

# HOW DIGITAL IS TRANSFORMING SPORTS SPONSORSHIP

The world's biggest sporting events all have one thing in common. The NFL, the NBA, the Premier League, ATP and WTA Tour Tennis and the Champions League are reporting declining numbers of traditional TV viewers. The NFL in particular, reported a [decline in viewership for the second straight season earlier this year](#) across its NBC, CBS, NFL Network and Amazon packages. These are the biggest ticket sporting events in the world, an elite level of competition. If they can't hold on to TV viewers, who in the sports world can?

You might expect figures like these to scare off advertisers, but in fact, total sports sponsorship spend is accelerating. It's [predicted to grow 4.9% globally to \\$65.8 billion in 2018](#). So, it's clear that brands still see sports as a valid investment, and they're right. The opportunities are still there, even if the playing field has changed. Smart brands have spotted the chance to capitalize on a fundamental shift when it comes to the consumption of sports content.

In the past, sports sponsorship was a relatively simple affair. It often came down to banners, signage, and booths at the event. A logo on a shirt or beside a pitch, kitting (providing clothing and or equipment) an athlete or perhaps sponsoring a trophy. Sports brands and clubs retained a high level of control over what the media and the public had access to, allowing press only a certain amount of time with a player and placing them in the perfect spot to show off a logo in the background. This model worked because media was limited. If fans wanted to watch the Olympics, Wimbledon or the Premier League then they had the BBC, Sky, BT Sport, NBC, CBS etc. Brands could be confident that viewers were going to see their logo front and center.

These rules no longer apply.

Social media has revolutionized audience behavior. Sports can now be consumed everywhere. Fans don't need to sit down in front of the TV for 90 minutes to watch a game. But, they do still want live action - in genres like drama, around 30% of content is now time shifted (i.e. not watched live). With sports, it's less than 7%. It's almost entirely watched live. So it seems that fans aren't time shifting, they're place-shifting. Two third of ESPN's audience is exclusively mobile. In 2010, around 18% of searches

around big sporting events were from smartphones. In 2016, this figure hit 83% and it's only going in one direction.

People are second screening, triple screening and on dark social, talking about games, following moments, analyzing matches over WhatsApp. This dual screen culture has led to the democratization of sports. Fans can demand content wherever and whenever works for them. They want 15 second highlights reels on the way to work in the morning. They're looking for mobile-friendly apps to give them the latest stats on the favorite players; real-time, behind the scenes content coupled with the instant reaction, from athletes and fellow fans alike. They want the highs, the lows, the remix replays, seeking a connection beyond the game and looking to share the experience with like-minded fans in the moment, in a way which works for them.

Even with this distributed consumption, sport retains a power that few other industries have. The power to cause debate, to witness history, to feel motivated, empowered and emotional. Every sporting moment is commoditized (*widely available and in demand*) to the nth degree. Every moment remixed, cut up and debated over and over, dominating conversation topics globally. And yet the main creative manifestation of this change to date has come from consumers, influencers, publishers and media houses, not brands.

## So what should brands be doing to catch up?

Consider the user journey - what platform will the user see this content on and what are their expectations or interactions on that platform? Think mobile first - your activity needs to work as well on the small screen as it does on the big.

Sponsor brands have to understand the interconnectivity of platforms, and build content toolkits which can interact across every digital touchpoint, while having an agile and responsive marketing department set up who can respond to changes and data. It's also important to develop an editorial eye - think in headlines and storylines to make your creative executions really travel in social. And don't be blinkered - look at wider culture. Where is the overlap with the sport you're sponsoring? How can you use subcultures to augment or turbocharge your marketing?

The shift into a new way of thinking when it comes to sports marketing is not just about revenue. It's about capturing a moment of culture, of history, and turn it into a way to engage with one of the most dedicated and brand loyal groups of consumers on earth.

## In Focus: Sports Sponsorships & Sales

Sports sponsorship is a broad field based on a basic business benefit principle. The two parties directly involved, a sports organization and a commercial organization, each have a number of benefits they seek. The sports organization, such as a team, league, or event, seeks financial investment, media exposure, or in-kind services.

For the Sports Organization:

- **Financial investments** are sought in order to offset costs and provide revenue to pay expenses such as facility usage and player salaries.
- **Media exposure** such as radio or television coverage gives the sports organization more credibility and increases its attractiveness to other sponsors.
- **In-kind services** are sought as a second means to offset costs. An example of in-kind sponsorship is a sporting apparel company providing uniforms for a league in exchange for exclusive exposure.

The sponsor, for its own concerns, seeks one or more of five basic benefits:

- **Increased awareness** – Sponsorships are a great way for a brand to get noticed by consumers. Benefits are especially prominent for emerging brands that have little awareness to start. A good example is Lenovo. This Chinese computer firm had very little awareness outside of Asia prior to signing on as a TOP sponsor of the Torino and Beijing Olympic Games. Associating with the global property has and will continue to expose the company to millions of consumers worldwide.
- **Image enhancement** – A company looking to change, improve, or simply sustain a particular image can do so very effectively by aligning with the right property. Pepsi's Mountain Dew brand is a prime example. By sponsoring events like the Dew Action Sports Tour, Mountain Dew is able to maintain its image as the drink of choice for alt-minded adolescent males. Conversely, image enhancement can also be sought by the property. In 2006, for example, Austria-based Red Bull bought Major League Soccer's MetroStars franchise, as well as naming rights to the new stadium, and recognition as a corporate partner of Major League Soccer. The partnership brought European credibility to MLS, as well as a youthful edge to potentially draw in more action-oriented consumers to the league.
- **Demonstration platform** – Many sponsors of sports are functional or endemic, meaning that they are directly involved in the execution of the sports organizations' product. Sporting goods companies like Nike or Rawlings are good examples. Both companies have major sponsorship deals which allow them to demonstrate their products, used in competition by high profile, skilled professionals in front of a wide audience.
- **Hospitality** – Corporations are also attracted to sponsorship opportunities because the relationship grants them certain privileges like premium seating. These hospitality opportunities can be used to reward employees, entertain clients, or as promotional giveaways for customers.

- **Product sales or trial** – Finally, sponsorship can grant a sponsor company the right to sell or give its product away, creating a direct connection with the fans and potential customers. Sporting events like marathons are common environments for brands such as Gatorade, a sponsor of the ING New York City Marathon, to give away samples.
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