Fundamentals of Tennis Sponsorship.

ITF Commercial Department.

ABSTRACT
One of the primary functions of the ITF is to work with its nearly 200 member nations for the betterment of our sport worldwide. Activities, even small projects, require funding, and we are all aware of how challenging it is to locate and maintain sponsorship. While appropriate for all nations, this article is particularly designed to be useful for nations and coaches that have had limited resources in acquiring sponsorship for their programmes. This article offers practical suggestions for how to plan sponsorship strategy for National Associations.

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WHAT IS SPONSORSHIP? AND WHY DO COMPANIES SPONSOR?

Sponsorship is the association of a company or product with an individual, organisation or event, which is the result of the investment of money, services or goods in return for exposure.

Sports bodies like the ITF and National Associations seek sponsorship to increase their financial resources so that they can improve the standard of their players or an event like Davis Cup and Fed Cup, improve administration and promotion of tennis, or to pay for other activities.

There are a number of different reasons for a company to sponsor tennis, depending on the type of company and the nature of the exposure it is seeking.

- **Sales, Publicity and Consumer Awareness:** Most companies primarily want to drive sales or to get their products and services to be better known. Sponsorship may be regarded as an extension of the conventional advertising and marketing activities of a company. Nowadays companies want more than for example event or team title rights, tickets and on-court signage only. There are many other areas that can be focused on, for example the opportunity to have players and coaches involved during corporate hospitality and clinics.

- **Public Relations and Community Involvement:** Successful businesses like to be regarded as caring members of the community who are willing to “put something back”. An example of the above is NEC’s commitment to the wheelchair tennis Tour and end of years’ Masters Final.

- **Corporate Image:** Many companies try to project a good image of themselves both to their consumers and to their employees. Tennis, which represents speed, strength and skill, gives a fit, youthful and dynamic image with which they would like to be associated.

- **Consumer Loyalty:** Sponsorship provides opportunities to build loyalty with their customers who enjoy or are exposed to an activity and associate it with the sponsor. People who already buy a certain product and like tennis will tend to keep buying that product if the company also sponsors tennis. Companies can combine their event sponsorship with the opportunity to give away tickets to their loyal consumers for local or international tennis events.

- **Client Hospitality:** Sponsored events are popular for entertaining clients, business associates, the media or other people whom the company wishes to spend some quality time with in an entertaining sports environment.

- **Educational Sponsorship:** Companies sponsor school or student events to make a favourable impression on students (and their parents and teachers) who they hope will develop a lifelong affinity with the company or its products. The ITF School Tennis Initiative is a programme that can be offered to companies to sponsor.

How does Sponsorship Work?

Sponsors buy, for a specified period of time, rights which are owned by the organisation to be sponsored. For example, the use of the designation “Official Sponsor of the Davis Cup” is a right which the International Tennis Federations owns. It can grant the use of the designation for one or more years to a sponsor in exchange for an agreed fee. The sponsor can then use the name and logo in its advertising, on its product packaging or in other ways.

Anything which might meet the needs of a sponsor can be defined as a right. Rights can be associated with the association
itself, its’ teams, with its’ events such as the national championships or with other activities such as a youth development programme. It is vital that the association register and otherwise legally protect its’ name, marks and symbols, as this establishes its ownership of various rights.

Normally, a “package” made up of a number of rights is created. The more a sponsor pays, the more rights are included in the package. There could be two or three levels of sponsorship - each with a clear name (Official Sponsor, Official Supplier, Development Partner etc.) and its’ own package of rights. This protects the sponsors who are making the biggest investment.

In principle, the package for each level should be the same for all sponsors on that level as variance could jeopardise the relationships between the sponsors and cause difficulties.

Some of the rights which can be included in an association’s sponsorship package are:

• “Official Sponsor and/or Partner” designation - e.g. “Official Sponsor and/or Partner of XYZ Tennis” or “Official Sponsor and/or Partner of the XYZ Tennis Team”.

• Use of the association’s official logo or other symbols.

• Identification on association letterhead and official publications - e.g. placing the sponsor’s name or logo on these materials.

• Identification at official association press conferences.

• Sponsor advertisements in association publications.

• The title of a programme - e.g. “The Smith Company/XYZ Tennis Association Junior Development Programme”.

Rights associated with events, such as advertising boards in the stadium, adverts in the event programme, etc., can be included as a part of the association’s sponsorship package or as part of a package for the events themselves. Rights and rights packages can be sold to sponsors in different product categories e.g. there could be an “Official Hotel”.

It is important to remember, however, that sponsors want maximum exposure and therefore want to avoid sharing rights with any other company. Sponsors will demand “exclusivity”, i.e. they will not buy rights if one of their competitors in the product category is also allowed to. Even if other sponsors are from different categories the more there are of them, the less each will be willing to pay. Therefore, it is probably best to aim for a small number of sponsors who will meet the association’s needs.

*NOTE: Always ensure you are offering rights which conform to ITF Sponsorship and Television Regulations.

HOW TO FIND A SPONSOR?

You cannot expect to get sponsorship from a company just by asking them. Whilst there are a large number of companies using sports sponsorship as a part of their marketing or public relations strategies, there are an even larger number of individuals and organisations competing to obtain the available support. Planning, a professional approach and perseverance are required.

The principles below provide a guide for approaching potential sponsors:

• Plan Ahead - Most companies commit budgets a year or more in advance. You must allow time for you to do your homework and 12 months for the company to prepare itself.

• Know Your Potential Sponsors - Research a list of potential sponsors. What are their products, how do they market them, what are their target markets, what sort of publicity do they normally go for? Seek out companies whose products or image can be associated with tennis or your association. Do not forget companies which are not already involved in sponsorship. On the other hand look out for companies that are already involved in tennis on a global basis but have offices in your country.

• Identify Your Targets - Decide on your target companies and find out who makes the sponsorship decisions. In most cases it
will be the marketing, sales, sponsorship or public relations manager, but in smaller companies it may be the owner. Contact the decision maker directly and ask if they would mind receiving a written proposal.

• Make Your Proposal - Written proposals should be sent with a personalised letter of introduction. The letter will be the first thing read and it is a key to success. First impressions are important and if you get off on the wrong foot your proposal may not even be read. (Proposals with duplicated or form letters normally go straight to the waste bin!)

Even if you have done your homework and made all the preparations, your proposal may still be turned down. Be realistic, there is a lot of competition for sponsorship. If you have a good product and persevere you will be successful.

Preparing a Sponsorship Proposal

The objective of a sponsorship proposal is to secure a meeting where the details of a deal can be discussed. Therefore, a proposal should be brief, to the point and clear. Omit irrelevant information - a long proposal is less likely to be read.

A sponsorship proposal should contain the following elements:

• Opening - Start by presenting an opportunity to the company - make your statements positive. Outline how the company would benefit through the sponsorship. This is the most important part of the proposal - it shows the company why the project is worthwhile. Do not forget the date, who the proposal is from and for whom it is intended.

• Request - Make it clear what you want. Do not underestimate the amount of money and support you are seeking, but at the same time be realistic. Ask for their ideas and request a meeting. Remember: don't be shy, ask for what you want!

• Background - Give details and appropriate statistics that could be useful - the number of players and clubs, a breakdown of players by age group, occupation and location. Profiles of national team stars or short reports on major competitions may also be useful. Include all relevant information, but be as succinct as possible.

• Benefits - Spell out clearly what you do for the company, the rights you have to offer. Give your ideas on publicity, opportunities for product sales, possibly TV and other media coverage etc. Show how being associated with your association’s events or tennis could help enhance their image.

THE SPONSORSHIP CONTRACT

Detailed contracts may not always seem to be necessary but 'sponsorship is business'. It is in everybody's interest to protect themselves through a contract in case something goes wrong. A sponsorship contract should include:

• The title to be used for the team, competition or activity.

• Competitions or events included in the agreement.

• Relevant dates of events.

• Financial terms, including dates of payment and VAT (or equivalent) liabilities.

• Rights and benefits of the sponsor.

• Banners, kit and other promotional material (e.g. how many, how big, who produces, when and who pays).

• Options for the sponsor to advertise or display goods at events.

• Insurance - what obligations does the association have to insure the sponsor against cancellation of an event, damage or injury?

• Termination clauses - ensure that there is a termination clause in the event of problems with the organisation of an event, or by the sponsor failing to keep its side of the bargain.

It is important to advise the sponsor to set aside money for their own promotion of the sponsorship. It is essential that the sponsor is also active in achieving the intended result of the sponsorship. Normally, companies budget at least the same amount as the sponsorship. Without this investment the sponsor will be unhappy with the sponsorship and will not renew the contract.

WORKING WITH SPONSORSHIP CONSULTANTS AND / OR PROMOTERS

In most cases sponsorship consultants and / or promoters are either interested in finding sponsors on behalf of an association or an event to service (for a fee) once they have been found. If they do find a sponsor they will expect a commission which could be up to 30% of the value of the sponsorship. Alternatively, the sponsorship company will purchase the commercial rights to an association or event and resell the rights themselves.

When working with a sponsorship consultant it is important to have a contract which sets out the obligations of each party and the financial arrangements. If you require any advice when preparing contracts please contact the ITF.

Experience in events such as Davis Cup has shown that "tie-by-tie" or "event-by-event" contracts can work very well. The
danger of multi-year contract is that the Association can lose control over its properties.

In some cases, companies will approach a sponsorship consultant and ask them to find the ideal sport or event for their needs. Therefore it is good to have contact with sponsorship consultants to ensure that they are aware of the value and opportunities in tennis.

National Associations have to make sure the rules and regulations of the competitions are respected in the agreement between host nation and the promoter/consultant.

SERVICING THE SPONSOR

Once a sponsorship contract is signed every effort must be made to ensure that all obligations are met and that the sponsor is kept happy. Your job is to show the sponsor that you are working hard to promote the company’s name, enhance its image and improve the sales of its product. Depending on the number of partners, normally a person or team is assigned exclusively to this task. Some ideas which may be helpful in keeping sponsors happy:

• Arrange an official launch and major sponsorship announcement involving the Chief Executive or Managing Director of the sponsor. Invite your top players and/or coaches and other celebrities to attend.

• Become well acquainted with the company personnel involved with the sponsorship. Nothing succeeds like good personal relations. Ask their advice and when appropriate involve them in planning. Send ‘thank you’ notes and personal letters advising them of interesting activities or developments in the association and the sport. Make them look good in their organisation.

• Send the sponsor copies of all annual reports, newsletters and other publications.

• Make sure the sponsor has tickets and invitations to all the association’s activities -- not just those in the contract.

• Make sure that all press releases and reports mention the sponsor(s) by name. Do not use a photo in an association publication or send one to the media unless the sponsor’s logo is visible.

• Offer top players, coaches and other team members for the sponsor’s promotional activities.

• Offer top players, coaches and other team members for autograph and photo opportunities for the families of the sponsor’s personnel.

• Send the sponsor copies of all press clippings and promotional materials and make sure to highlight any mention of the sponsor. Keep two attractive scrap books of these materials - one to present to the sponsor at the end of the contract and one to show potential sponsors in the future.

• Ask the top people in the sponsoring company to present prizes at events.

• Try to help the sponsor evaluate the result of their sponsorship. If possible subscribe to a market survey which measures the number of people who connect a sport or event with the sponsor. If sponsors can see the figures improving during the sponsorship period they will be happy.

WHAT ARE TELEVISION RIGHTS?

In most jurisdictions, broadcast rights to an event are based upon control of access to the venue where the event is being played and control of any broadcast material produced.

The Event Owner/Organiser owns the television rights (with some exceptions as detailed in the relevant rules and regulations).

The International Tennis Federation owns all media rights with respect to its’ competitions, however, the ITF grants non-World Group Davis Cup National Associations permission to exploit certain domestic rights, such as the right to exploit television rights to broadcaster/s within their territory. ITF retains control of all rights relating to Fed Cup.

If you have any questions relating to the ownership of media rights to ITF Events, please don’t hesitate to contact the ITF Television Department.

HOW TO EXPLOIT TELEVISION RIGHTS AND FIND A BROADCASTER

Outline your objectives:

To exploit television rights the first thing you must do is be clear of your objectives i.e. what is important to you when choosing a broadcast partner?

Full live coverage is the most obvious objective when approaching television stations, however, income is also an influencing factor. It is important that all tennis events are made available to the general public, via television and radio, as this will help to increase interest in the game. Television coverage is also very important to domestic, international and potential sponsors.

Research your market - You must research all stations within the territory you are trying to sell to in order to ascertain which
are able to best meet your objectives. Different types of broadcaster exist:

- **Terrestrial/Free to Air** - television channels that can be received by the majority of a nation's population, with a standard television and aerial.

- **Cable/Satellite** - television channels that can only be received by people who have satellite dishes or cable decoders set up.

- **Special Interest TV Stations** - television channels such as specialized sports networks.

- **Pay TV** - television channels which people have to pay to receive.

A terrestrial/free to air broadcaster will certainly offer you better coverage than a cable/satellite broadcaster due to the number of homes that free to air broadcasters reach. However, a cable/satellite broadcaster may be able to pay a higher license fee, and usually will have more broadcast time available due to ownership of more channels, so should be considered if terrestrial broadcasters in your territory aren’t able to broadcast an event.

**Approach your chosen broadcasters** - After researching all stations within the territory it is time to approach the broadcasters you believe will be able to meet your objectives. Find out who is responsible for both acquisition of programming and the production of live events, as each will be as important to you as the other when selling rights and securing a host broadcaster.

Once they have shown initial interest in your product request a meeting in which you can introduce yourself, your company and your event.

**Preparing a Television Rights Proposal**

If a broadcaster has shown interest in broadcasting your event, a proposal should be drafted. In this detail your objectives:

- The exact rights that you are offering (e.g. exclusive live terrestrial television rights only).

- Your requirements - financial, commercial and technical (e.g. license fee if applicable, sponsor restrictions, full international feed with basic score graphics to be made available to the ITF for each tie and a full set of broadcast quality match recordings “clean” of any commercial endorsements).

There are three situations that you may find yourself in:

1. Broadcaster pays license fee and acts as Host Broadcaster.
2. Broadcaster does not pay license fee, but does agree to act as Host Broadcaster.
3. Broadcaster acts as Host Broadcaster but in return for a contribution towards its cost.

**Rights Fee** - You may be able to obtain a rights fee - if this is the case, many factors must be considered in doing this:

- Take into consideration per capita income of your country’s inhabitants.

- The number of television households in your territory.

- Whether the broadcaster has any way of financing the acquisition of rights (i.e. commercial broadcasters are permitted sponsorship).

- How well the players in your country are doing.

- How popular your sport is at the time of your proposal.

- In some territories the political situation at the time of negotiation may be an important factor.

**Make the offer** - Present your proposal outlining the benefits to the broadcaster and your/ITF requirements (as detailed in the appropriate operations manual). Make the broadcaster aware that you are open to discussing the proposal to avoid them feeling the purchase is unobtainable at any stage. Ensure that any questions asked are answered thoroughly and honestly.
Negotiate - sometimes the television station will not accept your first proposal. It is important that you are able to be flexible with the broadcaster, without conceding any of your main objectives.

Technical Information - It is important that the broadcaster is given detailed information of technical requirements during the tie. A host broadcaster manual outlining everything necessary to produce a successful broadcast should be attached to the Agreement that you sign with them (the Davis Cup host broadcaster manual can be easily adapted to incorporate requirements for other events). Take the time to ensure that the broadcaster is totally aware of all commercial restrictions that you are placing on them (i.e. programme sponsorship and on-screen identification restrictions).

Conclude - As soon as you have reached an agreement with a television broadcaster, you must formalise this agreement in the form of a legally binding contract. Included in this will be the rights that you are granting and you must ensure that all obligations on the part of the broadcaster are written into the contract. If you require any guidance on this matter, the ITF TV Department can provide sample contracts and are always available and willing to help you!

The Lead Up

Ensure that you maintain contact with the host broadcaster in the lead up to the tie, advising them of any changes or new developments and assisting with any additional requests on their behalf.

You must attend site visits with representatives of the broadcaster and, before your tickets go on sale, you must ensure that start times are acceptable to the broadcaster and that areas are reserved for all technical equipment (cameras, commentary boxes, OB trucks etc).

Ensure that senior representatives from the television company are invited to the event, as this will make selling the event much easier next time round!

During The Event

Ensure that the broadcaster has everything they need to produce a successful television production - i.e. power and lighting etc.

Following the Event

Check that there were no problems and that the broadcaster was happy with the service they received from you. PLEASE REMEMBER THAT THIS IS THE TIME TO DISCUSS FUTURE EVENTS.

Ask the television station to provide you with as much information on the broadcast as is possible audience figures, ratings etc. Make this as easy as possible for them by providing a broadcaster form to be completed (this can be obtained from the ITF TV Department. Completion of this form should also be included in the contract as a requirement.

In Summary

• Research your market carefully.

• Be sure of your objectives.

• Establish and maintain good working relationships with all broadcasters in your territory.

• If in doubt, call the ITF TV Department - we are always available to help you!