

## **Montreal Discussion Forum Summary – November 22, 2007**

### **Concept**

Several key players from the sponsorship industry (event promoters as well as sponsors) were invited to take part in a discussion forum around the topic ***Linking Promoter and Sponsor Expectations in Event Sponsorships***.

### **Objectives**

Provide reference points and recommendations to sponsorship industry stakeholders seeking more informed points of view.

### **Guest experts**

Louise Beauchamp – VIA Rail Canada  
Serge Boulanger – Métro-Richelieu Inc.  
David Bourget – Molson  
Sylvie Charrette – Rogers Communications Inc.  
François Décarie – Festival Arcadia  
John DiTerlizzi – Montréal Impact  
Claude Doré – Québec City Summer Festival  
Lucie Lamoureux – Loto-Québec  
Jean Quintin – La Ronde  
Michelle Régnier – Festival international de Jazz de Montréal  
Danièle Saint-Amant – Festival Western de Saint-Tite  
Geneviève Trottier – National Bank of Canada

### **Facilitators**

Nicole Dubé – Fédération des producteurs de lait du Québec  
Hubert Richard – Effix Inc.

### **A. What do promoter and sponsor have in common when it comes to an event sponsorship?**

Contrary to what one may think, event promoters and sponsors have a number of goals in common, including:

#### **1. Delivering a unique experience**

Both parties clearly seek to provide a unique experience through the event. To succeed, it is important that they agree on the type of experience they want event participants to have.

## 2. Enhancing brand image

With their partnership, both the promoter and sponsor seek to enhance their respective brand images. The two parties must ensure that their brands mesh well together, so that they benefit from a mutual image transfer.

## 3. Ensuring profitability

The promoter must ensure that its event is viable, and the sponsor seeks a good return on its investment. The amounts invested and the value assigned to the various sponsorship components are therefore the key points of any event sponsorship agreement. The money issue cannot be avoided.

## 4. Creating a communications platform

The event should serve as a top-flight communications platform for both partners. It is thus very important that the messages not come into conflict with one another.

### **B. How does a promoter choose its sponsors, and vice versa?**

The two parties agree on the fact that the partner's image and reputation are of prime importance. Although it is difficult and not very common, in a context in which government sponsorships are increasingly rare, to refuse money from a sponsor, many events will not want to be associated with companies or products with an undesirable image, or companies whose product is likely to deliver an experience to event participants that does not correspond to the promoter's expectations.

In addition to the issue of the potential partner's image and reputation, promoters and sponsors should ask themselves several key questions before signing a sponsorship agreement:

#### On the sponsors' side

- Does the event enable us to demonstrate/allow people to experience our company's products?
- Will we be able to integrate the product or service into the event in a creative way?
- What is the profile of event participants? Will the sponsorship enable us to reach our target clients?
- Who are the other sponsors? How many sponsors will be there?

#### On the promoters' side

- What is the company's reputation? Will it reflect positively on the event?
- Is the sponsor relevant to our type of event? What about its products or services?
- Will the sponsor bring in more than money?

#### Evaluation criteria

Companies should provide a good description of their sponsorship policy, including specific criteria that event promoters can use to better target companies in their search for sponsors. It would be a good idea for these criteria to be easily accessible on the company's website, for example.

Meanwhile, event promoters should clearly establish the sponsorship leveraging standards, including non-commercialization rules and criteria for equity among the various sponsors (sponsorship structure).

### **C. How can event promoters differentiate themselves for potential sponsors?**

Too often, promoters still rely on a mass approach to finding sponsors. And yet, event promoters could greatly improve their chances of success with potential sponsors by following these few pieces of advice:

- Conduct an in-depth analysis of the potential sponsor so as to become familiar with its products and services as well as its customer base;
- Provide a concrete demonstration of how the company's products or services can be integrated into the event;
- Be creative when presenting a potential partnership; go beyond a mere media plan. This is possible only with a good understanding of the company as well as its products and services.

### **D. What can a promoter and sponsor do to give an event more clout?**

Event sponsorships that prove successful for all parties involved are based on the fundamental principle of a relationship of trust and respect between promoter and sponsor. If the two parties are not able to forge such a relationship, it will be difficult to give the event more clout and consequently increase the benefits for the sponsor.

Once the relationship of trust is established, the following points must be adhered to:

- Stay faithful to your values while remaining open to new approaches;
- State your objectives from the start of the relationship;
- Respect the fact that the other party may have different objectives and find an anchor point;
- From the start, clarify the parameters for linking the two brands;
- Make sure you profit from the partner's experience and expertise;
- Seek constant renewal through the partnership; adapt to the changing reality of the two parties; always find new ways of leveraging the sponsorship;
- If possible, bring the different sponsors together to create synergies.

#### Potential obstacles to the success of the partnership

It can be difficult to give an event more clout if its sponsorship has been approved by senior management without the consent of the marketing team, which may not believe the sponsorship is relevant.

The same difficulty will crop up if there is a lack of communication between senior management and the team in charge of coordinating sponsorship leveraging, on both the promoter and the sponsor side. It is vital that all levels of the company be in agreement on the rationale for the partnership as well as the objectives to be reached.

### **E. Is there value in long-term partnerships?**

First of all, "long-term" is understood to mean a minimum period of three to five years. Over a horizon of less than five years, it would seem it is difficult to achieve enough of a reputation as a sponsor and obtain a satisfactory return on investment.

Participants seemed to agree that there is value in maintaining long-term partnerships, as long as the following conditions are met:

- The relationship must be based on mutual trust and respect, and must evolve over time;
- The partners must be proactive and willing to constantly renew themselves and go the extra mile;
- The level of commitment of each party must remain high throughout the duration of the partnership;
- The company's priority target client base must remain stable over the course of the partnership;
- The quality and success of the event must be stable, at the very least;
- The partners' sponsorship contracts and leveraging rules must remain flexible so as to respond to the changing contexts of the companies and their marketing plans, while respecting the hierarchy of the other sponsors and the fundamentals of the non-commercialization rules, if applicable (especially in the case of certain arts & culture events).

#### **F. Are there types of commitment other than cash or goods and services?**

Cash as well as goods and services remain the essential need of event promoters. There may be reliance on several other types of commitment such as those listed below. Although they are considered to be beneficial to both parties, they do not always have a cash value within the sponsorship contract. A promoter will consider that a type of commitment other than cash has value if it normally would have had to spend money to obtain the product or service in question. For example, if a sponsor mentions the event in its newsletter, this clearly represents value for the promoter.

- Use the sponsor's product or service technology to serve the event;
- Incorporate a volunteer component by providing a company's employees the opportunity to give of their time during the event. This type of commitment, though not without risk, can have a very positive effect on employees' shared sense of identity, especially if they are enthusiastic about the event and have a real desire to be there;
- Leverage a sponsor's store network to expand the event's reach;
- Derive benefit from advantageous agreements or contracts between a sponsor and various suppliers;
- Use barter when possible;
- Make better use of the sponsor companies' websites; i.e., beyond merely providing mutual links on the event and sponsor sites (e.g., a company can offer to host contests or provide access to a specific contest mechanism);
- Dedicate space in the sponsor's communications tools (e.g., advertising, flyers, direct marketing, account statements) to the event so as to enhance its reputation and reach;
- Provide access to sponsors' databases (making sure, of course, to comply with fundamental rules of privacy protection).