a benchmark, if a :30 spot in the game costs $3,000 (this information can be obtained from the company's media department or media buying agency), the cost for one spot per game (81 games) would be $243,000. Therefore, if the value of the BHP signage is not as valuable as a :30 TV spot, the value is something less than $243K.

You might determine that the value is 50% of a :30 spot or 33% of a :30 spot and then you could place a value on the element (50% = $121,500, 33% = $81,000). In addition, due to the location of the signage right behind home plate, it is embedded in the action of the game and can become a part of highlight reels (e.g., ESPN's SportsCenter, sports coverage on the local news, etc.) if a big hit or play happens during the ½ inning your company's signage is visible. This can be a nice by-product of the signage, but since this cannot be guaranteed in advance, very little value should be placed on this aspect. Because Grandpa's is hoping to drive awareness of the brand, the BHP signage can be an effective way to drive exposure. Therefore, the value ratio for Grandpa's will be 40% in this scenario

Value = $97,200

Section 7 – How to Develop a Sponsorship Activation Plan

Now that you've finalized the sponsorship deal, what's next? What do you do with the assets you've obtained in the deal? Where do you start? Who should you include in the planning process? This section is designed to answer those and other questions. By the end of this section, you should be able to easily answer these and other questions, and will have a much better idea of how corporate America activates a sponsorship.

As you learned in Section 2 ("Why Sponsorships"), simply put, the ultimate goal of a sponsorship is to achieve a specific business objective or objectives. On its own, signing the sponsorship deal doesn't help the company achieve its objective. For example, if Miller Brewing Company signs an NFL team sponsorship with an objective of driving sales of its Miller Lite brand in that particular NFL market, simply signing the sponsorship deal won't guarantee that the company will meet that objective. Until resources (staff and dollars) are allocated to communicate the sponsorship and why consumers and/or fans of the team should purchase Miller Lite, the sponsorship doesn't have a chance to be successful.

It's no different than marketing a new brand. If a company doesn't take the time to tell consumers that the brand exists and why they should purchase it (e.g., special product features, etc.), the new brand won't have a successful launch and probably won't be around for too long. **In order to maximize the value of a sponsorship investment, you must utilize the assets negotiated in the deal to achieve the objectives laid out for the sponsorship.** In order to stay focused on these ever-important objectives, companies develop a sponsorship activation plan.

Before we get started developing the activation plan, there are two important thoughts to keep in mind….

1. *A company must be prepared to spend above and beyond the cost of the sponsorship to maximize the value of the investment.*
2. *The major idea for the sponsorship activation plan should be known prior to finalizing the negotiation.*

Let's look at a very simple example to further explain the first point.

Your company (Grandpa's Root Beer) signs a sponsorship deal with a Major League Baseball team and receives the following assets in exchange for the financial commitment:

- *Use of team logos and trademarks*
- *½ inning of behind-home-plate rotational signage*
- *Four (4) season tickets*
- *Two (2) player appearances (negotiated directly with players/agents, not the team)*
- *Lunch for ten (10) people with the General Manager (GM)*
- *Opportunity for one person to throw out the ceremonial first pitch at a home game*
- *Opportunity to set-up a sampling booth at one-hundred (100) team-organized community events*
- *Opportunity to include product information/offer in mailings to season ticket holders*
- *Pool of 10,000 tickets*
- *One (1) suite night for 20 people*
- *Pouring rights for Grandpa's Root Beer and Diet Root Beer in the stadium (e.g., product is sold at stadium concession stands and by vendors)*
- *Pass-through rights*
- *Five (5) radio spots per game (1 – pre, 3 – during, 1 – post)*

The following scenarios will demonstrate different ways Grandpa's Root Beer could use the assets of the sponsorship to achieve its objective(s):

SCENARIO 1

In this scenario, the only assets used are the following:

- *Placing "Grandpa's Root Beer" on the home plate sign*
- *Selling Grandpa's beverages in the stadium*
- *Radio*

Analysis: In this scenario, Grandpa's generates visibility for its brand from the sign behind home plate and drives sales of its product at the stadium, but derives no other value from the unused elements in the sponsorship package. The unused assets should never have been purchased which would have saved Grandpa's Root Beer significant dollars in the negotiation.

SCENARIO 2

In this scenario, the following assets are used:

- *"Grandpa's Root Beer" appears on the home plate sign*
- *Products are sold at stadium concession stands*
- *Season tickets, lunch with General Manager and first pitch opportunity are provided to the sponsorship manager's friends and co-workers to use*
- *Radio*

The player appearances and at-stadium sampling opportunities at team events go unused because no one takes the time to organize the events.

Analysis: Once again, Grandpa's Root Beer receives exposure on the stadium sign, sells its products at games and the sponsorship manager's friends and co-workers most likely enjoyed themselves at the games, at lunch with the General Manager and throwing out the first pitch. This person's friends may or may not like him/her more because they were provided these opportunities, but the company doesn't benefit in any tangible way.

In addition, company executives would not be pleased that the tickets, etc. were provided to the sponsorship manager's friends and co-workers rather than being used to benefit the company.

SCENARIO 3

In this scenario, the following assets are used:

- *The behind-home-plate sign is used to advertise Grandpa's NEW Diet Root Beer that launched at the beginning of the baseball season.*
- *Radio spot was developed with a baseball theme linking the product to the team and driving consumers to retail locations to purchase the product*
- *One of the player appearances was used for the player to record the script for the radio spot.*
- *Radio spots*
- *The other player appearance was used as barter with a top retailer in exchange for prime display space in the store.*
- *The tickets were used as giveaways in a sales contest that beat sales projections for the new brand by 10%.*
- *The lunch with the GM was used as the prize for an incentive contest for the local sales force that calls on retail accounts. The top 10 performers were invited to attend the exclusive lunch.*
- *The suite night was used as the grand prize for a sales promotion conducted during April and May (winner could take 19 friends to the game).*
- *As in the other examples, Grandpa's Root Beer and Diet Root Beer were sold at stadium concession stands, but this time, Grandpa's developed a special commemorative souvenir cup that was used when its product was purchased.*
- *The opportunity to throw out the first pitch went to the store manager at the local retailer that had the top Grandpa's Root Beer sales for the market.*

Analysis: Clearly, this scenario illustrates the company taking full advantage of the assets from the deal to drive business (sales of the new Diet Root Beer product). Also, in this example, Grandpa's spent incremental dollars to conduct the sponsorship activities (e.g., develop/produce creative for behind-home-plate signage, develop/produce radio spot, develop/communicate/track results of the sales contest for the season tickets, lunch with the General Manager and first pitch opportunity, develop/product souvenir cup as well as promotion/execution of the player appearance). As you can see, unlike the first two scenarios in which very little time or money was spent on the sponsorship, that wasn't the case with this final example. For all these reasons, this example has a much better chance of driving Grandpa's Root Beer business than the first two scenarios.

These examples may be a bit extreme but I wanted to show the importance of utilizing the sponsorship assets to drive business, which takes time and money to execute. For years, the general rule in sponsorships was the average company would spend 3x the cost of the sponsorship to activate it in a way that would achieve the stated objectives. Therefore, if the deal cost $1 million, the company would most likely spend up to $3 million developing and implementing the activation plan. As sponsorships costs continue to increase, companies don't spend quite to that level, but the overall activation costs are still very significant. In fact, according to industry experts, IEG, the average company now spends about $1.70 for each $1.00 spent on a sponsorship deal. Regardless of the exact ratio, the concept remains the same and companies must be prepared to spend significantly after the deal to maximize the value of the investment. If not, the sponsorship doesn't have a chance to be successful. **In almost every situation, if a company isn't prepared to spend the activation dollars, they're better off not signing the deal in the first place.**

The second important point referenced above (that was also mentioned in Section 5 – "How to Negotiate a Sponsorship") is that **companies should develop their activation plan PRIOR to negotiating the sponsorship.** By developing your plan in advance, you can negotiate all the necessary assets in the deal. If you don't develop your plan until after the deal is signed, there's a very good chance you won't have the right assets to implement your ideas. As you can imagine, it's difficult to know what assets to negotiate for if you have no idea what your plans are for the sponsorship. It's not necessary to have all the tactical details of the plan finalized, but it is extremely helpful to know any big promotional or advertising ideas.

Section 8 – How to Break Through the Clutter

The chart below shows the number of sponsors for some of the top national properties:

Property	# of Sponsors
NFL	22
MLB	18
NHL	22 (10 – Canada only)
NBA	21
WNBA	17
NCAA	8
NASCAR	46
MLS	21
PGA TOUR	55
LPGA TOUR	24
US Olympic Team	10 (plus 12 worldwide TOP partners)

As illustrated above, a sponsor is often just one of a larger group of at least 20 companies that have secured similar sponsorship rights and benefits from the property. **You could reason, then, that sponsors are competing against each other for attention from the property's target audience.** Let's examine this for a minute using the NFL as an example.

At the time this manual was written, the NFL had 22 sponsors. As part of its sponsorship, each of these companies would presumably receive a number of highly-coveted NFL Super Bowl tickets. As you learned in the activation section, sponsors utilize the assets received in a sponsorship deal to drive business. Well, if all 22 NFL sponsors conduct consumer promotions to give away Super Bowl tickets, there is no sense of uniqueness for any of the sponsors. Sponsors have tried over the years to make the ticket giveaways unique by adding a different spin to it:

- *Giving away a large number of tickets so the winner can take his friends/family ("Win 10 tickets")*
- *Giving away tickets for a period of years ("Win Final Four Tickets for Life")*
- *Having the winner attend the game with a celebrity or former player (e.g., Attend the Super Bowl with Joe Montana, Attend the NHL Stanley Cup Finals with Bobby Orr, Attend the World Cup with Pele, etc.)*
- *Giving away tickets to multiple games (e.g., Attend each of the four Bowl Championship Series games via travel on a private plane, attend the NCAA Men's and Women's Final Four in the same weekend, etc.)*

This is exactly why sponsors are searching for unique programs that belong exclusively to them and, most importantly, can't be emulated by either business competitors or other league sponsors. **In other words, differentiation is the key.**