

Organizations Communicating Through Events - Sponsorship

by

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Abstract. The number and importance of the events has grown in recent decades, but their specialization led to better market segmentation. The organizers must find new ways to promote the potential audience of the event, so as to increase the number of direct audience that will take part, both in the current edition and in the next ones. There are a number of events - economic, social, scientific, cultural, sports - that the company can create and use in its interest, to increase its own value. Before deciding to organize or sponsor an event, organizations should consider which category of public the given event addresses bearing in mind that they cannot address the general public without regard to what segment of the potential audience is part of the event.

Key words: direct and indirect audience, events, events sponsorship

JEL classification: M3, M31, M37

1 Introduction

Organizations can have a number of special events (Varotsis SE, 2006) on which to build themselves in order to promote their interests, image and prestige. Basically, there are a number of events - economic, social, scientific, cultural, sports - that the company can create and use in its interest, to increase its own value. The main reasons, why a company decides to make or attend an event / a promotional event for the organization to fulfill the objectives of communication, are the positive results during previous participations, the presence in the promotional event of the competing companies, clinching deals / boosting sales by offering advantageous commercial conditions (promotional prices, etc.), strengthening the organization's image, presenting a new product to potential customers, testing a new product, the possibility to establish direct contacts in large numbers in a short time. Among the main reasons underlying the decision to support an action of the organization as a sponsor are: obtaining tax related benefits, backing up the favorite field of the decision-making person, enhancing the positive image of the company, the acquisition by the Company, of a social value (responsible member of the community), strengthening the image of a brand / product, a service provided by the organization, increasing the awareness for the brands / product, increasing brand / product credibility by placing it in a real context (the

organization makes its own products / services available to event organizers own products / services), and boosting sales. Also the online environment (Acatrinei C, 2014) offers a wide range of instruments that can be used by companies in order to promote their brands, products, services or events.

2 Creating or sponsoring an event

No matter if the organization decides to sponsor an event, to exhibit at a fair / exhibition, to participate, or to create an event, are all parts of the difficult decisions it should take. If we consider a single variable, such as the financial implications, sponsorship involves certain costs and a degree of involvement of the organization, but the trade fair / exhibition is at another level and the participation involves certain costs, and in terms of organizing an event, in which case the company is 100% involved, whether it is organized only by the department of Marketing, PR, or resort to a specialized company which has events as main objective activity. According to the organization StarCite (Roman K., Mass J., 2003), the leader of the technological solutions for online meetings and events, evaluates the industry as a business that has a value of 300 billion dollars. Events can be the best marketing tools a company can use, planned properly, can do more harm than good or even worse, have absolutely no effect on the audience.

But there are differences between classic communication and communication events (Schafer - Mehdi S., 2008), as well as interaction, dialogue, and most often than not, instant feedback. Advertising and public relations enable the recipient to receive a message, but no immediate reaction, and it may be registered only after a while and indirectly. At an event a live relationship with the transmitter takes place, and the answer may lie in the way the message sent directly brings about the participants' reaction, which can be both positive and negative. Marketing events, however, can occasion another higher form of dialogue: effective interaction when passive viewers become active participants, the switching from classic communication to event marketing is shown in figure 1.

From Classical Communication	To Event Marketing
From passive behavior	→ To interaction
From monologue advertising	→ To dialog with the customers
From anonymity	→ To individual
From the intermediate means of communication used	→ To "live" experience
From information	→ To emotion

Figure 1. The comparison between the event and classical communication. Source: Schafer – Mehdi Stephan – Organizarea Evenimentelor, Publishing House ALL, București, 2008

Before deciding to organize or sponsor an event, organizations should consider which category of public the given event addresses bearing in mind that they cannot address the general public without regard to what segment of the potential audience is part of the event. "Target all" is not an option considering the costs too high and that very few companies today can have this competitive advantage, such as companies of carbonated and non-carbonated water bottlers where there are not taken into account: age, sex, religion, social status, occupation, income, family life cycle, etc. In the case of organizations, which communicate through events, should see whether the audience at the event is part of is part of the market segment targeted by the goods / services, then the best

decision is to use it as a means of communication with targeted market segment. Thus, the result from investment in transmission of information using the events would be as large. For events, the first impression that matters and lasts most, depends on the organizers, but also on the company's employees who must behave as appropriately as possible with the participants.

3 Sponsorship

Planning the sponsorship shows the important role that sponsorship plays in the mix, at the integrated marketing communication by ensuring that all sponsorship options will be considered without disregarding other forms of communication, to determine the most efficient and effective channel messaging, which is developed in figure 2. A common mistake in developing communication mix (Masterman G., 2009) is to not integrate, but to consider them separately such as: sponsorship, advertising, public relations and direct marketing.

In general marketing objectives of the organization that wants to communicate through events, and more specifically by sponsoring an event, we can also mention marketing planning as it supposes the following steps, such as: the analysis of the situation and the marketing audit upon the environment that result in generating strategies, feasibility and selection of the best strategies which the organization can resort to. Following to identify its market position they occupy in the minds of the consumers and to determine where and how it wants to position itself by selecting the mix of marketing integrated communication. The number of events exceeds the number of organizations that wish to sponsor, and thus the organizations have at their disposal a wide variety of events from which to choose and to associate its image with. Sponsoring events is an alternative for companies that do not have the legal right to promote itself through the traditional means of mass communication, such as tobacco companies and alcohol, in many European Union countries, this kind of publicity is completely banned and they may apply only to sponsorship events.

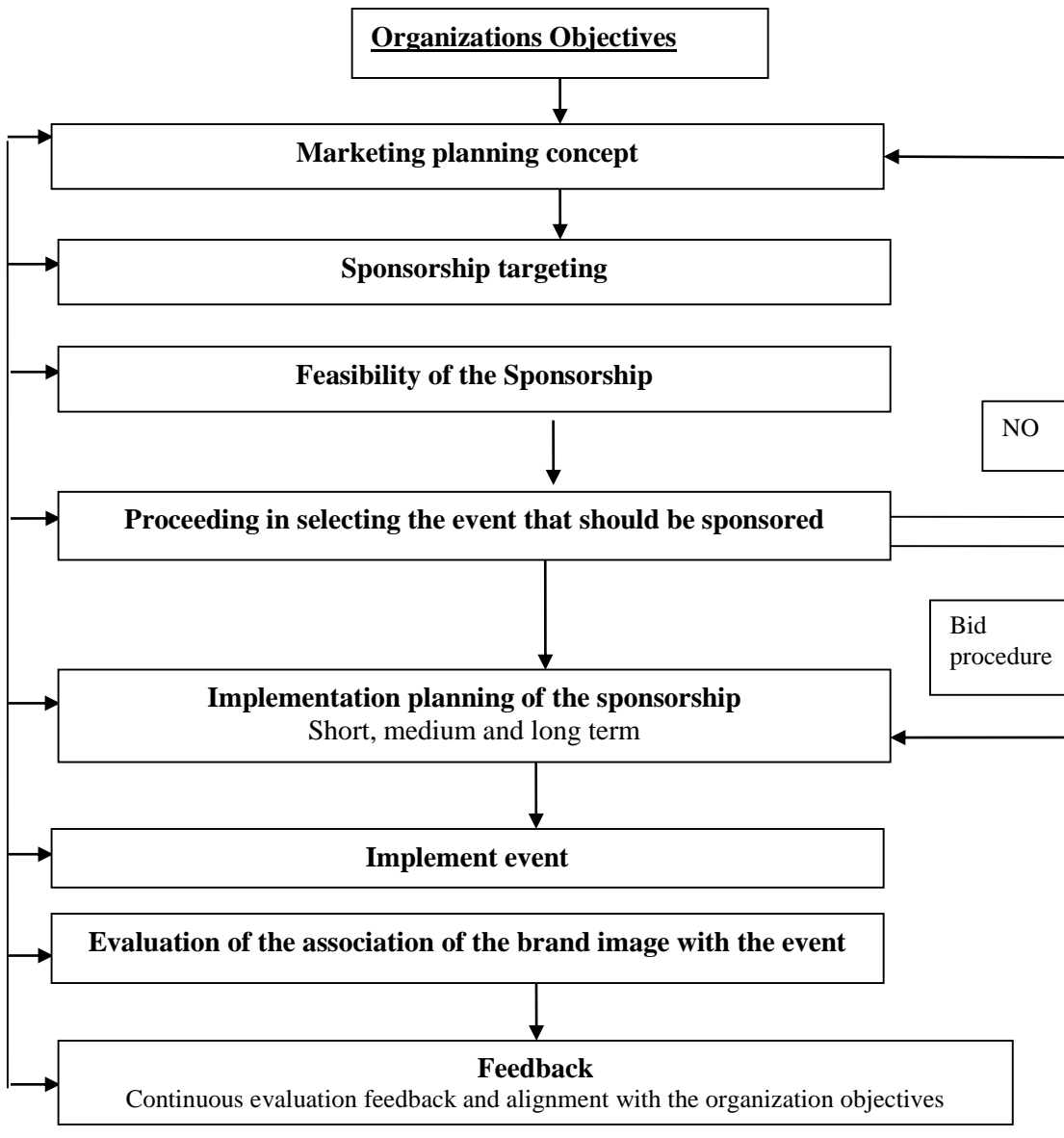


Figure 2. Sponsorship Planning Process. Source: Masterman G. - *Strategic Sports Event Management: Olympic Edition, Second edition, Editura Elsevier, Oxford, 2009*

They must identify the rights to sponsor and the costs involved, they may be financial, material - products / services or human the employees who help in the smooth running of the event, so as to achieve the strategic marketing objectives both within short and long term. If sponsorship is feasible and appealing, for some organizations it is the only option to promote themselves, or it is less expensive than other alternatives and fits in integrated marketing communication, the organization will move to the next stage of selecting the event but also the degree and manner of exhibiting to both direct and indirect audience. After sponsorship was implemented

and the event had media coverage they have to assess how the goals were achieved and the feedback from direct and indirect audience so that the organization would take the decision to communicate through events when the marketing objectives are accomplished, or to consider other means and channels of communication, if the outcomes are not those expected. Organizations also need to expect ambush strategies made by the competing organizations that either do not have the financial resources to sponsor, or hope that with few resources their own company's image be associated with the event being considered as official sponsors. A clear example

that took place during the Olympic Games in Beijing in 2008 (Pitta L., M. Parent, P. Berthonb, Steyn PG, 2010), is "Li Ning business". The most watched moment of the opening ceremony of any Olympic Games is the lighting of the torch. Although the official sponsor of the event was Adidas, the athlete who lit the Olympic flame was the most awarded athlete in China, Li Ning who had set up his own company which bears his name and produces sports clothing and footwear. Following investigations, most respondents indicated that among the main sponsors of the official event even Li Ning Company.

There are even proposed seven ways to be successful in the case of sponsorship (M. Parent, Pitt L, 2013):

1. The organization should always be aware that a competitor may appeal to ambush strategies;
2. The organization should always expect the most unexpected forms of ambush strategies as the ambush attacks will not be in the shape for which the organization is preparing to counter them;
3. Event organizers do not always keep their promises; it is advisable that even the smallest details and particulars are entered in the contract;
4. The organization should not rely on the authorities, that they will support you, help or intervene on time but the most powerful tool is the contract between the two parties;
5. The customers are indifferent and will not have the same feelings of moral indignation against an ambush strategy of a competing company.
6. The organization must not overreact towards an ambush as it will be penalized by the audience and the press, as was the case in 2008 when during a football tournament, the spectators, who had acquired Heineken brand beer (Anonymous, 2008), were provided free of charge caps, only that they were asked not to wear them as the official sponsor of the event was the rival company Carlsberg, which sponsored the event with 21 million dollars.
7. Sponsorship is only a first step in communication events - a company must be

proactive in all its marketing efforts and be defensive in anticipating the ambush strategies.

There should be also considered the type of the event, the venue, the type of the participants (whether or not they participate for the first time if the event was held in the same location, or a new one, both for the organizers and for the participants), the technique that can be used to convey different messages and information, starting with signs to car parks that can be used by the participants, the office where their registration is received and the place where the event will take place, etc. These messages can be both purely informative and / or for advertising, depending on the needs and wishes of the organizers and the companies that communicate through events.

The potential audience of any event, after the event occurs, is divided into direct and indirect audience. Direct audience is made up of all who come to attend the event, as journalists or media representatives and spectators or even participants as it is the case of marathons where all those wishing to enter the competition may do it without restriction of age, sex, nationality or sports performance. The indirect audience consists of those who hear or read news or view both short films about the event and from those who formed the direct audience or through mass media. The audience of the event must be part of the market share of the respective brands sponsoring organizations or those that promote the events. The event must have the desired image and be able to create the desired effects in the market segment. An "ideal" event is one that meets the following criteria (Kotler P., Keller K., 2008):

- its audience is made up of the market segment to which an organization addresses with its products, services or ideas;
- it generates both favorable attention from potential or actual clients and the media;
- it creates experiences and conveys pleasant feelings;
- it is unique in that it offers the visitor an experience;
- to express commitment to the community and its social problems;

- it supports brand and marketing activities of the organization;
- it reflects and enhances the brand image of the organization.

Events should be promoted among the potential audience the potential audience becomes:

- The direct audience is represented by those who participate and physically arrive at the venue of the event (spectators, participants, representatives of the media, even the organizers).
- The indirect audience is represented by all who read, hear, see or view films on the event by means of mass communication that is transmitted either live or in replay, or hear about the event from acquaintances, friends, colleagues, relatives.

4 Conclusions

Nowadays, the society is facing a significant number of changes regarding how organizations can communicate with their target audience. This is mainly due to technological development and beyond. We can talk about radical changes taking place in how to convey messages to stakeholders, given the importance and the role of the public relations, events marketing especially while diminishing the power of advertising (A. Ries, Ries L., 2004). Contributions to this are required from all sectors, of activity including business and consumer market (companies). In Europe, an increasing number of companies begin to implement event marketing activities. The problem is greatly simplified, starting from the fact that, ultimately, the events can identify with the company itself, or with the image it has created. Events marketing has an impact both on the environment in which the business is carried out: the domestic public of the company (employees, management team, shareholders) and on the external public of the company (suppliers, customers, competitors, government agencies, media, NGOs, etc.) . The organizations should not omit the indirect audience of an event as the way they communicate with them or transmit information, can guarantee the future

editions success of any event. Be that the organization sponsors, or creates an event, it will convey its image, or of its products / services that may alter the behavior of the audience.

By anticipating the future needs, the event organizers can meet there needs and satisfy them with the realization of events that are key to raising productivity and welfare of the people. Communication through events must be adapted to meet the needs of the potential audience, be it direct or indirect, but at the same time, to also achieve the marketing objectives of the organization. Knowing what your audience wants (Yeoman I., M. Robertson, J. Ali-Knight, S. Drummond, McMahon-Beattie U., 2004) gives a competitive advantage because this information facilitates the organization to take the best decisions with the smallest risk of using the limited resources in an inefficient way.

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