

## ***KS NARAHARI'S VIEWS ON HOW TO 'LEVERAGE' SPONSORSHIPS***

The common thread between brands such as Shell, Wills, MRF, Tata Indicom etc. is the fact that they have all used sponsorships to leverage their core brand values and in the process built strong brand loyalty. Promotions and sponsorships are also forms of 360-degree communications. Some companies use advertising in a big way, while for some PR leads the way and others use events or associations with sports to build their brands.

### **Definition of Sponsorship**

'A marketing activity that seeks to establish a deeper association and integration between a brand and its target audience by positioning the brand in a new light.'

Some prominent sponsorships that one can recall:

- Television and radio programs (Hero Honda – Saregamapa)
- Sports (IBM – Olympics & Tennis grand slams, Sahara - Cricket)
- Arts (Johnnie Walker – M F Hussain's exhibitions)
- Educational sponsorship (Microsoft - Computers for Schools)
- Industry verticals (Biocon – Bangalore BT summit)

Why should companies sponsor?

- Sponsorships play an important role in brand building and recall in any commodity market where the margins are low and volumes are big. To heighten their visibility, especially in a highly competitive world, sponsorships help in increased visibility. For instance, the Lenovo brand can be seen very prominently displayed when the cricket commentators such as Sanjay Manjrekar are on TV.
- To influence consumer's attitude
- To communicate a commitment to a particular lifestyle like Lakme's sponsorship of the Fashion Week
- To differentiate their product from competitors
- To merchandise
- To showcase product attributes
- To drive sales

### **There are four steps for an effective sponsorship plan**

#### **Step 1 – Plan to Succeed**

- The plans have to be well thought out and one must know ones action plan inside-out, such as
  - What segment of Target Audience are you trying to influence?
  - What brand image do you want to project? For e.g., Café Coffee Day wants to project a young youthful image and therefore its associations with films and that too trendy productions

*The correct  
association is  
very important...*

- What life style suits your brand image?
- How can you position your brand's USP more strongly with the sponsorship in place?
- How do you plan to match the cost and positioning benefits?
- Know your audience – this is especially critical for companies who have diverse business portfolios like GE, Tata etc. who have different segment of audiences
  - Who are they?
  - What percentage of that audience do you plan to cover?
  - How loyal is that audience?
  - What do you know about them?
  - Which other brands might be interested in reaching out to this audience? Sponsored events have multiple sponsors and how does one stand out from the clutter.
- Impact on your brand image
  - What extra benefit will your brand get through this association?
  - Is it unique and compelling?
  - What percentage of 'Positive Perception Shift' can your brand achieve? While you may spend a lot of money in sponsorships, it might all turn sour if the association is wrong.
- Internal checks
  - Is there anything within your organisation, any policy or underlying implication that might affect the association, both positively and negatively? For e.g. the Indian Cricket Team was sponsored by Wills for many years in the past. However, suddenly the association with a cigarette brand was considered inappropriate and the team moved to a new sponsor.
- Brand promise
  - What unique brand value can your project achieve through this association?

## **STEP 2 – THE PERFECT FIT**

- Choose the ideal sponsorship opportunity
  - Relevance - understand your brand's core value and see how the association carries it forward.
  - Reputation - is it good for your brand's image?
  - Reach & Consistency - it makes good business sense to own a sponsorship rather than spreading the brand too thin over various associations. For instance, Johnnie Walker's association with MF Hussain is a good example as they are both niche and considered connoisseurs in their own right.

*If you do not get* **STEP 3 – BE INFORMED**

*internal buy-in,  
then part of the  
objective is not  
met...*

- INTERNAL AUDIENCE
  - Develop a comprehensive internal campaign
  - Involve all the key stakeholders
  - Marshal the resources

### **LIPTON-DELL BANGALORE INTERNATIONAL MARATHON**

Dell was the co-sponsor for the event where over 16,000 people participated. The reason why Dell associated itself with the event was because predominantly Dell's business in India comprises of the call centre business. With about 12,000 employees in the country at present, Dell is expected to employ over 20,000 in two years' time. This industry requires a lot of young people as its employees, in the average age group of 21-22 years. The company needed to spread awareness on its presence in India and also sensitise the young adults that recruitment opportunities were available for them. Therefore, the association with a Marathon to reach the target audience of young adults and parents, who help make career choices.

While the external communications was being carried out in a routine manner, Dell laid special emphasis on its internal communications.

*Motivating  
employees to  
own an event  
works to a  
company's  
advantage...*

#### **Pre-event**

Two months before the marathon, Dell brought out special e-newsletters dedicated to the marathon. A sense of ownership for the event was created with the help of posters/cut-outs on floors, lobbies and cafes, which also helped set the right ambience. There were warm-up events / clinics organised with the help of ex-athletes in the corporate gym, and even talks by professional runners on do's and don'ts. An interactive route map of the marathon was put on the intranet. This was followed by a marathon e-quiz.

#### **Post event**

Dell recognised those employees who finished in the top five among Dell runners. Their pictures were put in the cafeteria and they were lauded in the newsletter. The MD was called upon to deliver the leadership team presentations on the spirit of winning that sports inculcates and how it relates to Dell's vision. This was followed by 'How I did it' talks by successful Dell runners, an informal activity providing a platform of motivation and recognition.

### **STEP 4 – THE YARDSTICK OF SUCCESS**

- Success metrics can be varied, and could include
  - The revenue opportunities for your company
  - The ability to integrate your product into the event
  - The Expense: Returns (E: R) of the sponsorship
  - The exposure to your company's target audience
  - The company image enhancement gained from the sponsorship
  - The competitive advantage gained in the market place through the sponsorship
  - The sponsorship opportunity to show your company's

*All efforts should  
be measurable...*

commitment to the community.

### **QUESTIONS AND ANSWERS**

*Can brands like Lakme do without advertising?* Hari said that the nature of product plays a very important role in the decision. For instance, sports good companies engage in a lot of sponsorships alongwith advertising to reach out to the youth. However, for liquor brands, which are not allowed to advertise, surrogate sponsorships work for them. It really depends on how you want to build your brand and how you want to position your brand.

*How do you handle requests for sponsorships from small schools and NGOs?* Hari replied that this would fall under the purview of a company's CSR activity. While a company should make provisions for such sponsorships, it is important to engage employees with the effort. So instead of just giving money to an old age home, employees should be encouraged to volunteer time at that home.

### **COMMENTS FROM PARTICIPANTS ON RELEVANT SPONSORSHIPS**

**IBM** The Kingfisher Oktoberfest is a good example of a well thought out sponsorship.

**GANJAM** For the last 10 years, Ganjam has been organising an annual music festival in November called Flights of Fancy. Focussing on Carnatic and Hindustani music, the festival is so popular people start calling for passes a month before the event!

(Excerpted from the presentation made by KS Narahari, Director Corporate Communications, Dell International Services, at PR Pundit's workshop, held in Bangalore on July 20, 2006)