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**SPEED READ**

- Sponsorship gives businesses a voice and personality
- Successful partnerships need good measurement
- Content has to be tailored to target audience
- Establish stakeholder buy-in and support

# SPONSOR FOR SUCCESS?

With the bikes of London’s Cycle Hire Scheme slowly turning from blue to red as Santander rolls out its latest campaign, MARK JOY examines the current appetite for financial services sponsorship.

**T**he financial services sector, in terms of spend, is the largest buyer of partnership rights in the world. Companies are clamouring to secure the sponsorship of some of the world’s most high profile sports, events and initiatives in order to increase customer engagement, brand awareness and loyalty.

There are clear benefits to businesses using sponsorship as a marketing tool. Financial products are intangible to customers and often offer no immediate benefit. Without a product to get excited about, companies need to look elsewhere to achieve these objectives.

Sponsorship can give a business a voice and personality, something for consumers to hook onto. And because many campaigns are so high profile, they can thrust a business into the public consciousness almost immediately. As a result it is surprising that financial services companies have yet to make the most of the Rio Olympics and the Rugby World Cup, in addition to the several key British Olympic sports teams yet to find a sponsor.

The benefits are clear. Unfortunately, when you examine how sponsorship is being used across the sector, and how the rights they provide are being leveraged, companies are often woefully behind some of their peers.



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## ‘THERE ARE CLEAR BENEFITS TO BUSINESSES USING SPONSORSHIP AS A MARKETING TOOL.’

### A SHIFTING LANDSCAPE

There are significant challenges to address. The introduction of RDR and the new pension freedoms are just some of the developments shifting the landscape in financial services marketing. From a traditional focus on developing business-to-business relationships, suddenly companies are faced with the prospect of having to engage consumers directly.

Coupled with this is the increase in regulation and clampdown on the use of hospitality as a form of ‘bribery’. Suddenly, businesses which leveraged sponsorship by purely focusing on client and customer entertainment suddenly found themselves with a particularly anaemic strategy. Internal and external stakeholders are now more focused than ever on where money is being spent and how it benefits the bottom line.

### THE SECRET TO SUCCESS

Some organisations are leading the way and setting a gold standard in how to use partnerships effectively. The likes of HSBC, Investec and Vitality are great examples of those doing the right things well.

There’s no individual silver bullet, but there are some key factors that must be considered if sponsorship is to be part of your marketing landscape.

First, is the expectation around budget. Regardless of the price of the partnership, if there isn’t sufficient budget in place to activate that partnership then you will see limited success. However, what most businesses get wrong is that they first agree a partnership and then attempt to make it work for them. This process needs to be reversed.

### TARGET AUDIENCE IS KEY

Any marketer worth their salt knows that holistic distribution of content is crucial to effective marketing. But content has to be tailored to your target audience. You wouldn’t send a direct mail about graduate loans to customers in their 50s, so why would it be appropriate for a pension provider to sponsor a wakeboarding competition? This is a flippant comparison, but it makes the point – identifying your target audience and what is important for them is crucial.



### KNOW YOUR RIGHTS

Once you have identified your audience it is then appropriate to establish what partnerships and resulting activation work is best for them. Good advisers will be able to assist a company’s marketing team to identify their audience and what sponsorships might be available and appropriate to them. They will even be able to negotiate the best rights for that partnership. The best advisers, however, have the ability to create partnership possibilities in sports or at events that have not previously engaged sponsorship partners. This then allows you to create a set of rights that are 100% tailored to your business and your audience.

### MEASUREMENT MATTERS

Perhaps most crucial of all in creating a successful partnership strategy is knowing what success looks like. Ensuring you have a clear set of key performance indicators gives a partnership campaign focus and helps steer all activation so that no energy is wasted and return on investment can be measured and assessed. Without understanding what you want out of a campaign there is little point in starting it.

There is unlikely to be any slowdown in the number and value of sponsorships appearing the world over. As more and more businesses need to appeal to a growing consumer audience the

traditional “go-to” sponsorship routes for financial services companies may be widened as competition for partnerships grows and more sports, events and initiatives get wind of the opportunities open to them.

To stand out from the crowd and rise above the noise created by competitors, here’s my advice on how to get it right:

- Establish really clear objectives, realistic KPIs and evaluation methodologies – make a commercial case
- Match the sponsorship choice to your values and target markets; employees, customers and communities – be authentic and engage
- Try to negotiate rights with the flexibility to adapt to the changing landscape – work with the rights holders
- Establish internal senior stakeholder understanding and buy-in – get everyone on-board, particularly budget holders
- Develop big ideas that transcend the sponsorship space and make your brand fully integrated
- Maximise the benefits of the digital and social explosion – create engaging content and be part of the conversation
- Add value at every opportunity – sponsors that enrich the experience for the fans earn attention, respect and engagement. ■