



# FIBA

We Are Basketball

# PROMOTING

# 4

## 4.3 SELLING TO SPONSORS



### WHY YOU SHOULD READ THIS CHAPTER?

#### Sponsorship is Changing: be Ready for the Challenge!

Selling. A word we, as both basketball and sport lovers in general, don't always like to say. On the other hand, we all know that we need to sell our sport in order to ensure future growth. The challenge, however, is this: while we are continuously learning how to sell our sport, the buyers, or sponsors, are constantly changing and evolving as well.

Markets vary too much from one country to another to enable this chapter to give you a list of concrete selling techniques. However, this chapter will help you to identify the areas you need to improve and the skills you might need to acquire in order to become even better at selling.

This chapter also tells you how today's sponsors are changing, so that you can adapt accordingly in the sales process.

While sponsors are getting more and more educated about their involvement in sport and their expected return on investment, we need to become more knowledgeable about what basketball can offer them and how.

The better answers you have to questions raised by potential sponsors', the more chance you will have to get it on board. It's not an easy task, but it is a vital one. Good luck!



<b>4.1 BRANDING THE SPORT</b> .....	<b>1</b>
<b>4.2 MEDIA RELATIONS</b> .....	<b>9</b>
<b>4.3 SELLING TO SPONSORS</b> .....	<b>23</b>
1. Selling Basketball to Sponsors – Build It Up! .....	25
1.1 Developing the Messenger .....	25
1.2 Defining the Message .....	25
1.3 Telling the Message .....	26
2. Selling the Message .....	26
3. What are Today’s Sponsors Looking For? .....	27
4. Market is Changing .....	27
5. Marketing is Changing .....	27
6. Sponsorship is Changing .....	28
6.1 Traditional Approach .....	28
6.2 New Approach .....	29
7. What do the Changes Mean to You? .....	30
8. Some Approach Techniques .....	30
8.1 The Preparation and the Initial Contacts .....	30
8.2 The Content of the Sales Call .....	31
8.3 The Conclusion of the Sales Call .....	31
9. Keep in Mind .....	32
<b>4.4 TELEVISION</b> .....	<b>33</b>
<b>4.5 EVENT MANAGEMENT</b> .....	<b>43</b>
<b>4.6 EVENT MARKETING</b> .....	<b>63</b>
<b>4.7 BETTING</b> .....	<b>73</b>



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**4**

## 1. Selling Basketball to Sponsors – Build It Up!

Sports organizations need money. Attracting more sponsors is becoming more and more difficult, especially at the national level. Very often, the blame is placed on the marketing manager, the marketing agency, the bad economic environment, or perhaps on all three.

The fact is that today's sponsors are getting more and more professional in their approach to sports. They analyze their partnerships with a more scientific, rational approach than they did in the past. For example, they may judge the relevance of their partnerships on the direct impact on sales. It is a fact that sports organizations often don't ask themselves the right questions. Who are we? What is our product? What is our message? To whom is it addressed? How do we communicate our message?

The sponsors analyze their partnerships with a more scientific, rational approach.

Identifying a message is not rocket science, but it requires a little bit of time and some logic. Because there is a successful sequence to follow this should be built from the inside.

So how do you do it? It might be worthwhile taking a few steps back to prepare yourself before you start selling your message. How do you go about re-evaluating yourself and identifying what you want to be known for before you start to be known? Let's take a look at the four main steps on the way to better sponsor attraction.

1. Developing the messenger
2. Defining the message
3. Telling the message
4. Selling the message

### 1.1 Developing the Messenger

Before starting to look at ways in which the organization could do better, what about starting to look at ourselves. The organization and its product, Basketball, is only as good as the people that manage it. Before improving the organization, it's the people that make it that need to grow. We are talking here about personal performance and self-management. We all need to keep in touch with modern principles and new management techniques. Learning more about specific techniques can not only improve the eagerness to grow, but also improve general motivation. It is only in this state of mind that an organization is ready to redefine itself. But let's not forget, personal performance improvement is a continuous process.

### 1.2 Defining the Message

At this stage, well before starting to sell, it might be a good idea to define what the organization is all about. What are its core values, how can the sport become a real "brand", and how can this "product" be positioned in order to be better sold (see chapter 1 in this section)? A commercial goods company would always go through this stage of identifying and/or redefining a product content and image before starting to put it in front of the public. Why not a Basketball Federation? Is the format of our sport right for today's society? Is the format of your main competition suited for television, for spectators, for athletes? How can our sport become more attractive, become a better product? Learning more about image building and branding techniques is key here. Because it is only when the product and/or the way the organization wants it to be seen, that the public can be attracted. Not before:



talking about Basketball, its values and what it stands for, without having carefully thought about how this message can find its place in today's modern society can be very damaging. If the message is not the right one, why try to spread it?

### 1.3 Telling the Message

Now that the messenger is trained and the message is defined, it is time to talk about it. Then again, it is crucial to do it the right way. It is all about finding the right ways to communicate what it is that the organization wants to be known for. How can this message be distributed, and tailored to specific audiences? How can the organization be more effective in terms of media relations? How can the sport create positive news, even when there are no specific events going on - for example between two seasons? Well, that is what public relations is all about. Multiplying the message to different audiences requires specific skills, but those are very worthy. And there is no need to outsource, the right training can already help a lot.



Well, that is what public relations is all about. Multiplying the message to different audiences requires specific skills, but those are very worthy. And there is no need to outsource, the right training can already help a lot.

## 2. Selling the Message

We've defined, we've told. We're getting there: we sell! The clearly identified message has been broadcast and the general perception of the product has improved. The public responds to the values communicated and is ready to connect even more with the sport. Now that is attractive to potential sponsors. Let's not forget that sponsors join a sport not because they like the sport, but because they like the relationship that the public has with the sport. The stronger the relationship, the better the chance to

**Commercial partners most often want to surf on the wave, not create the wave.**

attract sponsors. Commercial partners most often want to surf on the wave, not create the wave. So here's the last step: before approaching a potential sponsor, the sports organization needs to prove that he (the sponsor) will benefit from the particular relationship that the sport has with its public. If this public falls into the sponsor's target

market, then we have a winner. This kind of internal research is of course not an easy task. It requires basic but good marketing knowledge. Who are the people practicing the sport? Who is watching it? Where are the opportunities, where will the organization be the most successful in selling this message? Why? Can an agency better do this or should the organization do it itself?

As you see, there is a careful sequence that you should follow. Too often, sports organizations try to sell an image that has not been defined, or even told. Finding new sponsors is a general need in the sports world. And a difficult task. Those who are successful at it are doing it right – right from the beginning. But in order to do it right, you need to understand what today's sponsors are looking for.



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**4**

### 3. What are Today's Sponsors Looking For?

Revenues from sponsors are important to every sports organization – big or small, local or international. Moreover, it can be expected that with a continuing decline in revenues from Television, the importance of sponsorship as a source of income for sports organizations will increase over the coming years. At the same time sports sponsorship is changing quite dramatically and so is the focus of the sponsors.

Let's take a look at some of the changes and try to develop some advice for sports organizations on how to adjust to these changes.

### 4. Market is Changing

New technologies and the increase of options within all areas have provided the consumers with the power. The consumers hold the cards now: they are in general better informed, they are better educated and they can in general afford more. Moreover, they (we!) are unconvinced of advantages of the products advertised and the information overload leads to increased zapping in every aspect. It has become very difficult for companies to reach the consumers. At the same time today's consumers constantly seek new challenges and want to explore new horizons.

These trends lead to the fact that the loyalty between consumers and companies or brands is getting weaker and it is getting more and more difficult for the companies/brands to both reach the consumers and to maintain relations with them.

### 5. Marketing is Changing

These changes in the market have consequently led to changes in corporate marketing and a much wider choice of communication and distribution channels are now available (multi-channel strategy). At the same time individual companies' products have become more interchangeable and with an increasing imitation in most sectors, the profit margins of many consumer products are shrinking. Moreover, because of the changes among consumers and the difficulty for companies in reaching these consumers, the customer acquisition costs are rising.

So if this is all bad news for the companies/brands, what should be done about it? Two inter-related keywords are in play: relationships and loyalty. Creating relationships is becoming the key instrument in the marketing efforts of many brands because the establishment of a relationship between the brand and the consumer is a way to create loyalty between the consumer and the brand. So how should one create a relationship? Well, the trick is to move the brands upwards in terms of differentiation and consequently pricing. The price of a product will increase with the differentiation and if a product or a brand can get to the final stage where it actually provides an experience to the consumer then a strong relation can be built and loyalty established.

Sport and sports sponsorships can play an important role in the process of adding experience to a brand and that is why many brands are now adjusting the way that they use sponsorship within the marketing mix.



## 6. Sponsorship is Changing

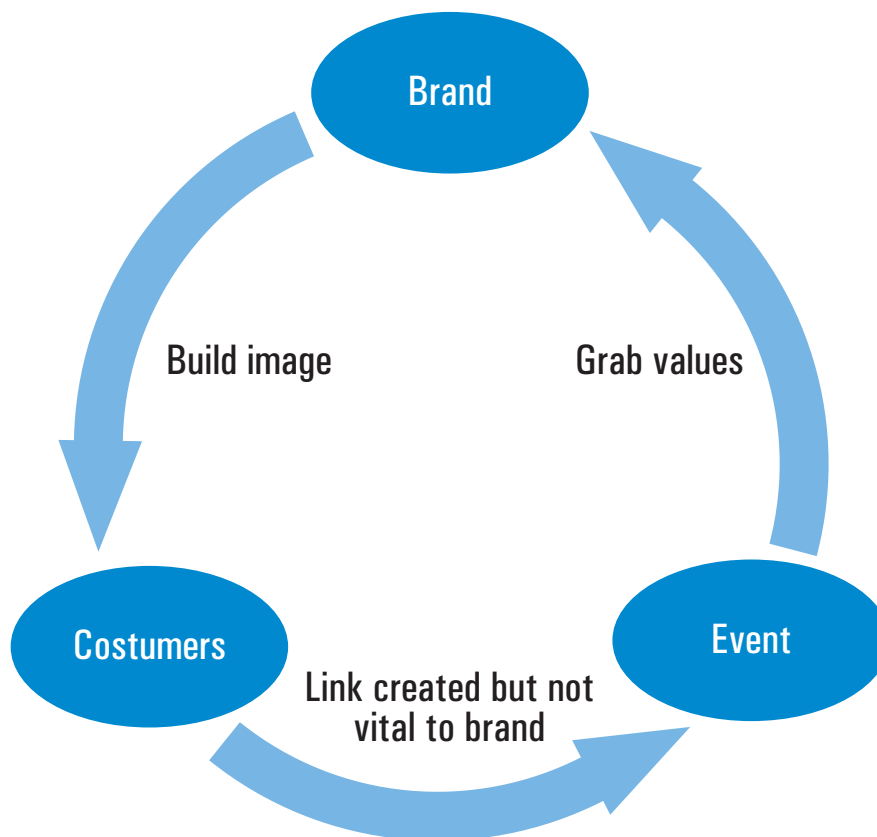
Sponsorship is traditionally defined as “an investment in an activity, in return for access to the exploitable commercial potential associated with that activity”. That is still valid, but it is the way that the commercial potential is being exploited that seems to be changing.

### 6.1 Traditional Approach

Traditionally sponsorship has for many years been used as a tool to build awareness and to increase the image of a brand. It has served as a new and different instrument, yet still integrated into the communications mix with classic advertising, PR, sales promotion, direct marketing etc.

The keyword has been brand-centric. Brands were looking to sponsor events that could help build and promote their brands. The brands “grabbed” or at least tried to transfer the values of the event into their brand in order to build an image of their brand that could attract customers. If a relationship could then be established between the consumers and the event, it would further build the brand. Whether it was about creating awareness for the brand, building an image for the brand or re-positioning a brand, the companies used sponsorships to answer brand needs. The figure below explains the phenomenon.

The traditional approach:





### 6.2 New Approach

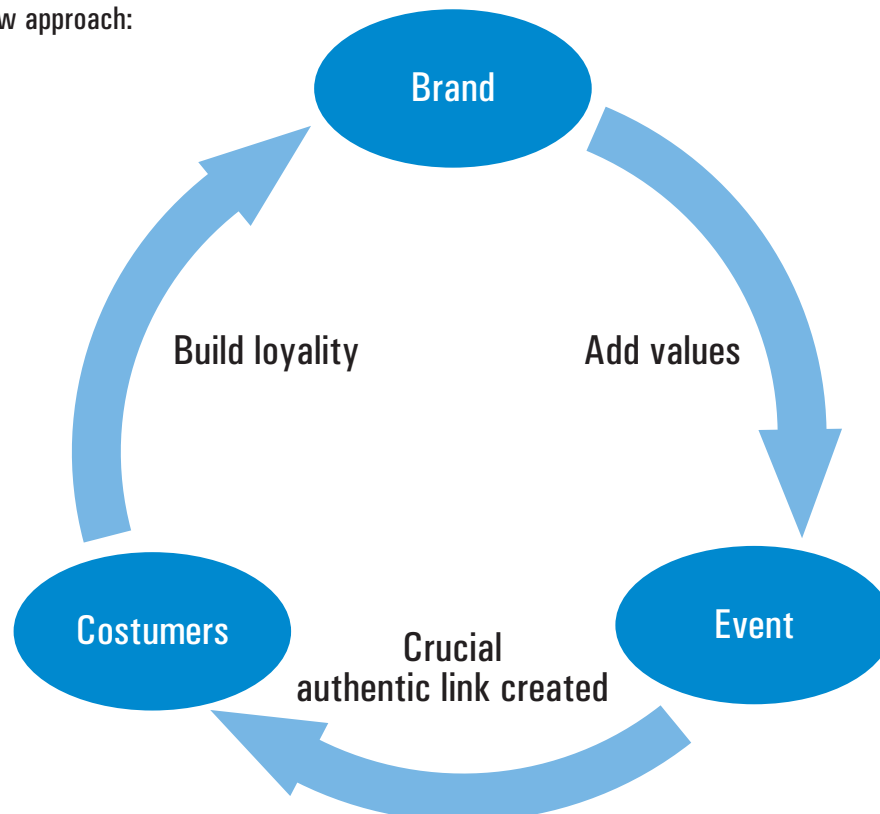
The core element of the new approach for sponsors is that the focus is not on brand needs but on answering consumer needs. As described earlier, one of the main objectives for brand today is that it must build relationships with consumers in order to create build loyalty. Today's brands must add value to their consumers and sponsorship offers a unique opportunity for brands to do something for the consumers that they really care about.

The core element of the new approach for sponsors is that the focus is not on brand needs but on answering consumer needs.

The key word is consumer-centric. Brands are looking for events that provide an authentic link with the consumer that the brand needs to target. What do the consumers like, what interests them, etc? When such an event has been identified, the brand gets involved and supports the event – places itself behind and in front of the event – and thereby pleases the consumers, who will recognize the involvement of the brand. Thus a new way for building loyalty has been created. The better event, the more satisfied the customers (of the event and the brand) will be. The better that the relations between the customers and the brand become the more the customers are likely to stay with both the event and the brand.

It can often be difficult for sponsors to find just the right event that provides this authentic link between event and consumers. That is the reason why many of the brands involved is this consumer-centric sponsorship start to create events/rights instead of buying events/rights and this is a trend that will probably grow steadily over the coming years.

The new approach:





## 7. What do the Changes Mean to You?

The market, marketing and sponsorship is changing – what does this mean to you and the way your sports organization would approach sponsors? Well, first of all you need to keep in mind that all trends are relative and that sponsors still have many different reasons for sponsoring. The so-called “donating sponsor” whose sponsorship decisions are based not on any marketing related considerations but merely on personal preferences for certain sports or events are still in play. In general, the first thing you

All trends are relative and sponsors have many different reasons for sponsoring.

have to identify is what the objectives of the potential sponsor are and try to work out how you can help them to achieve these objectives.

Basically these sponsorship trends are good news for you because it will provide a much wider field of options for you when you approach a potential sponsor. You don't necessarily need to offer the sponsor

huge media coverage of your event, etc. because that might not be what they are looking for. Maybe they will be more interested in doing something new or special for their customers or for their potential customers and therefore you need to identify how your organization/event can help.

Even though sports sponsorship is developing fast and is becoming ever more sophisticated, it is basically about this: every company is constantly looking for ways to build better relations with their customers and other groups who are important to them. How can you help? The better answer that you can give to help them to achieve this, then the more sponsor revenue you will get.

## 8. Some Approach Techniques

Let's look at some key points in the approach of a potential sponsors. The beginning of a sales process is very often made through a telephone call. This is a critical moment: the moment in which you will – or not – succeed to get a meeting. This moment is always made of three parts:

- The preparation and the initial contact
- The content of the sales call
- The conclusion of the sales call

### 8.1 The Preparation and the Initial Contacts

To find your potential contacts:

- Use trade and business directories for new contacts.
- Contacts from existing customers.
- Local, national and trade press and magazines.
- Have an open mind - look around for new opportunities.
- Find the sponsorship decision maker.
- Draw up a checklist of potential targets.

Hints for the initial approach:

- Aim for the most senior person possible.
- Research the best time to call them.



- Don't upset receptionists or secretaries.
- Identify exactly who you need to speak to.
- Develop techniques to handle difficult receptionists/secretaries.
- Don't give any hint of a sponsorship proposal.
- Avoid writing or sending details.

### 8.2 The Content of the Sales Call

Once you have reached the right person, the decision maker:

- Identify yourself and quickly get their interest with a new topic.
  - Use research to draw up a topic checklist.
- Always sound enthusiastic.
- Show how the sponsorship will benefit their business.
- Use open questions to probe for information.
  - Draw up a checklist of questions.
- Sound natural, don't read from a script.
- Don't invite negative responses.
- Encourage talk about their past achievements.
- Use objections positively:
  - "you're absolutely right, this is why our proposal is different..."
- Discover the real concern behind their objections.
- Respond with reasoned argument and benefits.
- Create new lines of discussion
- Leave cost discussion for as late as possible or even avoid it prior to the meeting
- Respond to cost objections by stressing sponsorship value and benefits

### 8.3 The Conclusion of the Sales Call

Again, your goal is to set up a meeting with the head of marketing, or sponsoring. Here are some hints on how to achieve this during a phone conversation:

- Always make a 'close' on the conversation, don't go on forever.
- Vary the 'close' on tone of the conversation, tone of your voice.
- Aim to make an appointment to meet.
- Detail amount of time appointment will take.
- Four ways to conclude:
  - Assertive Close: "Your office or mine ?" to force the close
  - Assumptive Close: "I'll come and see you on..."
  - Interest Signal Close: "If I came over, I could go through that with you."
  - "No Interest" Close: "We should talk again in a few months..."



- End call positively, agree next step.
- Confirm result by fax, letter or e-mail.
- Ensure appointment details are passed to relevant person.
- Up-date records ready for future calls.
- Use follow-up calls to build relationship.
- Use diary to plan calls.
- Keep good records - contact details, details of conversations, personal details etc.

### 9. Keep in Mind

While the sport sponsorship market might be changing and get more crowded and more knowledgeable, the sales process will remain mostly the same. The key is to improve “the messenger” first, the person(s) or the department in charge of selling who will always need to have the necessary skills to sell. Selling is not an easy task, but by starting from the beginning, by improving the way we approach the sale, by improving our product(s) itself, by packaging it better (see Branding chapter), the sales process will become much easier and more successful.