

## **GLOSSARY OF SPONSORSHIP TERMS**

**Activation:** The process of bringing a sponsorship to life through transforming the rights acquired into meaningful benefits that assist a company in achieving its sponsorship objectives e.g. transforming the right to a certain number of tickets with corporate hospitality into a consumer competition and/or a high end business entertaining opportunity. Sometimes known as sponsorship exploitation or leveraging.

**Ambush marketing:** Any activity carried out by a brand that is not an official sponsor (often sponsors' competitors) of a particular property with the intention of gaining commercial advantage by establishing an association with the property in consumers' minds.

**Assessment:** The process of assessing the suitability of any potential sponsorship property against the business and marketing objectives of a specific brand.

**Assets:** The elements sold as part of a sponsorship, also known as sponsorship benefits. These may be tangible e.g. perimeter branding, hospitality tickets, or intangible, such as the right of association.

**Awareness:** Used as a measure to establish that the target audience associates a sponsor's brand with the sponsored property

**Benefits:** Advantages offered to a sponsor by a rights-holder as a result of the sponsorship assets acquired, e.g., if the asset is on-site signage, the benefit is the impact on spectators.

**Brand tracker:** a regular survey carried out into the health of a brand among its key target audience/s that measures brand affinity, advocacy, brand attributes, usage and attitudes.

**Consideration:** The legal term that encompasses what the sponsor provides in return for the sponsorship rights and assets it acquires from a rights-holder which may be one or more of money, marketing in kind or value in kind.

**Evaluation:** The process of establishing whether a sponsorship has achieved the objectives ascribed to it at the outset. This includes both measurement and interpretation of outcomes.

**Exploitation:** An alternative and now considered old-fashioned, way of referring to the programme of activities that a sponsor develops around the rights purchased to bring a sponsorship to life.

**Fees:** The amount paid by a sponsor in exchange for access to certain agreed direct and indirect benefits, the most notable being the right to publicise an association with the sponsored property.

**Intangible assets:** Elements of a sponsorship where there is no direct or associable cost, but that nevertheless have a value to the sponsor, such as goodwill.

**Intermediary:** Any third party that acts to facilitate the sale or purchase of a sponsorship, e.g., sales agencies, sponsorship consultancies, lawyers.

**Inventory:** The advantages offered to a sponsor by a rights-holder, often used in relation to those things that are in limited supply that therefore need proactive management e.g. event tickets, hospitality passes, event programmes, hotel rooms, branded merchandise etc.

**KPI (Key Performance Indicator):** Those measures that have been identified as the key to establishing how the sponsorship is performing in terms of achieving the sponsor's and/or rights-holder's objectives.

**Leveraging:** An alternative way of referring to sponsorship activation, the process by which sponsors develop programmes around the rights they have purchased to bring their sponsorships to life for their target audiences.

**Market/consumer research:** The process of understanding to what degree (quantitative) and why (qualitative) consumers react in certain ways. Traditionally, data is gathered by questionnaire or from focus groups and then analysed.

**Marketing in Kind (MIK):** Where a sponsor uses its own marketing reach to amplify the marketing efforts of the sponsored property to increase awareness and interest in the property and so drive e.g. property ticket sales, property database registrations or influencers' opinions.

**Media research:** The process of understanding media exposure for a sponsorship and equating it to the cost of advertising.

**Media value equivalence:** a figure derives from adding together the amount of minutes or column inches in which a sponsor's brand is exposed in TV coverage or print media, and then calculating how much this level of exposure would have cost if it was paid for advertising in that medium. This figure is often then discounted by a % (known as the discount rate) in recognition that advertising allows communication of key messages that are not present in this activity related media coverage.

**NPD (New Product Development):** The process of undertaking research to identify potential new products, then developing that research into a commercially saleable product.

**Official Supplier:** These are sponsors that provide budget-relieving value in kind to enhance a sponsored activity (and sometimes make an additional cash contribution as well) in return for being able to create an association with the sponsored property by marketing themselves as an Official Supplier.

**Presenting Sponsor:** A term used to define either the main sponsor, or the second most important sponsor behind a Title Sponsor of a property. The designation is normally constructed as “Title Sponsor Name (if there is one) Property Name presented by Sponsor Name”, so maintaining a degree of separation between the Presenting Sponsor and the property.

**Property:** A project, event, team, venue or other entity offered on the market for sponsorship, usually but not exclusively from the sports, cultural, entertainment, charity or grassroots sectors e.g. a specific art exhibition, a music festival or a sports team.

**Qualitative research:** Provides contextual information through focus groups, interviews.

**Quantitative research:** provides statistical information based on a sufficiently large sample of people to be considered representative of the audience. Usually involves the completion of a questionnaire on paper, by phone or online.

**Rights-holder:** The person or organisation that owns the physical or intellectual rights to the sponsorship property, e.g., Tate Modern or the Amateur Rowing Association.

**Rights of association:** The most basic element of any sponsorship, this means the right for the sponsor to promote an association between its corporation and or brand/s, as agreed with the rights-holder, in the public domain and specifically to its key target audiences it hope to impact through that association.

**ROI (Return on Investment):** Expressed as a percentage, this is a financial measurement of the effectiveness of an investment. It is calculated based on the number of times the net benefits (benefits minus costs) exceed (or are less than) the original investment.

**ROO (Return on Objectives):** This is a non-financial measure, often expressed by a traffic light system, which presents current performance of a sponsorship in achieving the main objectives of the sponsorship by the investor.

**Sponsor:** A person, brand or corporation that gives money to a project, individual, etc, for a specific purpose, in exchange for directly related benefits such as publicity, hospitality or sales opportunities.

**Sponsorship package:** The specific combination of rights/benefits made available through contract to a sponsor by a rights-holder.

**Sponsorship tracker:** A regular survey carried out by a brand to ascertain the impact of a sponsorship on perceptions and reported usage of that brand.

**Tangible assets:** Elements of a sponsorship that can be given a specific value either directly, e.g., the cost of a hospitality ticket, or indirectly, e.g., the value of the time a brand is exposed on screen during broadcast coverage, based on the cost of buying equivalent advertising.

**Term:** the contractual length of a sponsorship relationship between a company and a rights-holder, usually expressed in months or years.

**Title Sponsor:** the most senior sponsor a property can acquire where the sponsor's name is integrated with the property's name e.g. Scuderia Ferrari Marlboro, where Marlborough is the Title Sponsor of the Ferrari F1 team.

**Valuation:** The process of calculating the value of a sponsorship, based on quantifying the cost of the various tangible elements and deriving a value for intangible elements.

**Value in Kind (VIK):** Where sponsors provide goods and services to the sponsored property in full or part payment for their rights of association. These goods and services may be budget-relieving (e.g. provision of timing services by a watch brand to an athletics meeting) or may enhance the target audience's experience of a sponsored activity (e.g. provision of mobile phone recharging points at a music festival).