



THE SPONSORSHIP
— COLLECTIVE —

FESTIVAL SPONSORSHIP: A COMPREHENSIVE REPORT ON THE STATE OF THE INDUSTRY

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At the 2021 Denver Christkindl Market, cable company Xfinity led with a simple, low-cost activation: a photo backdrop, an “I Heart Denver” meme with the heart in evergreen, and a red bow holding a bold Xfinity logo. United Airlines, which was launching a new direct service between Denver and Munich, came in as the title sponsor. Its main activation? A contest offering two Polaris (business) Class roundtrip tickets to Munich.

Both were executed by Creative Strategies Group. The photo backdrop was shared hundreds of thousand of times, says CEO Bruce Erley. The contest got 10,000 unique entries. But perhaps best of all, he says, “it was turnkey for them. They didn’t have to have any people onsite.”

Erley works with festivals and events across America. Clients range from the Pasadena Tournament of Roses to the French Quarter Festivals in New Orleans. “We’re finding that we’re having to do a little more handholding in activations and we’re having to do a little more of the turnkey activations for them as well,” he says. Marketing budgets have shrunk, contracts with experiential agencies have not been renewed, agencies have gone under, he says. Some of that will come back, but he expects turnkey activations are here to stay.



“Sponsorship used to be something that was an ancillary activity of marketing and now it’s becoming a key component of marketing,” he says. It’s not enough to pitch corporate relations and community engagement. Sponsorship has to drive sales or behavioral change, and be able to prove that it has delivered on its promises.

“Have a clear understanding of the outcomes your sponsor expects.”

Stephanie Prendergast

Erley says that baking in activation ideas and metrics into a proposal will be a key driver of success. It’s a natural consequence of the maturing of sponsorship.

With cooperating weather, the Albuquerque Balloon Fiesta will draw more than 900,000 people over nine



days and 14 sessions. "When we talk to our sponsors we ask them what exactly they are looking for and what they expect," explains sponsorship sales director Stephanie Prendergast. Sometimes the brand and the festival are simply not the right fit. Other times, the result is something spectacular and out of the box.

Out of the box is Meg Sethi's wheelhouse. She's the CEO and agency director of Alchemysts Inc., which creates fun, disruptive marketing campaigns for beer, wine and spirits brands in the US and Canada. She often works with big budgets. "Plug and play" opportunities may be great for some brands, but not necessarily for hers. "We want it to be that you walk into a festival and you immediately know what the brand is, you want to understand the brand world, and you want to be immersed in it."



"Know your own brand. Know what you can and cannot do. "In sponsorship, you're not supposed to say no."

Sometimes you have to!"
Stephanie Prendergast

That's seldom found on the shelf. Instead, when evaluating a festival sponsorship opportunity she focuses on four points:

- Audience demographics. Do they line up with the key demographics of any of her brands? Are they existing consumers or new potential consumers of the brand? Are they in line with the mandates of the brand?
- Logistics. What are the parameters for onsite activation? Festivals tend to look to pouring rights when courting beer, wine and spirits brands, but there's much more to it than that.
- ROI. Activation costs can add up, so she'll compare the investment required with the expected return.
- Social responsibility. For beer, wine and spirits brands, it is essential not only that age of majority be respected, but that the event environment be safe for all attendees. Festivals must anticipate worst case scenarios and have appropriate measures in place.

She also looks for festivals that will give her several touchpoints to engage the audience. "The more omnichannel opportunities, the better," she says.



Sampling opportunities are always important, but so are opportunities to engage with media, or to involve local restaurants and bars.

For some festivals, that may include digital extensions. "There's little or no appetite for sponsorship of virtual events," says Erley. Events will be principally live, but he makes room for digital extensions if they can create a meaningful experience. He's working with TEDxMileHigh, for instance, which will be in-person locally and online globally. The Sundance Film Festival is also retaining its digital

extension in January 2023 when it returns to live after two years of online-only screenings. It has built a valuable global audience of film buffs who can effectively consume the festival's content and still engage with sponsors. "You don't want to just abandon them," says Mary Sadeghy, head of partnerships and co-director of advancement.



"Don't try to jam the brand down people's throats. Instead, focus on creating an interesting, compelling and memorable experience."
Chris Norwood

Festivals should pay attention to the local market. Though national brands do get involved, Erley finds that festival sponsorship is fundamentally local or

parochial. "You've got to find the local decision-maker for the national brands," he says.

But don't expect long-term deals. Erley says brands now have a weak appetite for multi-year deals. "We've lived in a very uncertain world for three years, and it's going to continue. That uncertainty means that they're not going to make long-term decisions."

The sales cycle has also contracted. Chris Norwood, director of sponsorship and marketing for Tucson's DUSK Music Festival, says some of his sponsors are delaying their decisions to mid to late summer for a festival that opens mid November. That's unusual, he says. Prendergast is also noticing the impact in a shortened sales cycle. Contracts are being signed later in the cycle "because they have to pay for their team to come here" and those costs are uncertain.



As to spending, if budgets are up, they are up only modestly. Sponsors are negotiating more aggressively, looking for ways to save by reducing benefits, says Erley. "I've added about 5% over what we were doing in 2019," he says. Sadeghy is budgeting conservatively, anticipating that Sundance may feel the effect of belt-tightening across corporate America. "It would be naïve for us to expect that we're not going to be affected by that in some way," she says.



"Despite the shortened sales cycle, give your sponsors sufficient lead time. At a minimum, allow for 90 days to six months. To fit within a budget cycle, a year is ideal."

Meg Sethi

With acts drawn from a wide swath of music genres, an audience that cuts across most demographic criteria, and strong sponsorship from deep-pocketed alcohol brands, Tucson's DUSK Music Festival may be an outlier. "I've been receiving more phone calls than making outreach," says Norwood. Sponsors appear to be eager to be first back to market. "My two biggest sponsors are expanding their presence," he says. He's budgeting for a 30% to 35% increase in sponsorship revenue, after posting strong numbers for 2021, which was also live.

Prendergast expects to match last year's figures, but her sponsors come back at an 85% clip, validation of the emphasis she places on sponsor

service. The Albuquerque Balloon Fiesta is a huge event, by many accounts the largest of its kind in the world, managed by a modest-sized permanent staff and a large complement of volunteers.

"We visit [sponsors] every session," to address any concern they might have, she says. "They know where to find me. They have my cell phone. They have my email." Sponsors know that festivals have a finite footprint. If its audience is engaged at a festival, a brand will want to renew quickly rather than delay and risk losing its real estate. Many sponsors want to renew at or shortly after the fiesta, says Prendergast.

"You are a marketing channel, so have someone on your team who truly understands the challenges that brand marketers face and can speak to them in a language they understand."

Chris Norwood





Don't neglect the agencies, Sethi adds, because good service may pay dividends the following year. "We're the ones that are going to be putting everything together," she says. If the agency has a positive experience, it is more likely to recommend the property to other clients – about as easy a sale as you'll ever make. "Now, more than ever, properties have to focus on building meaningful sponsorship opportunities based on good audience data with measurable ROI" says The Sponsorship Collective CEO, Chris Baylis

"Get as much professional advice as you can. The International Festival & Events Association, for instance, has a sponsorship affinity group that meets every month."

Bruce Erley



The Seven Key Takeaways



Host every prospect who turns you down. Show them what they missed. "It's a really good way to sell." -- Bruce Erley, CEO, Creative Strategies Group



Keep your deadline for sponsorship decisions as close to the event date as you can manage. -- Bruce Erley, CEO, Creative Strategies Group



If you're presenting a sponsorship or sales deck, keep it tight but comprehensive. demonstrate that you've done the work. Describe what the event is, when it is, who is going to be there, and how impactful it will be for the brand. -- Meg Sethi, CEO and Agency Director of Alchemysts Inc.



Realize that you don't know everything. "If you're the smartest person in the room, you don't need to be in that room." -- Stephanie Prendergast, Sponsorship Sales Director, Albuquerque Balloon Fiesta



Understand your audience and have actionable data about their purchase habits. -- Chris Norwood, Director of Sponsorship and Marketing, DUSK Music Festival



Don't be afraid to say no. "I know it's hard to say no to money, but finding the right partners is more important than finding a lot of partners." -- Mary Sadeghy, Head of Partnerships and Co-director of Advancement, Sundance Film Festival



Know your audience and build amazing experiences for them, with your sponsors. Chris Baylis, The Sponsorship Collective

ABOUT THE SPONSORSHIP COLLECTIVE

The Sponsorship Collective is a consulting agency committed to helping properties find clarity, stand out from the crowd and build lasting partnerships in a repeatable and scalable way.

Find out more here: sponsorshipcollective.com

