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

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At its height, the World Petroleum Congress (WPC) could count on more than 4,000 delegates in attendance, and with numbers like that you'd expect sponsors in the oil and gas sector to beat a path to its door. They did. But big audience numbers are no guarantee of sponsorship success, particularly in the B2B world. "I've run B2B events that the client has been delighted with, that have had eight people at them," declares Joe Hames, recently installed as head of sales, conferences, STM Journals for academic publishing giant Elsevier in London. But they were the eight people in the world who made the critical decision about the sponsor's piece of software.

In the B2C world, numbers matter more because narrowing the audience to key decision-makers is challenging. You can promise high net worth, but even that covers a broad spectrum.



And it's likely you can't promise Rolex buyers. In B2B, though, you can scroll down the attendee list and identify prospects by name and title. Hames, whose career has included stints with London's Financial Times and Tortoise Media, cites the Financial Times' annual Mining Summit as an example. Year after year, it draws the CEOs from the world's four top mining companies. "It's a no-brainer to sponsor if you want to influence the mining industry," he says.



"I believe that you can run a massive event on just getting five or six really, really good people."

Big audience numbers are no guarantee of sponsorship success

In B2B, you can use sponsors to attract sponsors, big fish to attract lesser fish. First, approach companies at the top of the food chain who want to be seen as industry leaders, explains Frederic Malgoire, owner and commercial director of E3 (Energy Events Experts), the Dubai-based company that specializes in the organization and promotion of energy events globally, including the WPC. If the conference programming is solid, top tier sponsors will send top tier attendees. "The top people usually only want to go to an event if there's a conference," says Malgoire, because it's at the conference that they'll get high-level discussion and high-level content. Use them as bait for companies that want



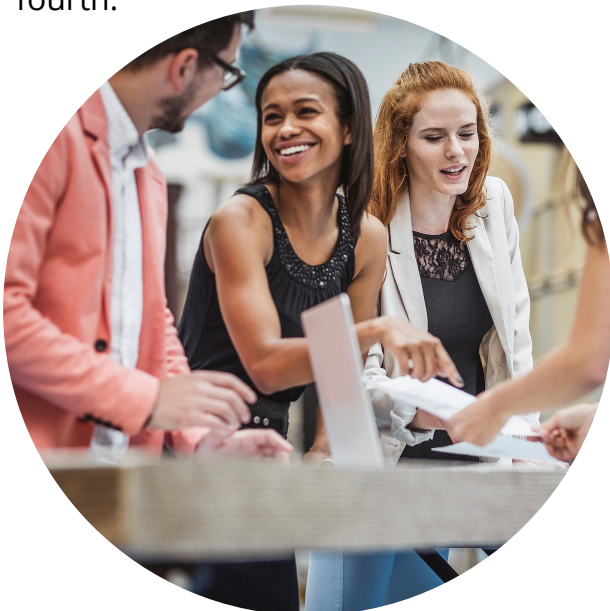
to do business with the top tier. Continue in this manner down the food chain.

Hames says there are three factors that motivate conference sponsors:

1. Visibility of senior individuals, usually delivered through speaking opportunities
2. Lead generation, typically through networking and sponsorship of lunches and receptions
3. Brand visibility, which is declining in value.

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There are activation opportunities within each, but “if your event doesn’t offer at least two of those things, I think you’re in trouble,” Hames says. It’s a short list, and he believes “the room for growth in the sponsorship industry is for us to do those three things better,” not necessarily coming up with a fourth.



“Everybody’s always looking for the silver bullet, and there really isn’t a silver bullet,” says Meg Fasy principal of FazeFWD, a US-based company that has been marketing conferences and meetings for the past 30 years. Experiential opportunities, often co-created with sponsors, may not need a big footprint and can generate leads. Digital swag rooms can offer specific, tailored rewards to attendees depending on criteria set by a sponsor. Watch parties can broaden the audience. Microsites can bring a virtual audience into the conference room to listen to and participate in a sponsor’s presentation in real time.

Don’t forget the post-event window, says Hames. Making a presentation available on video after the event can bring a sponsor’s thought leadership to an audience well beyond the hundred in the room.

At events like WPC, Malgoire includes meeting space as an asset. “When you attend a conference like WPC, 90% of the value is networking,” he says. The conference will draw ministerial delegations from the top petroleum countries around the world, plus leadership from all the major oil and gas companies. Those delegations will need access to the best meeting facilities, and the only way to get through that door is sponsorship, he says.

Hames says it’s important that the conference sponsorship, marketing and programming teams work together.



Programmers may display a knee-jerk resistance to putting a sponsor on the podium. “By definition, suppliers are sometimes among the most knowledgeable in their industry,” he counters. The sponsorship team can also help guide the marketing team as it recruits attendees. Ask your sponsors who they’d like to see in the room, and encourage your marketing team to recruit from that list. If a sponsor is particularly interested in meeting

specific attendees, Hames will work with the programming team to schedule an event, a sponsored breakfast, for instance, that is likely to attract those attendees.

The limited inventory can be a double edged sword, says Stephen Simmons, senior director of sponsorship and partner programs at the New York-headquartered Association of National Advertisers (ANA). Scarcity enhances value.

However, in today’s marketplace two seemingly opposed forces are challenging conference organizers. Though there is widespread acceptance that nothing equals the impact of face-to-face contact when building a business relationship, when weighed against the cost, the case for virtual is often stronger.

“The biggest issue we have now is trying to build the in-person audiences back to those pre-COVID levels,” Simmons concedes.



At the 2014 WPC in Russia, some top companies sent 100 to 150 delegates, says Malgoire. “This number is now likely to be in the range of 40 to 50 in Calgary next year.” It’s not just belt-tightening, he adds. “The last two years have shown us that we can do business without necessarily meeting face to face.” For the sponsorship sales team selling off the back of a gold-plated attendee list, this is a problem.

The challenge for organizers will be to enhance the in-person experience sufficiently to attract former attendees. Often, organizers can lean on sponsors for help with activations sure to surprise and delight. But there’s a chicken and egg problem says Simmons. Without the promise of a large and attractive audience, sponsors are reluctant to invest heavily in top-shelf activations.

Hames has come up against another post-COVID hangover: even if a CMO is ready to sign, the CFO is not, fearing



the impact of a force majeure event – a travel ban for instance – that even if it did not cancel the conference, would seriously diminish its value. Malgoire has seen it happen. He had begun selling sponsorship for a major energy conference in Russia when sanctions were imposed and the conference was cancelled. So far the local organizing committee has refused to refund sponsor deposits.

For big events like the WPC, typically he would have major sponsors secured 18 to 24 months ahead of time. For the September 2023 WPC in Calgary, he expects most sponsors to come on board in the September-December window of this year, and he's prepared for requests for special payment terms.

Simmons says the solution is not necessarily to do anything new or different, but to do it as well as you can, "focussing on executing perfectly, not just really well."

Clearly understanding how a sponsor will define success is as simple as asking, says Fasy, and it's an essential question. Then, Hames adds, check your own progress against those objectives throughout the development of the event. These terms don't have to be included in the agreement, but they must be understood, he says.

"Clearly understanding how a sponsor will define success is as simple as asking." - Meg Fasy

As to the future of the hybrid event, there's a division of opinion. The ANA's 2022 signature conference, Masters of Marketing in October, will be hybrid, but after that the fate of the virtual component is up in the air. Cancellation is an option, as is raising the price, adjusting the offering to make it less attractive, or leaving it unchanged.

Malgoire is more inclined to view the broadened digital audience as an opportunity. Though engagement with the digital audience is more challenging, the audience is too big to be ignored. Branding may be the blandest item on the conference sponsorship menu, but that doesn't mean it has no value. The last WPC (Houston, 2021) drew 4,000 in-person attendees but actually reached 25,000 to 30,000 through hybrid delivery. A number that big will represent additional revenue for the next WPC in Calgary in 2023, and for events beyond, he believes.



The Seven Key Takeaways



Don't assume that companies will sponsor just because they are in the space. Sponsorship doesn't happen out of kindness or a sense of obligation. "Sponsoring an event is a very commercial exercise. They're looking for a return on investment. It's as simple as that."

- Frederic Malgoire, Owner and Commercial Director, E3 (Energy Events Experts)



Look at your product carefully and decide who would value it the most. Go after those people first. Don't try to shoehorn in companies that might only have a passing interest. If you can't think of 10 sponsors who would seriously miss out by not sponsoring your conference, maybe it's not a commercial property.

- Joe Hames, Head of Sales, Conferences and STM Journals, Elsevier in London



Create value not just stuff.

- Meg Fasy, Principal, FazeFWD



On delegate acquisition, focus as much on quality as on quantity.

- Joe Hames, Head of Sales, Conferences, STM Journals, Elsevier in London



Deliver on everything with as much high-level precision as possible. Provide top-shelf content. For sponsors, execute flawlessly and deliver, if not overdeliver.

- Stephen Simmons, Senior Director of Sponsorship and Partner Programs, Association of National Advertisers (ANA)



Provide rich post-event data. Two years of digital and hybrid events have whetted sponsors' appetites for analytics and it will be challenging to provide that same level of data from a live event.

- Meg Fasy, Principal, FazeFWD



Know your audience and build amazing experiences for them, with your sponsors.

Chris Baylis, CEO, 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.

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