TIPS ON HOW TO FIND A SPONSOR

Granting a sponsorship is a business, and not a charitable decision. Companies will sponsor the athlete or team that will ensure them the best returns, explains Trudi du Toit from “Your Sport” magazine.

It is no coincidence that Natalie du Toit swims in Speedo, Schalk Burger wears a Puma boot, Bafana Bafana wear adidas jerseys, surfers compete in the Billabong or adventure racers show their mettle in the Totalsport Xterra Challenge. These are all part of the marketing strategy employed by the South African sporting goods and leisure industry. It is also no coincidence that sponsorship is usually a function of the marketing department of a sports brand.

As with any other form of advertising, sponsorship decisions depend on where the company will receive the most advantageous exposure in other words, where it will help them to sell the most products. Just as a company will not base a decision on whether to advertise in a particular publication because that newspaper or magazine needs money, a company will not sponsor an athlete or team merely because they plead poverty (although many companies do attach a social responsibility component to sponsorships).

In order to recoup the money spent on sponsorship, equipment companies usually calculate that they have to sell goods worth R100 000 for every R10 000 spent on sponsorship. And to truly reap the benefits, a company should set aside an amount equal to the sponsorship to advertise the fact that they sponsor an athlete, team or event, advises Johan Grobler of BMI Sponsor Watch. No wonder that so many brands refer to their sponsored athletes as partners.

WHEN APPROACHING A COMPANY FOR SPONSORSHIP, SHOW WHAT YOU CAN DO FOR THEM NOT WHAT THEY SHOULD DO FOR YOU.

For instance, when Herschelle Gibbs scored his magnificent 175 in the historic 4389 victory against Australia to clinch the South African leg of the ODI cricket tour, his bat sponsor, Gunn & Moore, received priceless exposure. Not only was just about every South African cricket fan riveted to their TV sets during the match, but the video’s of the match that were sold afterwards, ensured that the exposure was repeated many times.

The fact that the other hero of that test, Graeme Smith (90 from 55 balls), also plays with a Gunn & Moore bat, was double luck for their sponsor. On the other hand, when asked to name the captains of the national men’s and women’s hockey teams, only 20% and 19% of hockey players from about 90 high school hockey teams got it right.

If high school players, who are the most brand and celebrity conscious of all athletes failed to recognise the team captains, they would definitely not rush out to buy a stick because it is used by a top hockey player. Since most companies that distribute and market hockey sticks in South Africa also supply cricket bats, it comes as no surprise that top cricket players can negotiate contracts worth thousands, while national team hockey players usually have to settle for sponsored equipment and clothing.
BE REALISTIC IN YOUR EXPECTATIONS

The figures mentioned in some highly publicised sponsorship deals can paint a very misleading picture. Yes, it is true that companies like adidas pay something like R370m to be a sponsor of a FIFA World Cup ... but they know that they will more than recoup this through long term exposure and sales. Even before the 2006 World Cup, adidas estimated that their 1st Quarter 2006 soccer sales increased by 15% as a result of the World Cup exposure.

And yes, Canterbury does pay SARU about R24.5m a year so that Springboks (of all ages) will wear their clothing, headgear and protective wear but, Canterbury is a rugby specific brand and you do not get more exposure in rugby than through the Springboks. Soccer clubs who read that Standard Bank had signed a 5 season deal worth R70m with Kaizer Chiefs and Orlando Pirates and that the Chiefs also have a R14m technical sponsorship from Nike and the Buc have a longstanding agreement with adidas for an undisclosed sum could be excused for seeing dollar signs beckoning. These are, alas, the exceptions that make news headlines precisely because they are so rare. While the top teams and top sport stars have sponsors vying to sign deals, there is simply not enough money available to distribute to all teams or athletes approaching sponsors.

The big money sponsorships negotiated with sporting federations or major event organizers come from corporate companies which would be the topic of another article. South African companies that distribute sport equipment simply do not have these huge budgets. Sport stars earning thousands from equipment sponsorships are usually contracted to a brand internationally for example, Slazenger International offered Jacques Kallis and Shaun Pollock sponsorship contracts, not the local company that distributes the brand in South Africa, Dunslaz Distributorship. That is why they also feature in Slazenger International brochures and international advertising campaigns. But, in order for the international company to offer such a sponsorship, the athlete must have an international following. Even then, the contracts would be worth hundreds of thousands and not millions of Rands, as some young athletes would like to believe. An agent would sometimes combine a sport equipment sponsorship with a consumer product sponsorship (Arena International swimwear and Lays crisps, for instance, both sponsor Ryk Neethling) in order to get a more lucrative deal for their client.

MONEY IS NOT EVERYTHING

Many companies would be prepared to provide sports equipment, rather than a monetary sponsorship, to teams or athletes. Apart from the fact that most sporting goods companies simply can not afford to pay vast sums of money to people using their equipment, many brand managers believe a monetary sponsorship can be equated to "pouring money down a dark hole" because you can not see where it goes. But, equipment and clothes with logos on, advertise the brand name whenever worn or used. The footwear brand New Balance, for instance, has a worldwide policy of never paying athletes and based a whole advertising campaigns on the slogan Endorsed by no one!

"We have a principle we believe in very strongly: paying famous, and sometimes infamous, athletes to appear in advertising is wrong," explains New Balance South Africa’s marketing manager Keaton Oddy. “Over the years, this principle has certainly cost us: in shoes not sold, in publicity not generated, in profit not made.” But, we believe that we make the world’s best high performance athletic shoes, and that is how we want to be judged, because performance is the most honest, compelling statement a product can make.” They do, however, sponsor several events, including the Total Sports Challenge and supply clothing and accessories to teams and athletes at all levels. The higher the level, the more they get. For instance: a school’s first team could receive a T-shirt, short, cap, water bottle, pair of socks and prizes,
while athletes with national colours would receive four T-shirts, three long sleeve tops, four shorts, two tracksuits, six pairs of socks, four pairs of shoes, a tog bag, etc. For many athletes, an equipment sponsorship is a lifeline. A good quality pair of running shoes, racquet, hockey stick or bat costs more than R1 000 each and a product sponsorship can therefore mean the difference between an athlete from a disadvantaged background competing at top level, or not ... especially as he or she will need more than one of the above items during a season. A monetary sponsorship, on the other hand, can be very risky for the sponsor who has no guarantee that the athlete will be selected at top level for the duration of the contract, will not become injured during that period, or be disgraced by, for instance, being found guilty of doping.

Many contracts nowadays have a clause specifying that the sponsorship ceases, or can be reduced, if any of the above occurs.

**GETTING STARTED**

4.1 Sell the idea to at least 5 Club development representatives and agree on which schools should be linked to each Club in order to avoid conflict of interest.

4.2 Club schools representative and coach meet with Head and Sport Master/Mistress where they present the project. It is advisable to give them a letter from the District (Appendix) to show wider support and the broad vision, a letter from the Club president and a copy of a Parent Consent form (Appendix) – include relevant aspects of the school’s indemnity form in your version of the Consent form.

4.3 Request to talk to the children at an assembly rather than having the Head tell them about it, as you know more. Explain that initially, they will not need to purchase any equipment and that they should wear their school’s sports clothes to play. They will, however, be expected to purchase smooth soled shoes (e.g. takkies) to play in, if they decide to play regularly. Also, while you may offer the first few sessions free, they will be expected to pay green fees thereafter. The amount will need to be negotiated with the Club management – e.g. R5 per session, with R2 going to the Club and R3 going into a traveling fund is an option. Invite the children and teachers to try out the game on an indoor mat in the hall or in the cricket nets (provided the surface is level) at an appointed time. Book the indoor mat and bowls with your District Development Officer to ensure that there is no clash of appointments for its use.

4.4 At the mat session, you hand out the Parent Consent form to those children who show an interest in trying out the game. Make sure they know the time of the weekly afternoon sessions at your Club, to ensure that they are available at that time. You may need to negotiate the time with the interested children, depending on the availability of your greens and Club Coach. Parent Consent forms should indicate to whom they should be returned at the school and by what date, for your collection. Knowing approximate numbers helps you to plan ahead and ensure that you have enough small size bowls available.
TREAT YOUR SPONSORS WITH COURTESY

The sporting goods industry abounds with stories of teams arriving for photo opportunities clad in shoes and clothing from their sponsor’s rivals; athletes requesting full sets of clothing in small, medium and large sizes; or brazenly switching equipment sponsors midway through a contract. It is a small industry and it soon becomes known which teams, athletes, or sporting bodies treat their sponsors shoddily. They usually find that there are not an endless number of doors that will open for them when they go knocking again.

On the other hand, athletes and clubs who always wear their sponsor’s cap when interviewed, who are well liked by the media because they are approachable, who pose with a sponsor’s logo showing when photographed, and who is sensitive to not accepting rival sponsorships, will find many doors opening for them. "We often look at the support we received from a particular quarter and base our sponsorship on that information," says Peter Wright of K&T Sport, distributor of Malik hockey.