



Club-IQ

# Sponsorship guide



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The information presented in this guide:

- is general in nature and does not consider your organisation's specific situation;
- is correct at time of publishing; and
- should not be considered as legal advice.



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## What is sponsorship?

At the grassroots sports club level, sponsorship is often mistakenly viewed as an entitlement rather than an earned privilege. Clubs tend to believe that in exchange for sponsorship money, merely displaying a sponsor's logo on team kits, placing a sign on the fence, or including a website link is adequate. However, this perspective falls short of a genuine sponsorship deal and would be better suited to acknowledgement of a donation.

Sponsorship is a mutually-beneficial relationship wherein both parties seek to gain through an equitable exchange. Consider sponsorship as a business collaboration with potential sponsors, where value should be given and received by both sides.



Clubs can benefit greatly from sponsorship through financial support or access to free or discounted products and services. On the other hand, sponsors should receive tangible value from their investment. For them, this means enhancing their sales or service reach due to the marketing access they gain to your club, its members and attendees at your activities and events.

While promotional tactics such as signage, logos and website links are a good starting point, they shouldn't be the extent of your strategy. Instead, you should focus on the question, **'How can we help our sponsors sell more of their products or services?'** This approach, focusing on measurable benefits rather than static promotional elements, provides more of a business partnership rather than just asking for donations.

And if your sponsors do experience positive impacts on their business thanks to their association with your club, they're more likely to extend their support in the future, fostering a lasting and fruitful partnership!



# Sponsorship is marketing

At its core, marketing is the communication between an organisation and its potential customers or target markets. These target markets comprise groups of individuals with similar wants and needs who are seen as potential customers by the organisation.

From the customer's perspective, they are looking for benefits that will meet their wants and needs. Therefore, the objective of marketing lies in:

- Contacting multiple potential customers simultaneously
- Shaping the perception of the organisation in the eyes of the public
- Enticing individuals to engage with the organisation or its offerings

When it comes to grassroots sports clubs, marketing involves communicating to the community the benefits they'll receive from joining the club.

Sponsorship is an extension of this marketing principle, but with a shift in focus. Sponsorship is essentially marketing on behalf of your sponsors. It aims to offer them opportunities to promote and sell their products or services to your club members through high exposure and strategic promotion.



Sponsorship is a form of marketing - for your sponsors!

# The sponsorship proposal

For your sponsorships to be successful you need to have a realistic understanding of what marketing initiatives you have to sell to sponsors, how much they are really worth and what benefits they will provide to sponsors.

'Pre-packaged' sponsorship proposals (e.g. Gold, Silver and Bronze packages) are less personal. So you should develop your sponsorship offerings individually to specifically target the marketing aspirations of each potential sponsor. Remember, sponsorship is about helping them sell more of their products or services, so that should be the main focus of your sponsorship proposals.

## Your sponsorship proposal should include:

- A very brief introduction to your club
  - Who, what, when, where, why, how
  - Keep this part short. Assume that the potential sponsor cares more about what's in it for them than they do about you
- Details of the marketing opportunities on offer through your sponsorship
  - How will sponsoring your club help the sponsor sell more? What benefits and opportunities will your sponsorship provide?
- The proposal
  - What will the sponsor need to pay in return for your proposed marketing and sales opportunities?
  - How long is the arrangement going to last?
  - What will you do for them during the period of the sponsorship?
  - How will you track and report on the benefits that the sponsor receives throughout the term of the arrangement?



When compiling your sponsorship proposal, you should target each potential sponsor individually and let them know that you understand their business and how sponsoring your club will help to increase their brand recognition and sales.



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### You could offer:

- Signage, logos, social media and website promotion
  - While it's only one part of how you should support your sponsors, promotion via signage, logos and names on uniforms, banners and promotional materials, and promotion via social media platforms and websites helps to extend your sponsors' reach to more of your club's customers
- Media exposure
  - Sponsors can benefit from being recognised in media coverage of games, tournaments or club events
- Access to your club network
  - While you can't share your club member database with sponsors, you can help sponsors to leverage your club's network of members, supporters and partners if you distribute promotional materials on their behalf
- Product placement and sampling
  - Depending on the nature of the sponsor's business, they may have opportunities to showcase their products or offer samples at your club events and activities. This allows them to directly and personally engage with more potential customers
- Hospitality opportunities
  - You can offer sponsors exclusive opportunities such as VIP tickets to games or special events, allowing them to entertain clients or employees in a unique setting
- Promotional events and activities
  - You can invite sponsors to host promotional events in collaboration with your club events and activities, such as meet-and-greets with players
- Naming rights
  - In some cases, sponsors can obtain naming rights to tournaments, competitions or your facilities, which can provide significant long-term exposure
- Community engagement through joint events
  - If your sponsors are engaged in other community service activities (e.g. charity work or environmental activities such as tree planting days), your club can join them to help deepen their ties with the local community, demonstrating their commitment to supporting local organisations and initiatives
- Personal introductions
  - Your committee members can personally introduce sponsors to members who may be in the market for their products or services. Personal introductions provide your sponsors with an element of trust in the marketplace
- Exclusivity
  - If your club purchases goods or services that your sponsors provide, you should enter into exclusivity arrangements with them in recognition of your partnership

If your club purchases goods or services that your sponsors provide, you could enter into exclusivity arrangements with them in recognition of your partnership. If you go into such an agreement ensure there's a clause to allow for exceptions in cases where the club is contractually bound to seek alternative quotes, for example for grants.





# Selling the proposal

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In pitching your proposal to potential sponsors, consider how you will present the proposal and how you will follow-up.

- It is always best if you can present the proposal in person and meet the decision makers
- Ensure that the person presenting the proposal is well prepared and well presented
- Anticipate questions that the sponsor may have and prepare responses
- Follow up after the meeting

When negotiating the deal with a potential sponsor, have a clear understanding of areas which can be changed and those which are fixed. Most importantly, if you are confident in your sponsorship and its pricing, any change in price should result in a change in product.

## The deal

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Regardless of the size of your sponsorship, you should enter into a written agreement with the sponsor which clearly spells out the obligations of each party. This is the best way to ensure that both parties agree on all terms of the sponsorship and to avoid conflict down the track.

## Sponsorship servicing

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Retaining sponsors is much easier than replacing them. Once you successfully engage sponsors, communicate with them and ensure that they receive perceived value from the sponsorship.

**It is imperative that you deliver and communicate what you have promised to your sponsor, as a failure to do so may result in your club losing the sponsor.**

Ways to help communicate to your sponsor and provide value include:

- Statistics - how much business did you drive to the sponsor?
- Details of how you measured the success of the sponsorship (e.g. members checking in on social media when purchasing from the sponsor)
- Thank you letters or certificates of appreciation
- Newsletters, social media mentions or press clippings showing recognition of the sponsor
- Regular written reports
- Speak to your sponsors personally at least monthly (meetings or on the phone)
- Invite sponsors to special events
- Support sponsors where appropriate (e.g. exclusive purchasing arrangements)
- Negotiate continuing sponsorship prior to expiry of the existing relationship

# Sponsorship flowchart

Use the sponsorship flowchart below as a quick reference when brainstorming potential sponsorship arrangements, developing proposals, selling those proposals to potential sponsors and setting up meaningful and long-lasting partnerships with your sponsors.

## 1. Understand

- Understand the difference between sponsorship and mere donations

## 2. Brainstorm and Research

- Brainstorm ideas for how your club could help sponsors sell more products or services
- Research the business of potential sponsors to properly understand their products and services, as well as how they are already connected to their community

## 3. Determine Value

- Determine a realistic value for how much your offerings could be worth to sponsors - i.e. how much more money could sponsors make if you provided those marketing opportunities to them?

## 4. Brainstorm Sponsors

- Think about local businesses and also keep in mind that larger, national businesses may have sponsorship programs that would be appropriate

## 5. Contact Sponsors

- In all of your communication with potential sponsors, remember that you are offering opportunities for them to sell more, so don't focus on your club or what you'd do with their money if they agree to sponsor you

## 6. Develop Proposals

- Tailor each package to the specific needs of each potential sponsor. It's worth the additional effort to show you care about them and their business

## 7. Enter a Contract

- Develop a written agreement with each sponsor, clearly setting out their investment and what you will do for them. Include a timeframe for the arrangement

## 8. Deliver

- Deliver on what you promise! Provide all of the benefits and services you promised in your proposal. Communicate regularly with your sponsor and support them in growing their sales

## 9. Re-sign or Resign

- If the period of your partnership was successful for you and the sponsor, you can negotiate a new arrangement and re-sign your sponsor. If it didn't turn out as expected, you can close out the arrangement. If you are not entering into a renewed partnership, remove all signs, logos and recognition of previous sponsors

