy report recommended "a more tightly regulated advertising environment with strict government controls".

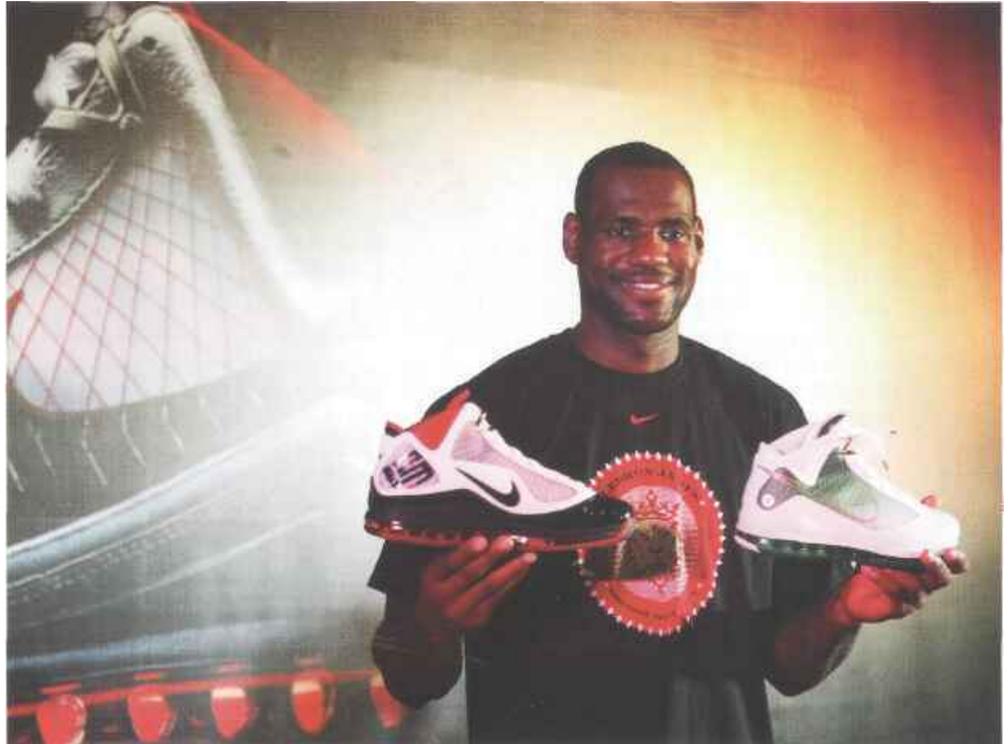
SPEEDO: Swimwear manufacturer Speedo extended its sponsorship of Michael Phelps, seven months after a newspaper published a photo of him inhaling from a pipe used for smoking marijuana. Reuters reports that Speedo officials said the new four-year deal was the biggest in the company's 80-year history.

CARLSBERG: Brewer Carlsberg UK and The FA have agreed a four-year extension to their sponsorship deal, which expires at end July 2010. Carlsberg will continue to be the official beer of the England national team and the FA Cup, and will become the exclusive beer pouring partner at Wembley Stadium.

VOLKSWAGEN: The Russian branch of carmaker Volkswagen signed on as a tier one sponsor of the Sochi 2014 Olympic and Paralympic Winter Games. The deal will see Volkswagen Group Rus provide around 3,000 Volkswagen, Audi and Skoda-branded vehicles to the Sochi 2014 Organising Committee for use during the Games.

NIKON: Photographic equipment company Nikon has renewed its naming rights deal for the 2009 Surfer's Paradise SuperGP motor-racing event in Australia, which will incorporate events from both the V8 Supercars and A1GP race series.

M&C SAATCHI: Marketing giant M&C Saatchi announced it will open a Sydney branch of its Sports and Entertainment company, which deals in brand sponsorship in sport, music, film and the arts.



Athlete endorsements are on the rise - Getty Images Sport

A FREE THROW?

According to a recent survey by IFM Sports Marketing Surveys, recessionary pressures really are affording the sports marketing sector the opportunity to review and change. **Ben Speight** reports.

DURING THE SUMMER of 2009, the research consultancy company IFM Sports Marketing Surveys surveyed 450 professionals from over 30 countries around the world operating in the sports business sector to take the temperature of the industry to see how thinking has changed since the onset of the financial crisis and how things are shaping up for the future.

On average, companies in the sponsorship industry are forecasting a decline in annual sponsorship revenues of around seven per cent in their own country and a fall of eight per cent globally. The Americas are the most optimistic - 40 per cent of respondents from the region stated that sponsorship spend will be up at home and abroad.

Half of sponsoring brands estimate that their overall sponsorship spend will be down on 2008. However a quarter believe it will increase, most likely at the cost of other marketing spend.

Aside from financial forecasts, the survey produced a number of key findings, highlighting a move towards a greater accountability and demand for research evaluation. Rights holders want more information and knowledge to help attract sponsorships. Brands want a greater return on investment, and a better method to measure it. Federations want to be better informed about their fans.

The survey also revealed that the corporate balance sheet now relies on corporate social responsibility programmes to add value to

brands. The concept of just sponsoring top level activities is fading as brands realise that they need to enhance their credibility at the grassroots level as well.

The perception that knowledge is power is certainly growing as the recession has given many in the industry the opportunity to audit and review their marketplace to ensure they maximise any return. Nine out of ten organisations surveyed said they evaluated sponsorship, with most using a combination of external and internal sources. Nevertheless, companies admit that given the option they often choose an extra marketing activity rather than pay for research to help them decide if they should be doing it at all.

Over 50 per cent of respondents recognised the importance of measuring return on investment (ROI), from the beginning to the end of the campaign. The survey showed that in the Americas there was an established use of ROI measurement and pre valuations and other regions around the world were behind in conducting such exercises. But brands everywhere are now placing more importance on these methods.

The economic climate over the past year seems to have meant more focus on accountability and ensuring sponsorships provide the benefits they promise and two thirds of those in the brands space agreed that they have had to think twice about sponsorship

involvement due to public perceptions. There is clearly still work to do by the industry to educate on the difference between advertising and sponsorship in terms of brand impact.

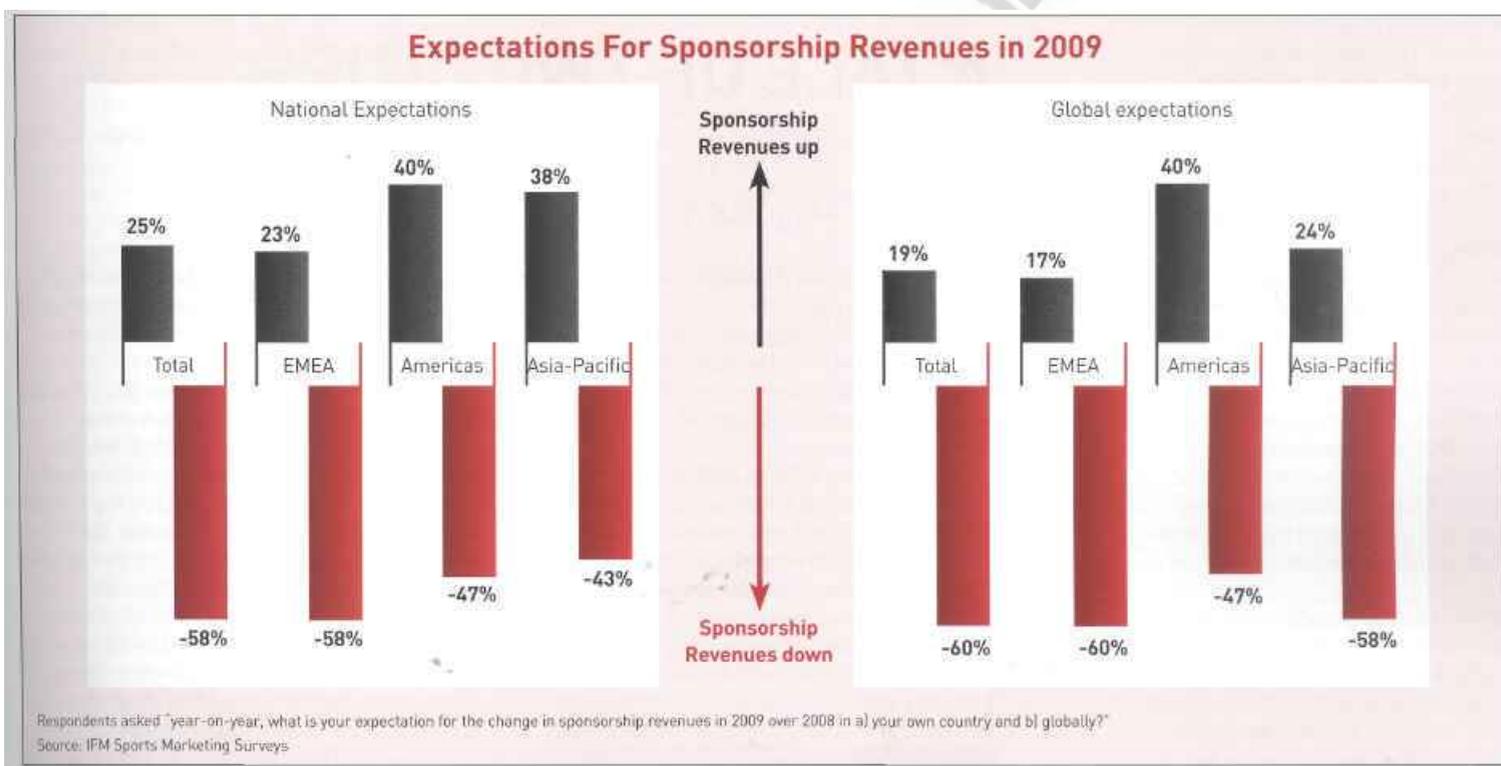
There still remains a strongly held belief, certainly amongst professionals working in the Americas and Europe, Middle East and Africa, but to a lesser extent in the Asia-Pacific region, that sponsorship can offer a much wider reach and brand impact than advertising and that sponsorship is a must for any brand wanting to engage its consumers and use the benefits of a highly targeted campaign to change consumer behaviour.

The number of personality and athlete endorsements is growing and sports goods

brands are the drivers of this sponsorship sector, often having supplier relationships. However, until recently it has not been as accountable in terms of justification on fees as the traditional sponsorship properties. Indications suggest that the reliance on feedback from the trade is still important but more industry based measurement systems, particularly brand exposure monitoring is used. Gut feeling is still used by a worrying 25 per cent of those working in that sector with a further 13 per cent undertaking no return on investment measurement at all.

Another key finding from the survey was that pre evaluation of sponsorships is now as important for rights holders as it is for brands.

Increasingly rights holders and federations also realise that to attract potential sponsors in a competitive marketplace, they too must also provide information and data to justify their property as a good investment - this sentiment was most strongly held by rights holders in Europe, the Middle East and Africa. In addition to providing sponsorship data, rights holders are also widening their search for sponsors and adding more inventory to the package in order to find sponsorship. All of these actions involve a cost - either to purchase data or a consultant's time. However many of the options will provide the rights owner with more information to target the brand with the best fit and in the long term retain that partner for longer.



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