

# A Descriptive Study on the Role of Sponsorships in Events in Building the Image of a Brand

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**Abstract – Events have been around us forever. The word ‘event’ has come from the Latin word ‘eventus’ which means ‘outcome, result, success.’ Events include a large variety of social gatherings, meetings, sports, shows and performances and play an important role in our society. Any happening or an activity can be referred to as an Event and acts as a good platform to showcase or promote new or existing products/services. For instance, celebration of religious or cultural festivals like Ganeshotsav, Durga Puja, Dussehra, Kumbh Mela, Rann Utsav etc. are all events. A wedding ceremony, T20 World Cup, launch of a new product by an organization or a Farewell party organized by junior students in a college or school are all different types of events. The research paper revolves around how sponsoring the right kind of events could help and benefit the brands build their image and attract more serious audience with quantifiable results.**

**Keywords – Events, Sponsorships, Brand Building, Sponsor Benefits**

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## INTRODUCTION

Events have become an integral part of the society, be it a business community or personal relationships. They are an excellent way to engage multiple stakeholders via a single platform. Companies/Brands sponsor events in the hope of getting good exposure and visibility. Events are mostly used to:

- Launch new products/services/brands or do any service announcements
- Network with prospective investors/partners/customers
- Build and enhance the image of an existing brand

Sponsorship is a financial or in-kind support of an activity used to reach specified business goals. It allows you to reach specifically targeted niche markets without any waste. A company or a brand that usually provides funds in an event, in exchange for something valuable is called a Sponsor. This “something valuable” is agreed in the form of increased brand exposure, access to attendee data, speaking opportunities at the event, or discounted event tickets. However, not all events could be enticing to potential sponsors. It is only when an event looks promising and presents an opportunity for a brand to build its image, they are more likely to be able to secure partners and improve the overall image of your event. They offer

amazing opportunities to showcase a brand in front of its potential customers. For instance, bigger events like the entertainment event Filmfare, or sport event IPL, very popular reality show Master Chef, or the biggest cultural event on earth - Kumbh Mela are massive events that provide enough value to companies for them to invest in an event sponsorship opportunity. Finding and securing the right events to sponsor can make a big difference to the image of a brand.

With the world coming to a standstill due to pandemic, the event industry reinvented the wheel and started with the era of virtual and online events. The concept became a bit hit and revolutionized the event industry. However, initially, it took some time for host companies and attendees to get accustomed to the new platform. Even sponsors were wary of virtual events in terms of its acceptance and value. New ideas are being planned and implemented by event planners for virtual and hybrid events that are attracting the sponsors.

## OBJECTIVES OF THE STUDY

1. To understand the concept of sponsorship and its types
2. To identify the key benefits for sponsors in sponsoring an event

3. To study the role of sponsorship in building the image of a brand

## TYPES OF SPONSORSHIPS

Sponsorships are finalised at the initial stages of the event, i.e., during the conceptualization and planning stage of an event. A feasibility plan is made at the beginning which outlines the costs and the returns. It also covers the options for sponsor support and the various plans offered to sponsors in lieu of their sponsorship. Sponsorships are broadly classified into two main categories:

**Financial/In-cash Sponsorship:** A financial sponsor is also known as a cash sponsor and it is the most popular form of sponsorship. They give money to an entity in return for a promotion or other benefits outlined in their sponsorship agreement. In cash sponsorship is when the sponsor pays a pre-determined amount in the form of cash or liquid money. These monetary funds are utilised in organizing the event and incurring expenses.

**In-kind Sponsorship:** This sponsorship does not involve any dealings of cash or money. The sponsor company supports by means of giving products that benefit the event arrangements and save cost expenditures. The In-kind sponsorship has a major impact on the event budget and it eases the burden of expenses. It is also referred to as “value in-kind sponsorship”.

### Sponsors and their types

There could be numerous types of sponsors that fit in the category of Financial or In-kind:

#### Financial/ In-Cash sponsors

- **Series sponsor**—It is the highest level of sponsorship. The sponsor company pays the highest amount of money and in return enjoys an array of benefits. Its name and logo are incorporated into the title of the entire series and other promotion. Also, the sponsor gets the rights to use brand ambassadors, team members, players, etc. in conducting joint promotions, endorsements along with the right to be present at all official events.
- **Title sponsor**—In this sponsorship, the sponsor company wins the naming rights of the event which means the title of the event includes the name of the company. Example: Amul presents MasterChef, Tata Mumbai Marathon etc. It is similar to series sponsor, but for a one-off event
- **Associate sponsor**—An associate sponsor is also a large contributor that usually exists in the absence of a title sponsor. They promote their association as a sponsor and receive substantial media coverage

- **Team sponsor**— A team sponsor generally funds individual/specific team in Sport events. They receive mentions in media and promotion opportunity on platforms wherever the team is promoted. Their logos and names appear on the uniforms and at the stadium. Special access to the team is also provided
- **Participating/General sponsor**— Such sponsors are the numerous sponsors who get some benefits in lieu of some amount they pay as sponsorship. However, the benefits they get are not as extensive as for the other type of sponsors

#### In-kind Sponsors

- **Venue Partner**—These sponsors allow events to be hosted at their venue at a discounted or a nominal price. It gives venue a good exposure to its target market
- **Prize Sponsor**—The prize sponsors give items to be used as prizes in events. Example – dinner coupons are given away as spot prizes, t-shirts, caps, key chains etc. with the logo and name of the sponsoring company are given for doing activities
- **Food and Beverage Partner**—Catering is a big expense for the organisers and requires high amount of money. Food sponsors offer free food and beverages to the attendees
- **Technology/Digital Sponsor**—These companies often provide technology assistance in terms of custom app for an event or a live stream on social media platforms
- **Media Sponsor**—A media sponsor gets the exclusive rights to telecast or cover the event on multiple communication platforms which is valuable for all the sponsors

#### Benefits of Sponsorship in events

Event Sponsorship is a way of advertising a brand by supporting an event financially or in kind in exchange for brand exposure to highly engaged attendees. The sponsor company invests in events by becoming a sponsor and benefits in return in numerous ways:

- It helps in connecting directly to the target audience without any wastage
- It enhances the image of the brand and gives good visibility
- It creates an exclusive opportunity for the brand to promote itself by way of product

sampling, displays, lucky draws etc. without any fear of competition

- It develops deeper connections with target customers

#### **Sponsorships come with an array of advantages to the sponsors**

- **Access to attendee data** – The sponsoring company gets access to the valuable database of highly qualified prospects from the attendee list. Events are a useful and important platform for showcasing the brand directly in front of the target audience and staying connected with your prospects
- **Personalized messaging** – Companies prefer to allocate their advertising budgets and marketing funds towards event sponsorships. This helps them connect with their prospects and customers in a more personalized way without any wastage
- **Cost effectiveness** – In relatively minor costs compared to traditional advertising, the right event partnerships are a great way to reach potential customers. It is easier to influence and engage them on such platform
- **Media Exposure** - This is one of the most attractive opportunity given to the sponsor company to get covered in media along with the event. It includes presence in press launches, press conferences, media days, mentions in all press releases etc. The spokespeople from sponsor companies are invited for bytes, felicitations, etc. Sponsoring events gives a good media exposure to a brand which otherwise is not easy to get
- **Exclusivity** - The sponsor brand enjoys the benefit of being present exclusively at the event. There is no competitor co-sponsor present and it gives an advantage of interacting with the serious target customers from a particular market sector
- **Advertising and Promotions**- Sponsor logos/mentions are included in all sorts of paid advertising which is a part of the plan in event marketing
- **Merchandising Rights** – Sponsors get an opportunity to make their product known and distribute during the event by way of samples, trials, promotions, displays, giveaways and freebies
- **Complimentary and Discounted Tickets** – An agreement is done on a fixed number of complimentary/discounted tickets for sponsors

to invite their key stakeholders like employees, business partners etc.

- **Networking Opportunities** – Sponsorships open up a plethora of opportunities to mingle with fellow sponsors by being part of pre-, during and after-parties and functions and know key contacts. This helps in lead generation through networking dinners/ meet ups, exclusive after event sponsor parties etc.
- **Long-term Relations** - Events give an opportunity to sponsors to secure a 3–5-year relationship to build on the recall. For instance, VIVO Mobile presents IPL. In this event, VIVO had signed a long-term contract of 5 years with IPL to be the Title Sponsor for this event. Sony had held the broadcast and digital rights of the IPL for 10 years since its inception in 2008. However, in 2018, Star TV bagged the IPL media rights for 5 years
- **Hospitality Opportunities** - By being the exclusive sponsor of the catering and stay arrangements. For instance, TAJ Group becomes the hospitality partner in many events
- **Product Creation** – Sponsor companies often create a gimmick/product/toy for event usually known as the mascot for the event. For example - Oppo mobile places its mascot in every event they participate in
- **Additional Literature or written material** - The distribution of company literature like brochures, catalogues by the sponsors along with the event kits helps in additional promotion about the sponsoring brand.

#### **Role of event sponsorships in building a brand**

Events are a great platform for brands to showcase their products and services and market exclusively without clutter and without any fear of competition. Events can also generate top of the mind recall for their customers and prospects. The right event partnerships can bring massive gains for your brand. It provides a conducive environment that conditions prospects into exploring what a sponsor is selling. A brand can capitalize on highly engaged leads and invaluable audience insight that are difficult to get from traditional forms of advertising.

Sponsorships help in developing the brand through:

- **Direct Engagement** - Small events are an opportunity for a sponsor to promote their brand to get better quality engagements with a niche group of prospects and customers

- **Brand prestige** – Since, there are numerous industry influencers, top executives and VIPs attending or speaking at events, there are good chances of networking with them. Their interests may align with the business of sponsoring brands. Sponsoring the right events offer lucrative opportunities and lends a level of brand prestige by association
- **Brand exposure** – Sponsors' names appear on all signage, displays, tickets, backdrops, seating areas and other advertising mediums at the venue which gives a good physical brand exposure to the sponsoring company. Also, the online brand exposure including presence on all social media platforms, sponsored ads etc. is immense. The reach to the number of target audiences and frequency of the messaging is quite high on this medium which gives good exposure to the brand
- **Customer impacts** – The attendees are confronted with the brand message, logo, identity etc. with event features like sessions, announcements, demonstrations, audio visual and other moments at the event. This leaves an impact on the minds of the audience about the brand
- **Increased brand visibility** - Sponsoring an event helps a brand gain awareness and visibility, be it is a start-up or a well-established organization
- **Increased sales** - The ultimate goal for every business is to increase sales and make profits. Sponsoring is coherent with the marketing plan of a brand and helps in increased awareness that eventually drives sales
- **Publicity** – Publicity is a natural consequence of giving sponsorships in events that comes in the form of media coverage, news, updates and exposure on social networks
- **Competitive advantage** – Since, a sponsor company enjoys the benefit of being exclusive at the event, sponsoring a big event or cause gives a good chance to stand out as a leader in a specific field
- **Increased brand loyalty** – The attendees in a particular event rely on sponsor companies and prefer to buy from them as compared to other competitor brands. For example- fans of a particular team in a sport event are more willing to buy from the sponsor than from its competitors. This eventually leads to brand loyalty and customers are even willing to pay premium prices
- **Enhanced brand image** - Sponsoring events meant to promote the CSR initiatives of an

organization, like a charitable event or a philanthropic activity can enhance the brand image of a company to a different level altogether

- **Brand equity** – Sponsorships favourably influence the brand equity of an organization. It cultivates a positive and favourable brand associations and enhances credibility in the minds of the target market

## CHALLENGES

Events is all about people. The pandemic situation i.e., Covid-19 has left a long-term adverse effect on the event industry and other related smaller allied industries. It is amongst the most directly hit industries which is trying hard to regain its rigour and existence. There have been employee retrenchments and layoffs in larger event management companies and complete shut downs in smaller ones who found it really hard to sustain in such situation. People shifted their line of businesses to make their living. Overall, the event industry came to a complete standstill.

As most of the businesses were impacted, overall, the brands were not doing very good in the market which meant no companies were doing any events. There were no product launches, celebrations, award ceremonies, team building events, etc. There were freeze on budgets for any marketing activities and hence it became very difficult for brands to host or sponsor any events or cause. The biggest challenge for brands and event management companies was to sustain and work in such a situation.

## SOLUTIONS

The event industry forayed into the online and virtual space. The event management companies took to the technology bandwagon and revamped the whole scenario which became a major game changer for the industry. The event fraternity together with the team of technical experts came up with strategies to plan and execute events online and offered innovative cost-effective solutions to their host companies and promote the sponsoring brands. For example – The market leader, Wizcraft event management company tied up with their clients to execute events like - the Virtual Press Conference to launch Mirzapur II on Amazon Prime. There were also numerous product launches by national and international brands, team building events and many governments funded events at national and state levels.

Though it was always a popular medium, online became the new identified medium which is extensively used by companies to conduct all types of events. Even with life and people getting back to normal, online and virtual events are continuing. Online can never replace the physical medium but

online events have definitely picked up pretty well and are here to stay. It has emerged as one of the most successful solutions to get the event management industry back to life. For better brand visibility, brand building and exposure of sponsors, there are few suggested solutions for online events:

- Better internet connectivity and speed at subsidized rates
- Empower people with technical knowledge
- Better marketing of virtual events in online and physical mediums
- Hybrid mode (combination of online and physical) works better and it give a better look and feel to the attendees
- Run incentives programmes and campaigns for virtual events to make more and more people to join and experience it. For example – a coupon or a freebee for employees who attend the focused virtual seminar or workshop organized by the company for the employees
- Better and diverse use of VR could help making an online event more engaging

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