

WHITE PAPER

Presented by
Partnership Group – Sponsorship Specialists™

Sponsorship vs. Marketing:

What Does the Future Look Like for Businesses and Non Profits in the Sponsorship World

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June 8, 2012

**SPONSORSHIP VS MARKETING:
WHAT DOES THE FUTURE LOOK LIKE
FOR BUSINESSES AND NON PROFITS
IN THE SPONSORSHIP WORLD**

VITALIZE CONFERENCE 2012

JUNE 8, 2012



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Sponsorship Specialists

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OVERVIEW

- ✓ What sponsorship is and is not
- ✓ Why things have changed for non profits and charities
- ✓ What is happening in the industry today
 - *Who are the players today (brands and sponsors)*
 - *What are the keys to success*
 - *Stories of success and failure*
- ✓ Wrap up - Questions

Defining Philanthropy

- ✓ A gift with nothing in return
- ✓ Based on the cause, the linkage, wanting to help
- ✓ Delivers a feeling of doing good
- ✓ CRA compliance



Defining Sponsorship

Our Definition:



A cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes) in return for the exploitable commercial potential associated with that property.

Defining Sponsorship Further

- ✓ Sponsorship can involve many approaches
- ✓ **It is a form of marketing – builds on marketing**
- ✓ **What is marketing versus sponsorship**
- ✓ Integrated into a multi-faceted plan – **not just a stand alone sign at an event**



Defining Sponsorship Further

- ✓ Sponsorship links emotion with outcomes to upgrade a marketing plan
- ✓ Without emotion, it is just advertising
- ✓ Sponsorship takes marketing and advertising to an experiential level



What has changed in the marketplace?

- ✓ Presently a \$1.54 billion industry in Canada
- ✓ 56% of Canadian corporations surveyed by IMAGINE Canada are in sponsorship



What has changed in the marketplace?

Canadian Sponsorship Revenue Allocation

- ✓ 49% Sport
- ✓ **12% Causes**
- ✓ **11% Arts**
- ✓ **22% Festivals, Fairs and Annual Events**
- ✓ 6 % Entertainment, Attractions & Tours

(Reported by the Canadian Sponsorship Landscape Study produced by the University of Ottawa and Laurentien University)

What has changed in the marketplace?

- ✓ On average, companies are dedicating 23% of their marketing budgets to event marketing
- ✓ 55% of companies surveyed expect this number to increase this year

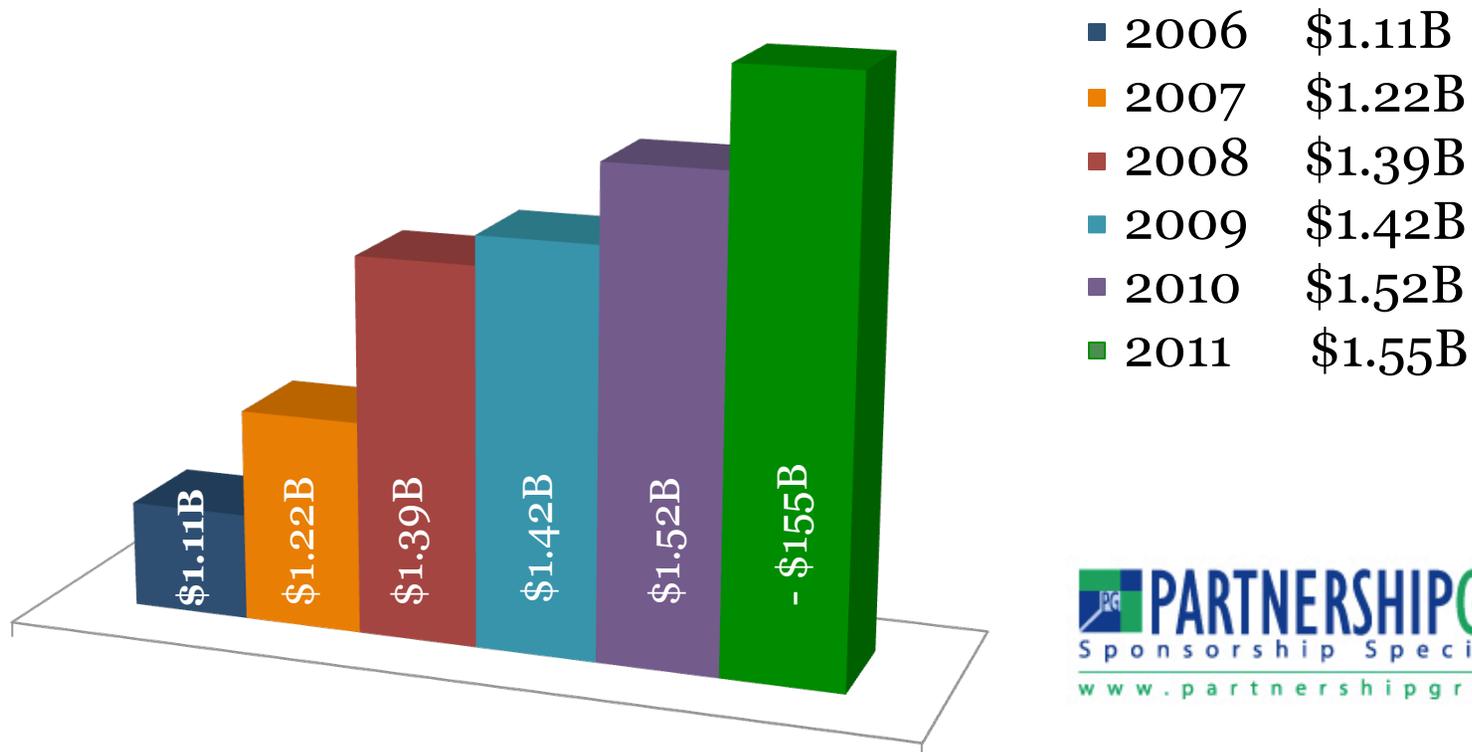


2012

2011

What has changed in the marketplace?

- ✓ **40% INCREASE** from 2006 in sponsorship investment in Canada
- ✓ Sponsors seeing better results than traditional advertising



What has changed in the marketplace?

- ✓ 20% of sponsors engage only in non profits and charities
- ✓ Sponsors are engaging on average with 100 properties per year
- ✓ 69% of Canadian sponsorship investment is cash
- ✓ 15% in product in kind
- ✓ 16% is service in kind

(Reported by the Canadian Sponsorship Landscape Study)



What has changed in the marketplace?

- ✓ A recent Canadian non profit study showed that 67% of nonprofits surveyed claimed sponsorship to be very important to their revenue mix
- ✓ 76% of these non profits identified sponsorship as one of their biggest revenue sources



- ✓ There is a need for additional revenue channels beyond the traditional ones
- ✓ The marketplace has become more competitive for both sponsors and properties

What has changed in the marketplace?

- ✓ Differentiation from competition
- ✓ Unique ability to interact with target audience
- ✓ Client entertainment
- ✓ Merchandising opportunities
- ✓ Showcase new or existing products
- ✓ Combat larger budget competition
- ✓ Drive sales or leads
- ✓ Create loyalty to a brand or product
- ✓ Deliver better ROI than traditional advertising



What has changed in the marketplace?

- ✓ The “big sponsors” were spending more
- ✓ “Small” and “Medium” level sponsors were spending less
- ✓ The average sponsorship in Canada is \$130,000

(Reported by the Canadian Sponsorship Landscape Study – produced by the University of Ottawa and Laurentien University)



TRICO HOMES

What is happening in the marketplace today?

- ✓ Who are the players in the market today both from the buying and selling side?
- ✓ For each of you, what are the keys to success to securing the dollars you need?
- ✓ A look at success stories and some “not so successful” stories

What is happening today?

Consumer Sponsorship Rankings 2011

- ✓ Coca-Cola and Molson were seen as the most active sponsors in all of Canada
- ✓ These were followed by Labatt, GM, McDonald's and then Tim Horton's



What is happening today?

- ✓ RBC was ranked #1 for financial institutions followed by BMO, TD, then CIBC and ScotiaBank
- ✓ Wal-Mart was recognized as the leading sponsor in large retail outlets followed by HBC, Home Depot, Sears, Canadian Tire and Home Hardware

WAL★MART®

What is happening today?

- ✓ The Canadian Cancer Society were recognized by Canadians as the most active sponsor property in the charity and cause sectors



Canadian
Cancer
Society

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What is happening today?

- ✓ The #1 ranked arts and cultural event in Canada according to Canadians was a tie between the **Canadian Tulip Festival** and **Festival du Voyageur** (followed by Carnaval de Quebec, ScotiaBank Caribana, Edmonton Fringe Festival and again the Stampede)

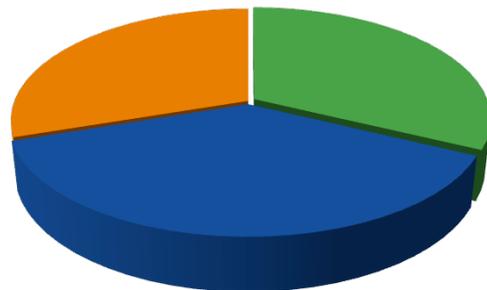
What is happening today?

- ✓ Some surprising results such as TIFF and Montreal Jazz Festival just barely made the top 10 festivals or cultural events in Canada
- ✓ **Canada Cup Curling Ranked #2 annual sporting event** and Tim Horton Brier barely made the top 10



What is happening today?

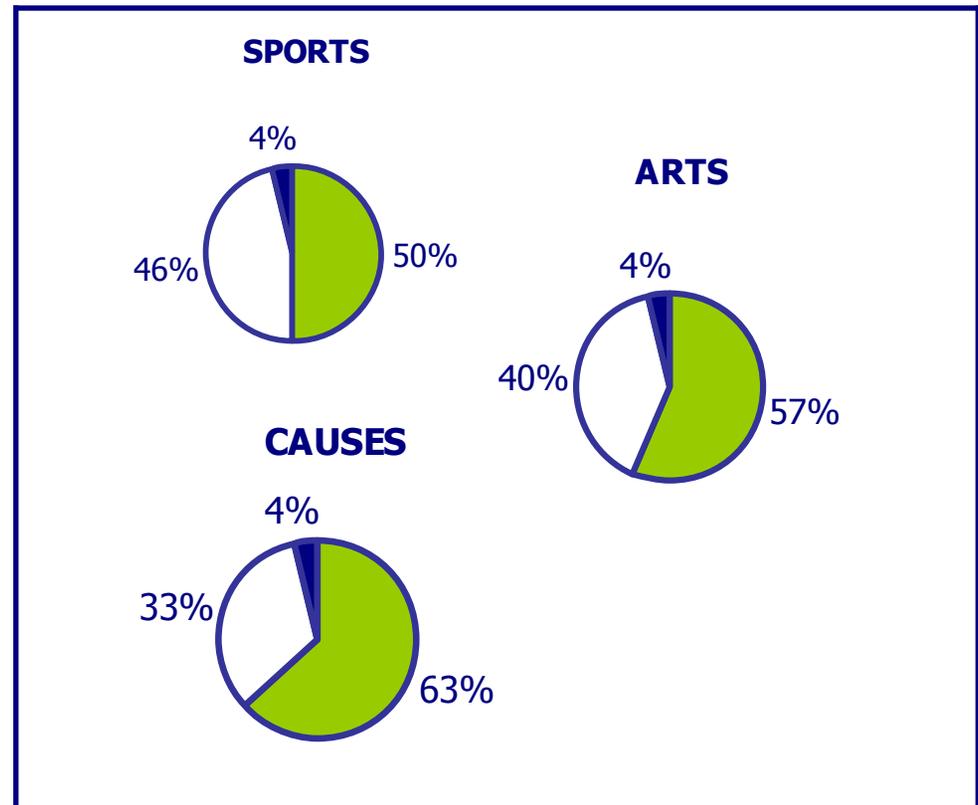
- ✓ 47% of Canadians said they would likely switch brands based on sponsorship of an arts and cultural organization, 55% said the same when the sponsorship is related to a cause and only 44% would do so in regards to sports
- ✓ **64% in Western Canada would likely switch brands if company made meaningful contribution to favourite cause**



- Arts and Cultural Sponsorship
- Cause Sponsorship
- Sports Sponsorship

What is happening today?

- 63% of Canadians agreed, that all other things being equal, they would prefer to do business with sponsors of favourite causes
- By comparison, 57% agreed to same statement regarding arts/cultural events and 50% regarding sports



CSR Insight: 70% of couples with no children prefer to conduct business with companies that support their favourite causes

What is happening today?

Retired CBC Dragon's Den investor and retired First Energy's CEO Brett Wilson in an interview held no punches when he remarked about his feeling on philanthropy.

“We’ve used charity as our marketing budget since day one”. He added “People would say no, giving is supposed to be altruistic. But I have said bullshit from the start. There’s nothing wrong with the scratched back approach to giving”

What is happening today?

Municipal Sponsorships are growing

- ✓ City of Toronto - \$50M
- ✓ City of Edmonton securing deal with Realty Executives
- ✓ Department of the Environment – Toronto – Canadian Tire
- ✓ Towns of Kindersley, High River and Taber
- ✓ Canadian Federation of Municipalities

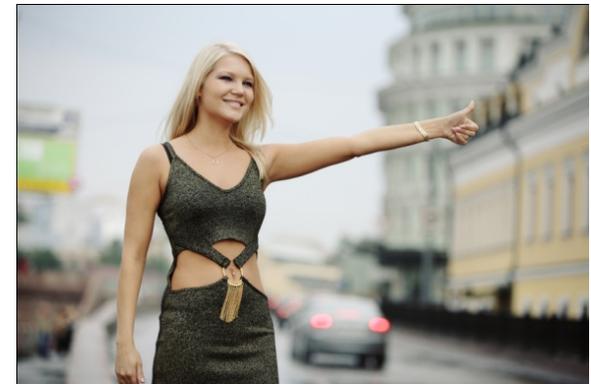
What is happening today?

- ✓ Wascana Centre secured a sponsorship with Affinity Credit Union for multiple years based on building a proposal through discovery sessions
- ✓ Ongoing results and secured sponsors for ACMG



What is happening today?

Toronto Symphony Orchestra and Banana Republic Clothing (GAP)



What is happening today?

- ✓ Winners engages in a multi year soccer sponsorship as title sponsor of women's soccer and women's youth (under 20) soccer
- ✓ Sponsoring 225 grass roots soccer teams across Canada



What is happening today?



World Vision



Youth Emergency Shelter Society



What is happening today?

- ✓ KFC blundered in 2010 with their double down fat chicken burger at the same time as the breast cancer launch for pink buckets of chicken



What is happening today?

- ✓ In 2011 they did it again with Mega Jug of Pepsi for just \$2.99 with \$1 of that going to Juvenile Diabetes (800 calories and 56 spoonfuls of sugar)



5 Keys to success

1. Determining what you have to sell and looks beyond the traditional
2. Determine the value of your assets and believe in that value and your worth
3. Do discovery sessions

5 Keys to success

4. Build proposals from ground up and customize
5. Build relationships and serve (steward) the partner

Questions



Thank You

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information

