

# BANG FOR YOUR BUCK

Before committing to sponsoring an event or rider — or even your local saddle club or Little League team — determine what your business needs in return in order for your sponsorship efforts to be valuable.

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Many stores and companies in the Western industry use sponsorships as part of their marketing mix, but how do you get the most bang for your buck (also known as ROI, or return on investment)? Whether you give a couple of gift certificates to a local saddle club or spend thousands of dollars on a national-level sponsorship, your business needs to benefit in return. As a matter of fact, sponsorship is often referred to as "partnership marketing," as both sides work to benefit each other. After all, if your store or company sells more products to an organization's members because of a sponsorship, you're more likely (and more able) to help them in the future, and your support allows the association or group to put on events, give better awards and attract more participation.

**1.) SET GOALS** Sponsorship should integrate into your existing marketing plans, not be a spur-of-the-moment decision. Determine whether your goal is to build your name and reputation in your community, to build online traffic, to expand into a new area of business, or, simply to sell more products. Consider piggybacking your radio advertising with a sponsorship. Or, if you want to build your audience in a certain high-level print publication, but can't afford it, perhaps your sponsorship could include sharing an ad with the association or having your logo prominently displayed in their ad. If your goal is to have more people using and trying your products, try to get an in-kind sponsorship, where you provide your product for awards or gift bags.

**2.) BE SELECTIVE** We all know the folks who come looking for donations; don't confuse a donation with a sponsorship. For example, if you donate something to a Little League team, that's probably a donation and not a sponsorship; unless most of the kids (or their moms) happen to own horses. Research a potential sponsor's target audience to make sure it fits with your target consumer and your marketing goals. Carefully evaluate each sponsorship opportunity based on your budget, target audience, marketing plan and how well a particular group helps you accomplish your goals.

**3.) EVALUATE** Before agreeing to a sponsorship, determine how your potential benefits compare to your investment. How many sponsorship opportunities are available? Will your product stand out in a group? Are you getting more for spending more, or do all sponsors receive the same perceived benefits? A well-run group has set tiers of sponsorship with clearly defined amenities at each level. Also, be aware of where your competition is marketing and which groups or events they sponsor. If you can be an exclusive/official store or product for your category at a large-scale event or association, and lock your competition out, that could be a benefit, but it might cost more to get a group to agree to this situation.

**4.) BUDGET** You must have a budget in mind from the beginning, with a contingency for any exciting or unforeseen opportunities that may arise, as the cash you provide upfront is often only the tip of the iceberg. For example, you may need to create in-kind items, have cost-of-goods increases, or ship to

numerous locations. If you have a large product, shipping can add up. Banners, signage, advertisements, graphic design costs, tradeshow booth materials, travel expenses to have sales staff at an event: All of these things are necessary to get the most out of your sponsorship, but they increase the expense.

**5.) CONTRACT** A contract provides a roadmap for both sides throughout a sponsorship to ensure the best possible outcome for everyone. Even (and some say, especially) between friends, a contract will outline who does what, who is responsible for providing items and by what date, and what each side gets in return. This is important if staff changes, or if any discrepancies or misunderstandings come up later. A contract not only protects both sides, it also provides a written reminder of how many banners you promised and what size they need to be, as six months from now, you may not be able to remember. On in-kind products, specify if the amount is wholesale or retail value, and base your agreement on that amount. If you want your signage in a specific location, or a certain size tradeshow booth, get that in writing to avoid any bad feelings down the road.

You can *always* negotiate the contract; remember, they need you just as much — or more — than you need them, and there are always other groups that would welcome your sponsorship contributions.

**6.) IMPLEMENT** Writing a check is the easiest part of a sponsorship. If you don't participate and ensure that you're getting the most out of a sponsorship (and using all your agreed-upon benefits), your company won't receive much in ROI. All too often, a company agrees to a sponsorship, but fails to make use of their benefits — for instance, not sending banners on time, or not producing materials for the entry packets or tradeshow booths. This is a loss of an already-paid-for opportunity. If you don't capitalize on your amenities, sponsorship is a waste of your money. If there are endorsees/athletes involved in the sponsorship, make sure to use them for autograph signings and in advertisements. *Always* use the logo of the association or group in your ads and on your website as an official sponsor. The more you can link your company with the association or group, the better.

**7.) ENGAGE** In order for you to get the most marketing and business benefits from your sponsorship, you need to form a relationship with the association or person that you are sponsoring. Determine their needs, and how their needs can benefit your goals. Is someone going to be on the news? Request including your product or logo in the news segment. Is the event going to be covered by the press? Perhaps the event has a media hospitality area that would be an ideal venue for a demo of your new product. Consider including a coupon in competitors' entry bags or new-member packets, or if you have a new product or big sale, request that your association communicate this to their membership via its newsletters, press releases or social media avenues. By proactively forming a relationship with the person or group, you'll be top-of-mind when they're brainstorming new ideas.

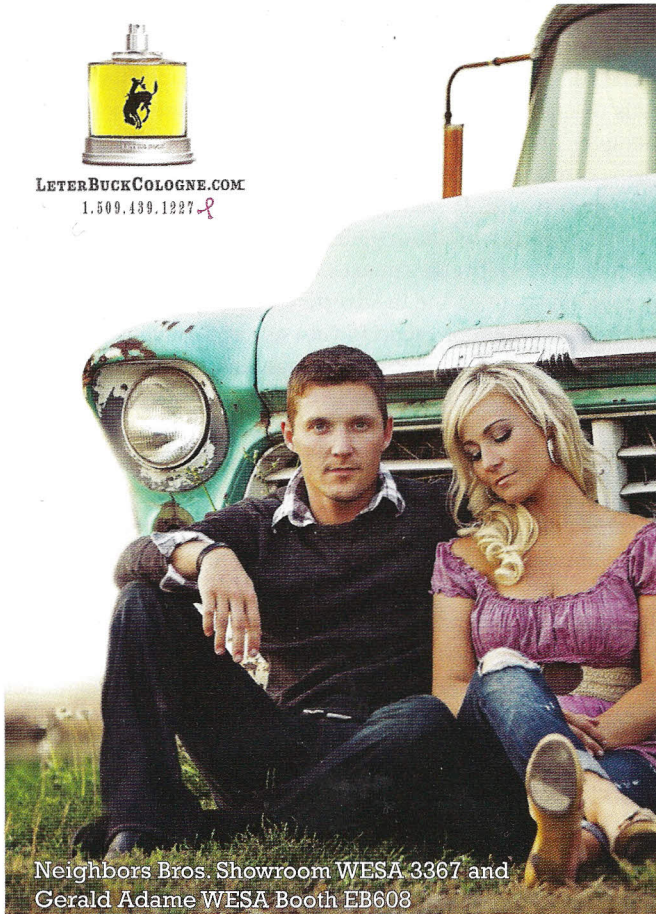



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**8.) SHOW UP** Along with communication and relationship-building at the association or group level, attending sponsored events is crucial to your sponsorship's success. You can ensure that your logo, signage, products and literature are being displayed to your best advantage, and in accordance with your sponsorship agreement. You can also see what needs to be changed or refined, such as banner placement or color, or booth location based on the event's foot traffic patterns. Also, attending a show demonstrates to the association or group that you are an active partner; this will undoubtedly help cement a productive relationship, both present and future. Furthermore, being on-site allows you to build relationships with potential customers and evaluate the crowd to ensure that they truly fit your target audience.

**9.) QUANTIFY** ROI isn't always easy to compute, but if you had gift certificates or coupons, or perhaps just word-of-mouth from new customers, that will give you an idea if the target market was appropriate—and if the sponsorship helped you gain new brand recognition, new customers or increased sales. Some of this information may be gut instinct, but you can't rely solely on feelings if you want to make the best use of your marketing dollars. Remember, however: It takes time to build loyalty. A large purchase, such as a horse trailer, isn't something most consumers make on a yearly basis, but a store with a variety of tack items might see direct results quickly. Jumping around on sponsorships rarely has the intended effect, as a true value-added sponsorship benefit may only result after years of building consumer loyalty. To aid with quantitative tracking, use coded gift certificates, specific coupons with logos, online order codes and member discounts. Consider putting an online survey option into your sponsorship agreement, where the association or club sends out an online survey for you through a free survey website such as Survey Monkey to automatically compute responses and even provide a discount code or coupon for those who respond.

**10.) IMPROVE** Whether you continue with your current sponsorships or enter into new ones, implementing what you learn is key to your success. Maybe you learned that coupons weren't successful, but having a tradeshow booth really worked, as potential buyers could touch and feel your products. Perhaps you noticed that a lot of people saw your logo in a new event advertisement, or saw a banner you had in the arena. Or, maybe you discovered you were short-staffed, so having a retail booth at an event didn't work out as you'd hoped. Sponsorship, or partnership marketing, is a great way to build your business and gain loyal customers and brand advocates for your store or product. It allows you to communicate with your target audience in a different way, and bonds you with your customers' favorite people, pursuits and passions. For you to reap the benefits, find the appropriate sponsorship, set your goals, activate the sponsorship, utilize all your amenities and evaluate its impact on your business' bottom line. 

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