



HYPERION Marketing Returns
Rockefeller Consulting



Make Your Sports Marketing Payoff *A Winning Methodology*

By

Raymond Bednar
Hyperion Marketing Returns – Rockefeller Consulting

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A Winning Methodology

“As the Global Sponsorships Executive during my time at Bank of America, we implemented a rigorous process for measuring our sponsorship investments that ultimately allowed our most senior executive to testify to the government of the United States that for every \$1 we spent on sports, we received back \$9 in revenue and \$3 in net income. That’s what this proven, winning methodology can do for your company”.

Raymond Bednar

In a business context, sports and entertainment tickets represent a powerful tool, when used correctly. They can help to build relationships, generate leads and increase sales, all while burnishing the corporate image and enhancing brand equity.

The challenge then is to determine the best uses of this tool, based on how well it can help to deliver against corporate objectives. Here are five steps to making sports marketing investments pay off.

Step 1 – Set Goals, Identify Success Metrics

The most successful corporate sports and entertainment ticketing programs will clearly identify relevant objectives up front, as well as the metrics that will be used to measure success. For example, common measures in a sales generation context include:

- Numbers of clients and prospective clients identified as key growth targets who are invited and subsequently attend events.
- Positive feedback from attendees in these groups, post-event.
- Subsequent revenue generated with these clients and prospective clients, versus benchmarks.

By providing actionable strategic goals up-front, management can guide the sales team and those in charge of ticket allocations in deciding whom to invite, and to which events. Tracking performance also identifies red flags, and allows rapid adjustment to processes in order to bring the ticketing program back on track.

As with any corporate initiative, there may be barriers to adoption. For example, the current process of ticketing allocation may be very entrenched, especially if a particular sports or entertainment relationship is longstanding. In these cases, it is essential to focus on the strategic goals and metrics as drivers of change, while avoiding direct criticism of past practices. Share successes, to show the business value that is being achieved when tickets are used strategically.

Step 2 - Determine Business Value

There are two categories of business value connected to sports, arts and entertainment tickets and premium access: tangible and intangible. Tangible values include directly calculated relationships between the ticket offer or usage and business goals that the tickets are responsible for driving. For instance, a company may wish to give baseball tickets they already have in inventory to a local Boys and Girls Club to show support for the organization in the community. There is a clear connection between the tickets and the value they provide to the business goal of building/reinforcing the company as a valued partner in the community. Intangible values are indirectly calculated dependencies between the ticket offer or usage, and the business goals that the tickets are responsible for helping to facilitate. A classic example of intangible value might be the purchase of a box at the Performing Arts Center to connect the brand of the company with the values and perceived intangible benefits (such as the brand image) of the Performing Arts Center assets.

Step 3 - Set a Framework for Comparing Investment Alternatives

How then should an organization think about tickets and premium access in general? I would argue virtually the same way it considers competing or alternative marketing investments – with Return on Investment and (ROI) Return on Business Objectives (ROBO) in mind. Tickets and premium access should be treated no differently than other

marketing channels to promote the business goals of a company. They should be thought about, planned for, and deployed based on their unique and highly effective ability to deliver on business goals. The key words are unique and highly effective. Tickets and premium access can deliver certain business objectives better than many other marketing activities. For instance, if a company knows that spending time (quality AND quantity) is important in a B2B selling relationship, there are few other ways to engage with prospective clients that would comparably allow for multiple hours of close interaction.

The value of a ticket is not solely then the currency figure oftentimes printed on the physical ticket itself. Ticket values can be calculated using a variety of methodologies including: sales revenue for an event, level of client scarcity and demand for population, etc.

Return on Investment and Objectives in a ticket tangible and the intangible (directly and indirectly) of usage of the tickets. These complex to simple in their various clients we have

It is discipline – simple discipline in process and methodology that frees an organization to make the right investment decisions

entertained by the tickets entertained at an event, tickets from the client

Return on Business context combines both the returns received as a result the offer and potential calculations range from deployment among the worked with at Hyperion.

There is no standard calculation set of metrics for ROI or ROBO – they are totally dependent on the vision, goals and objectives of the specific company using the tickets as a means toward business goals. What is standard, what is repeatable, what is deployable across all organizations is the methodology to determine the value. We start with the business goals of the ticket owners and develop a comprehensive set of ROI and ROBO metrics that address the prioritized business needs of the client – not of some hoped-for industry standard.

Step4 – Select ROBO Metrics

There are some common metrics in ROBO that bear further discussion. By grounding the use of sports and entertainment tickets in strategic objectives, the focus becomes overall success, rather than simply efficiency, which could be the case if only simple metrics such as utilization were considered. The following objectives lend themselves to this approach:

Thought leadership – Through association with a respected brand, such as a successful sports team, charity event or entertainer, the corporation may benefit from “rub-off” of that property’s brand equity – a “halo effect.” The message is that the corporation becomes part of a successful team, therefore it is a leader in its field as well. To fully leverage this aspect, it is advisable to integrate the corporation’s products and services to the greatest extent possible, so that it is seen as contributing to success beyond the obvious monetary considerations. A well-known example of this occurs in Formula One, where the oil company Shell has a longstanding sponsor relationship with Ferrari that provides product and technical support at the race track, as well as first-fill of lubricants and fuel for every production car that leaves the factory.

Awareness – Thanks to the impact of popular culture, sports and entertainment events and their “stars” reach a level of awareness that most corporations could not hope to duplicate on their own. Association with these events provides an entrée into consumer groups who otherwise may not be exposed to the corporation’s products and services. This attention span is short, of course, so the corporation must act immediately once these doors have been opened, in order to guide this newfound awareness down the path toward purchase. A significant benefit from the use of sports and entertainment as a vehicle for awareness is the ability to slice deeply into targeted demographics, while avoiding others. Thus, every association must be evaluated on a demographic basis, not merely on overall awareness.

Lead generation – By making lead generation a key goal, the corporation can avoid falling into the trap of entertaining the same clients over and over – a sort of “good old boy” component that does not maximize opportunities for business development. Tickets

can be an very effective tool for identifying potential new customers, particularly when used in conjunction with the goal of driving additional business with existing customers. Absent specific goals, the corporate decision makers frustrated at seeing the “same old faces” at events may simply decree an artificial limit (i.e. no customer may attend the same event two years in a row) that may in fact be counterproductive. The goals set for lead generation should track overall corporate goals for developing new customers, including the groups to be targeted.

Step 5 – Avoid ROI and ROBO Pitfalls

The most common pitfall to calculating ROI and ROBO for tickets is often the most overlooked – senior management or senior client engagement. It is critical to ensure that senior managers and clients have a clear understanding of how you propose to measure the values of ROI and ROBO, and that they concur with the metrics and process. I cannot emphasize this enough. One of the great assets created from this exercise is the ability for relational valuation. Relational valuation is when you may not be absolutely certain of particular calculated ROI or ROBO values, but you have rigorously applied the same methodology and process to their calculation across a variety of alternative investments. Thus, if there is senior management concurrence on the methodology and process, there is a *de facto* acknowledgement of a prioritized valuation of competing investments. That is, you can easily understand the relative value of an investment in, say tickets to an Opera performance, over an alternative purchase of tickets for a Monster Truck Rally. Gain consensus on the methodologies and process, and you will be far ahead of your competition in spending your marketing resources wisely.

Summary

Tickets and premium access are intuitively recognized in most companies as invaluable assets in the sales and marketing chain of success. By linking these assets to identifiable and measurable goals and objectives, the ticket owners can ensure they are spending their resources in a wise and defensible manner.

Successful implementation of an sports marketing program built upon sports and entertainment tickets requires:

- Setting actionable goals
- Identifying appropriate success metrics
- Demonstrating success rather than criticizing existing programs
- Insuring that ROI and ROBO meet your specific, rather than industry goals
- Obtaining senior management buy-in

Follow these steps and you will build an effective sports marketing program that maximizes your return on your investment in sports and entertainment tickets.

About Hyperion Marketing Returns

Hyperion Marketing Returns - Rockefeller Consulting is focused solely on helping clients understand and optimize the Return on Investment and Return on Business Objectives of their marketing resource allocations. Headquartered in New York City at 30 Rockefeller Plaza, Hyperion senior management includes Raymond Bednar, Mark Rockefeller and Bruce McLaughlan. You can reach Hyperion leadership at raymondbednar@hyperion-marketing.com or brucemclaughlan@hyperion-marketing.com.

About SpotlightTMS™

Spotlight TMS (www.spotlighttms.com) is the first enterprise SaaS provider to enable companies to manage their corporate ticket and sponsorship investments while measuring their business impact. Its SpotlightTMS application is currently in use managing millions of dollars in entertainment investments by companies that want to manage their entertainment asset investments in a simple, transparent way. SpotlightTMS includes a business impact engine that allows companies to drive and measure business impact, including ensuring utilization, assessing sponsorship effectiveness and measuring ticket use as a driver of revenue. For more information on SpotlightTMS call **877.423.4868** or <http://www.spotlighttms.com/contact/>