

Welcome to this, the PDF version of our September 'News & Views'.

If you had trouble viewing the email/online version we are sorry, however if you could let us know then we'll try to resolve it by next time. You can email us on enquiries@sponsorshipconsulting.co.uk

GREEN SHOOTS?

Last month we saw announcements that both Premier League football and tennis have secured record-breaking levels of sponsorship investment, suggesting that the sponsorship rights market has turned the corner post-recession.

According to research by Sporting Intelligence, the combined value of shirt sponsorship deals across the 20 Barclays Premiership clubs is £99.75m for the coming season, up nearly 40% from the £71.8m achieved in 2009/10. Meanwhile, corporations will spend around \$600 million sponsoring amateur and professional tennis tournaments at global, national and local levels in 2010, according to research by IEG.

The story does not appear quite so positive in the cultural sector though, with Arts & Business in the UK reporting a 6% decrease in business sponsorship in the Arts last year. This is not helped by the vociferous minority protesting with regard to companies compromising editorial control in general and BP's cultural investments in particular.

The sense that corporate patronage of the arts should be philanthropic rather than commercially orientated may suit the establishment but is not a perspective that young artists support, certainly if the Royal College of Art graduation show is any barometer. It is rendered all the more ridiculous in the light of the much publicised round of Government funding cuts already under way.

The current instability in the cultural sector is resulting in some fairly last minute deals, including Fosters and the Edinburgh Comedy Awards and American Express stepping in to support development of the Southbank National Film Centre after all government funding was withdrawn. Whilst these rights-holders will no doubt be delighted, and both these deals make intuitive sense for the brands in question, they are clearly in the minority with many arts projects failing to attract the necessary investment.

Whilst sponsorship is always a lag indicator of market conditions, these data points overall suggest that sponsorship is starting to regain its momentum. Whilst the more cynical may see this as merely a return of the "Chairman's Whim" as businesses, and especially financial services, regain their equilibrium, we think this demonstrates that corporations are progressively convincing themselves through hard data that sponsorship represents a valid and worthwhile investment.

Only time will tell whether the cynics or optimists are more accurate in their assessment!

DEBACLE IN NEW DELHI

The ongoing issues around how sponsorship and broadcast rights-marketing agencies have been appointed to generate revenues for the Commonwealth Games brings into sharp relief several issues on which the sponsorship industry needs to act:

- 1) **Education** – whilst new sponsors entering the market are most welcome, they need to be educated on how the industry works and how to make the most of the opportunities it presents. All industries have their peculiarities and sponsorship is no different. Whilst sponsorship has made great strides in professionalising its approach, it would be naïve to think that we were completely immune to sharp practice. There are lots of sources of information and sponsors need to do their own due diligence before making investments in sponsorship.
- 2) **Procurement** - whilst we would all prefer to do business on a handshake and save a lot of time and money on detailed contract negotiation, there are good reasons why procurement has grown as a discipline in its own right. All parties in the sponsorship industry need to review and update their procurement practices on a regular basis.



- 3) **Sales commission** – There are many more rights-holders wishing to acquire sponsors than there are good people available to make the sale. Good people therefore expect to be rewarded for their skills and, as in other industries, sales commission has its place. Rights-holders, their brokers and sponsors need to have absolute transparency about who is paying what to whom and on what basis. Ultimately it is up to the purchaser, whether of sponsorship or of broking services, to satisfy themselves that the price/value equation makes sense.

Both agencies concerned, Alan Pascoe's Fast Track and Australian outfit Sports Marketing & Management (SMAM), have strong reputations in rights-marketing and a track record in successfully selling rights around the world. Whilst we cannot form a solid opinion without knowing all the facts, one thing is clear: something went wrong somewhere which has resulted in bad publicity that has negatively impacted the Games, their supporters and the sponsorship industry as a whole. This is an object lesson to us all in thinking the unthinkable and planning for every contingency.

BRINGING THE WORLD TO NEW YORK

We really like the way HSBC is planning to activate their new Presenting Partner sponsorship of the 11th annual festival of The New Yorker magazine that will take place 1-3 October 2010. Unsurprisingly, their starting point is their highly publicised central brand message of 'the world's local bank' and they are bringing this to life by sending six themed food trucks, including the Rickshaw Dumpling Truck and the Schnitzel & Things truck, to visit the sites where some of the 46 festival events are taking place.

The chefs get to create a special menu item that celebrates each truck's culinary origin for the duration of the festival and HSBC customers qualify for special offers and discounts. Even the napkins going out with each serving are exploited as these will carry unusual facts about global business such as "Only 4% of American films are made by women. In Iran, it's 25%."

Like all contemporary sponsorship they have not forgotten to go digital and HSBC marketing activities around the sponsorship include the first-ever festival app. offering the festival program guide along with editorial content. Johanna Breman Tzur, head of HSBC brand & advertising summed up their approach: "We want to bring internationally oriented culture and entertainment to the communities where we do business because it's in keeping with who we are -- the 'world's local bank'.

The New Yorker's readers have a lot in common with HSBC customers -- a shared affinity for diverse global experiences and thought leadership. The New Yorker Festival is a great fit for us to engage with current and potential customers and the New York City community." Well said, and a lesson for us all in thoughtful, value added activation.



NEW SPONSORSHIP RESOURCES WEBSITE IS NOW LIVE

SponsorshipStore is now launched...your one-stop sponsorship shop that offers papers, guidelines, subscriptions, books, event and conference tickets and much, much more. Take a look at all the sponsorship resources under one roof! Visit www.sponsorshipstore.com



DATES FOR YOUR DIARY

- William Fenton will be speaking at [The Sport Event Management Conference](#)
- Pippa Collett will be talking about value-in-kind at [Think! Sponsorship](#)

HOUSEKEEPING!

To unsubscribe from the list, please [click here](#) to let us know. If you have any feedback for us we're always open – [click here](#) to send us a message. And finally, if you would like to contact us please do, full contact details are below:

London: 83 Victoria Street, London SW1H 0HW
Tel: +44 (0)20 7147 9957

Edinburgh: 4th Floor, 5 Rose Street, Edinburgh EH2 2PR
Tel: +44(0)131 247 1426

Brussels: Avenue de Floreal,166, B-1180 Brussels
Tel: +32 (0) 2 343 3549

Email: enquiries@sponsorshipconsulting.co.uk