

Traps for sponsors

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In the wake of the Holmes Affair, New Zealand businesses involved in sponsorship, or considering one, are probably wondering what might go wrong with their arrangements.

What are the benefits of sponsorship? Just how useful is it as a PR tool?

Is it basically a case of paying money for fame by association? If so, what are the risks when the star you're hitched to goes off course?

Mitsubishi probably didn't anticipate comments on breakfast radio would affect its brand by association with a television programme at the other end of the day. Neither does such an effect seem logical.

However, that was exactly the impact of Paul Holmes' now infamous "cheeky darkie" comments.

Researchers conducted daily interviews for Mitsubishi to gauge attitudes towards the brand, and related measures useful to the firm's marketing team.

These revealed a marked downturn in perceptions of Mitsubishi's brand — participants were drawing a link between Holmes' radio comments and the car-maker's association with his television programme.

This became a compelling reason for Mitsubishi to withdraw its sponsorship.

Mitsubishi used the Holmes Show sponsorship purely for "brand attachment", aiming to use its association with the show to favourably influence middle-aged, white-collar, car-buying television viewers. TVNZ's audience profile fits that objective and Holmes show promotional trailers and lead-ins provide the ideal opportunity.

Existing and would-be sponsors can learn a lot from the Mitsubishi example. Here's some basic suggestions:

1. Check for "natural fit" and opportunities for leverage. The Holmes show delivered the audience Mitsubishi wanted to reach. People in that audience associated the vehicle brand with the Holmes Show brand values. These have been described as "authority, longevity and connectivity".
2. Define responsibilities and expectations. Know what you want to get out of the arrangement. Mitsubishi wanted to build its brand, not promote product.
3. Ensure there is a realistic marketing budget, otherwise sponsorship is just a donation. This applies particularly in the area of sports and event



sponsorship. There are few rules of thumb, but allow at least three times the sponsorship investment to exploit the opportunity.

4. Monitor closely and review. Check regularly that the arrangement is still bringing you the planned benefits-by-association (remember, guesswork is not a form of research). If the benefits are no longer flowing and cannot be fixed, a quick clean break may be the best move.

Sponsorship can be an effective tool to reach a target market or those who influence them, by "piggy-backing" on already-established credibility.

But remember your sponsorship partner is only selling an opportunity. It's up to you to manage arrangements and relationships, and to make the most of the opportunity.

If you would like to know more about sponsorship and how you may be able to use it in your marketing, ask for the free

discussion paper "A Guide to Sponsorship: How to reduce the risks and reap the rewards".

It covers:

- The difference between being a sponsor and just making a donation.
- The 3 most common causes of sponsorship failure,
- 8 key questions you need to ask before you make a sponsorship commitment, and,
- How to identify potential risk in sponsorship arrangements.

Order your copy at

<http://www.shattock.net.nz/OrderSponsorship.html>

About the author:

John Shattock is a 36-year marketing veteran with media, marketing, research and public relations experience. He has won industry recognition with awards for his work in journalism, corporate PR and developing marketing programmes. He is an accredited public relations professional (APR) and a Fellow of the Public Relations Institute of New Zealand. A full company profile is available in pdf form from www.shattock.net.nz/Who.html

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