



**EUROPEAN SPONSORSHIP
ASSOCIATION**

Sponsorship Presentation

to Marketing Task Force

EC Alcohol and Health Forum

9th June 2009

Helen Day – Head of European Policy, ESA

Nick Johnson – ESA Board

Chris Barnes – Comperio Research

www.sponsorship.org



INTRODUCTION TO ESA

- **The European Sponsorship Association (ESA) is the voice of the sponsorship industry across Europe.**
 - Established since 1990
 - Members across Europe from sponsors, rights holders, consultancies, associated research and professional firms, and affiliates linked to sponsorship
 - Aim to set standards in sponsorship, with education and representation of the members
 - Regular workshops, training and conferences
 - Annual European Sponsorship Awards
 - Networking opportunities
 - Supporting continued professional development (CPD) through its ESA CPD accreditation scheme
 - Share of knowledge - providing industry information to its members
 - Links to various national sponsorship associations

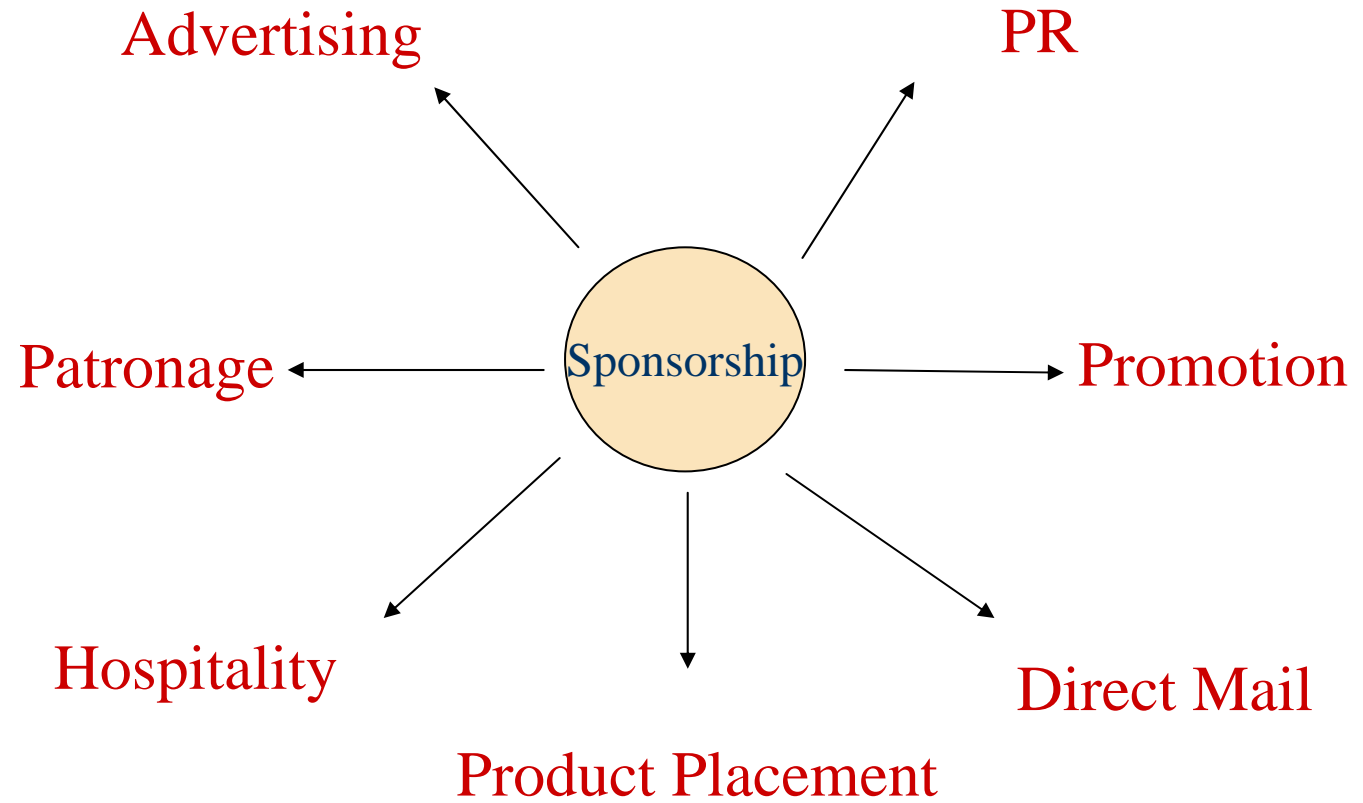


SPONSORSHIP DEFINITION

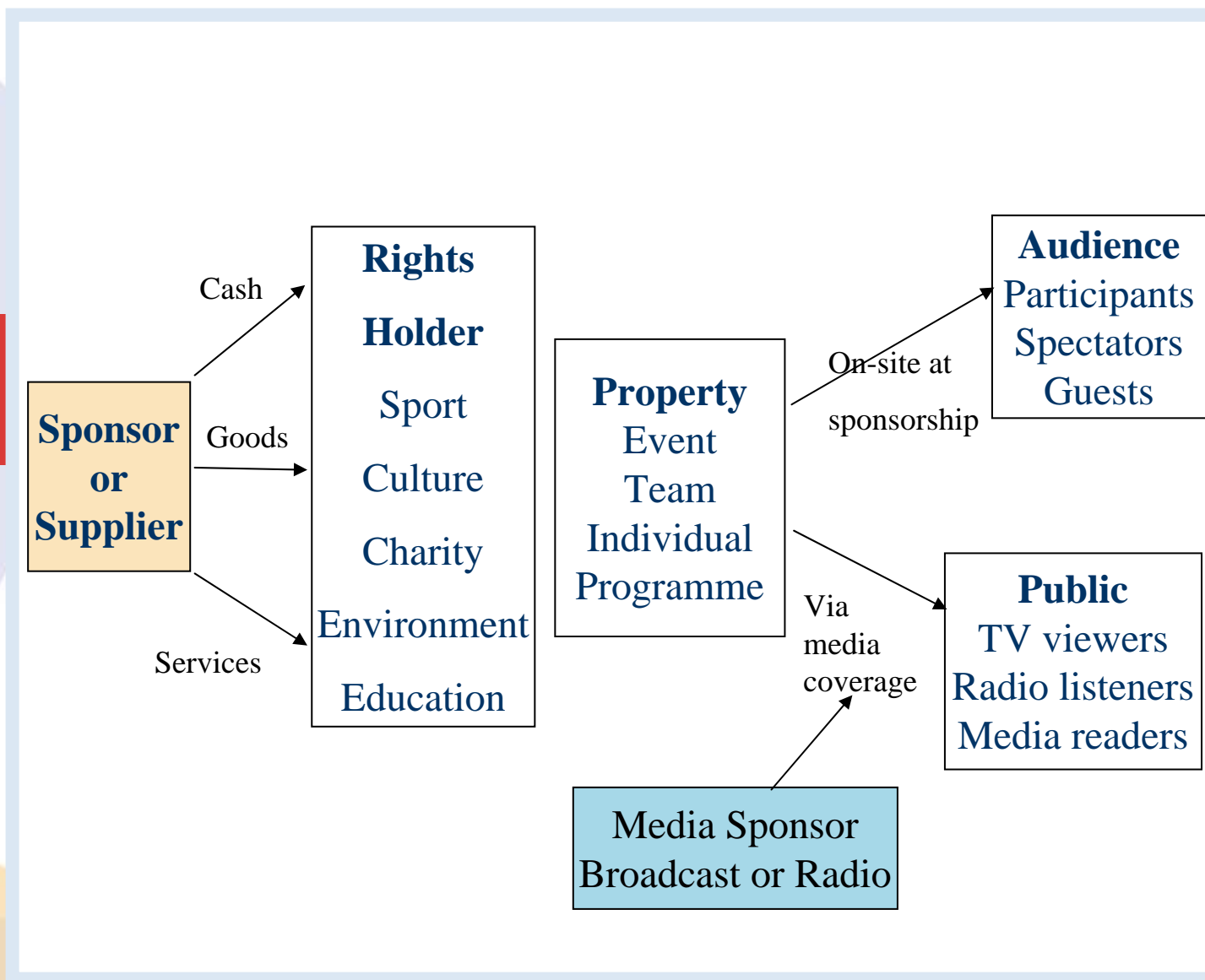
- **ICC (International Chamber of Commerce)
Code of Sponsorship (2003)**

Any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or products and a sponsorship property in return for rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.

**SPONSORSHIP
AS PART OF
MARKETING**



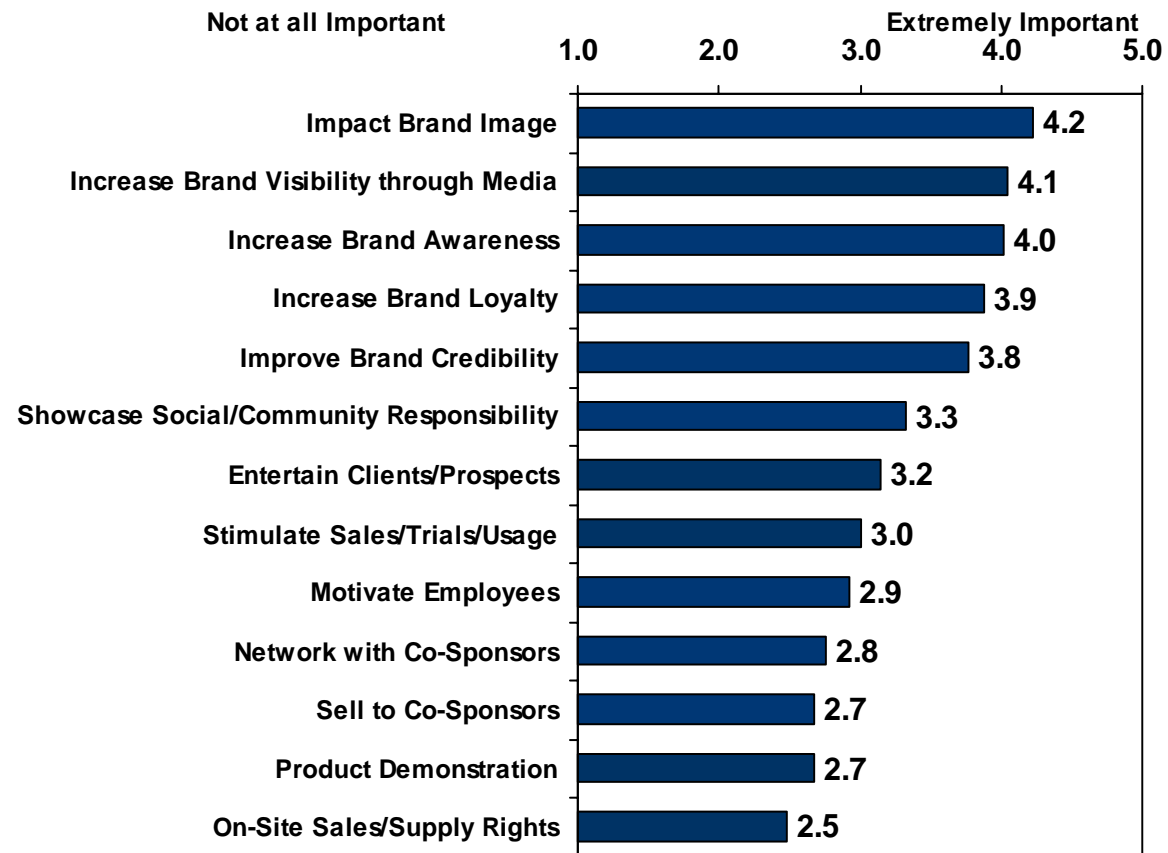
**HOW
SPONSORSHIP
WORKS**





**SPONSOR
OBJECTIVES**

Sponsorship Objectives of Sponsors

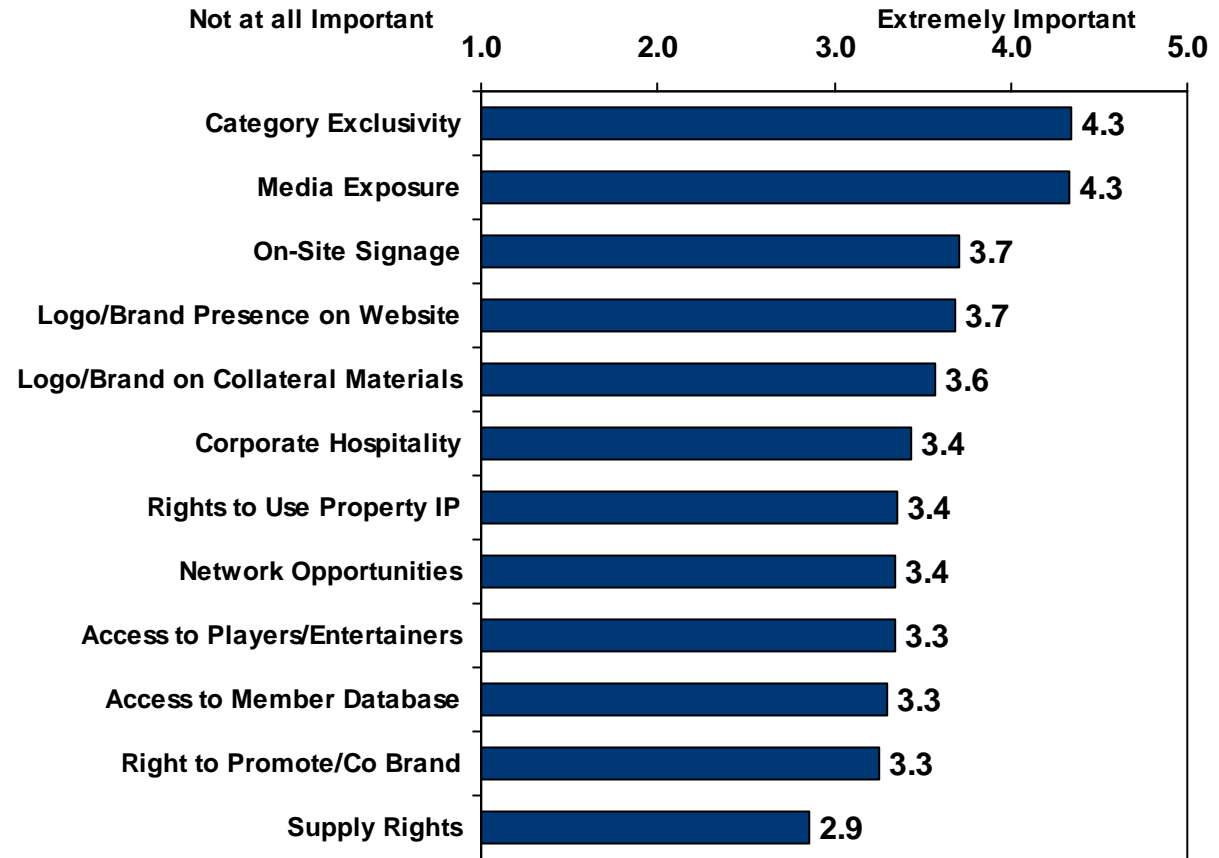


Source: SMS/ESA European Sponsorship Survey 2007



**SPONSORSHIP
BENEFITS**

Sponsorship Benefits sought by Sponsors

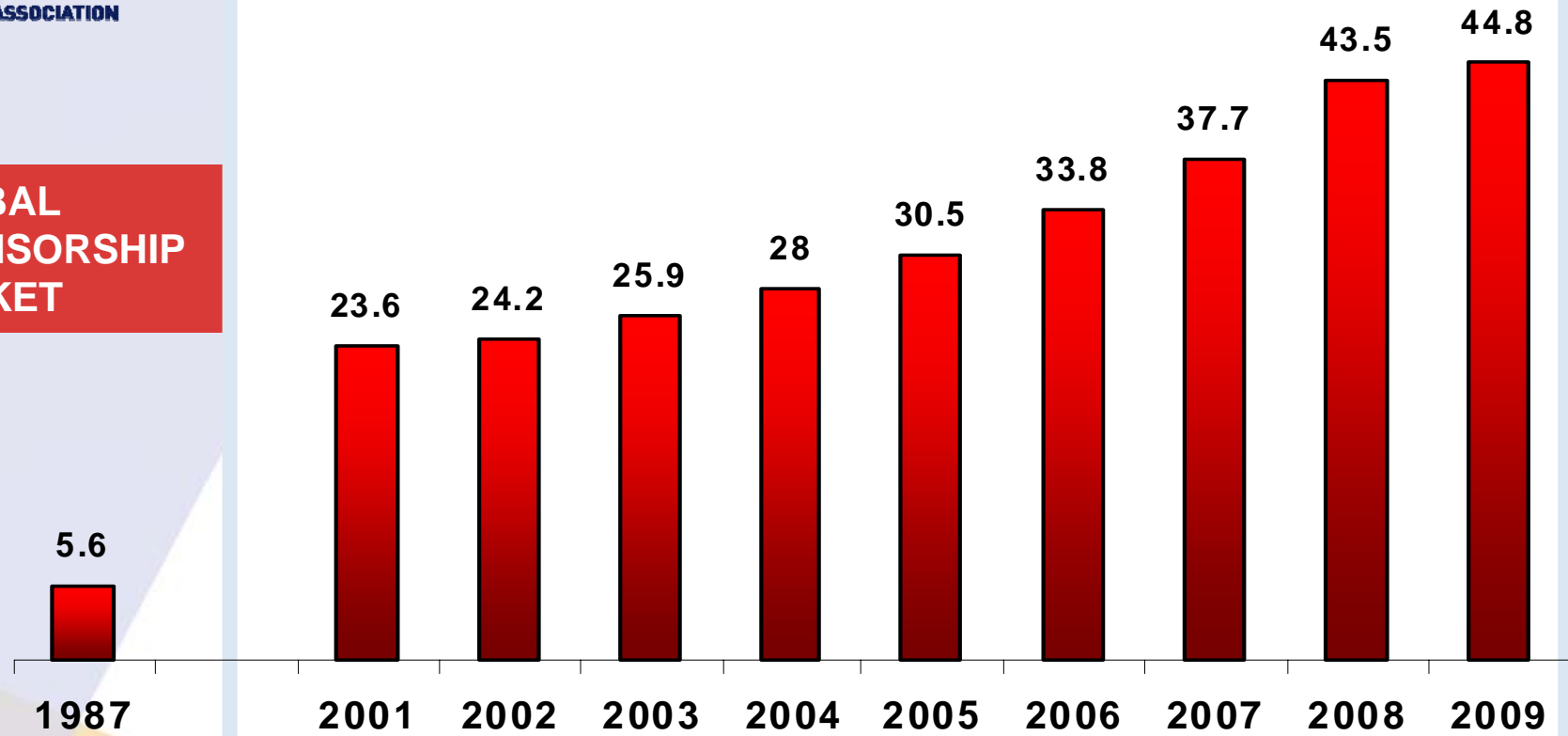


Source: SMS/ESA European Sponsorship Survey 2007



GLOBAL SPONSORSHIP MARKET

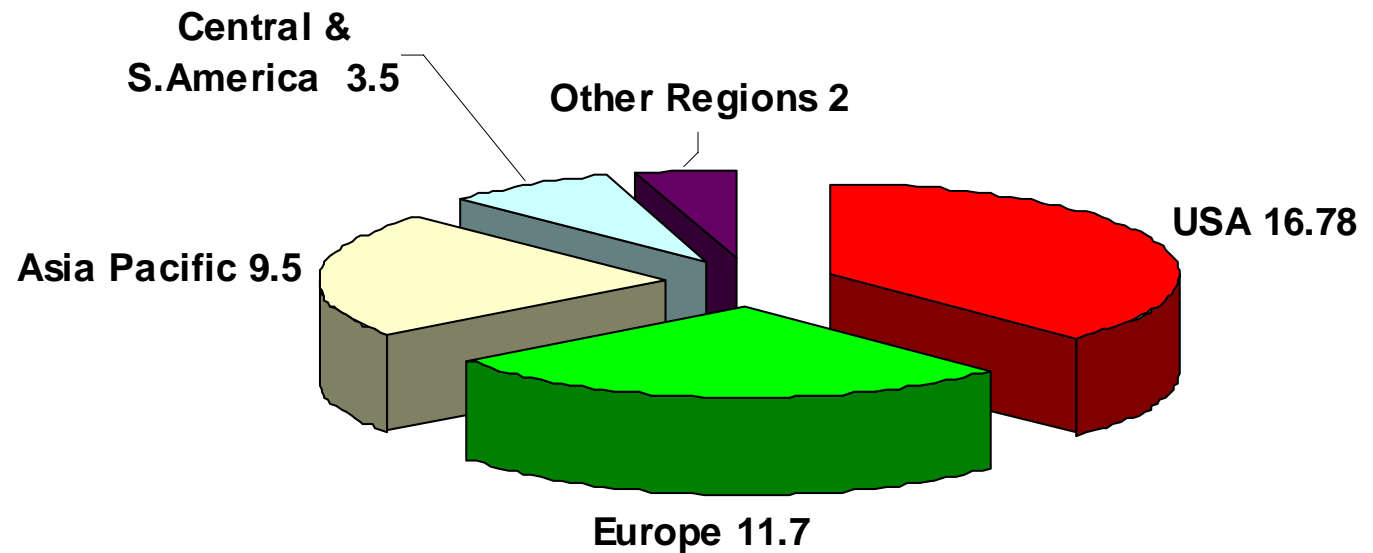
Global Sponsorship Rights Spend \$USb. 1987-2009



Source: IEG/ WARC/ Zenith Optimedia

**BREAKDOWN
OF GLOBAL
SPONSORSHIP**

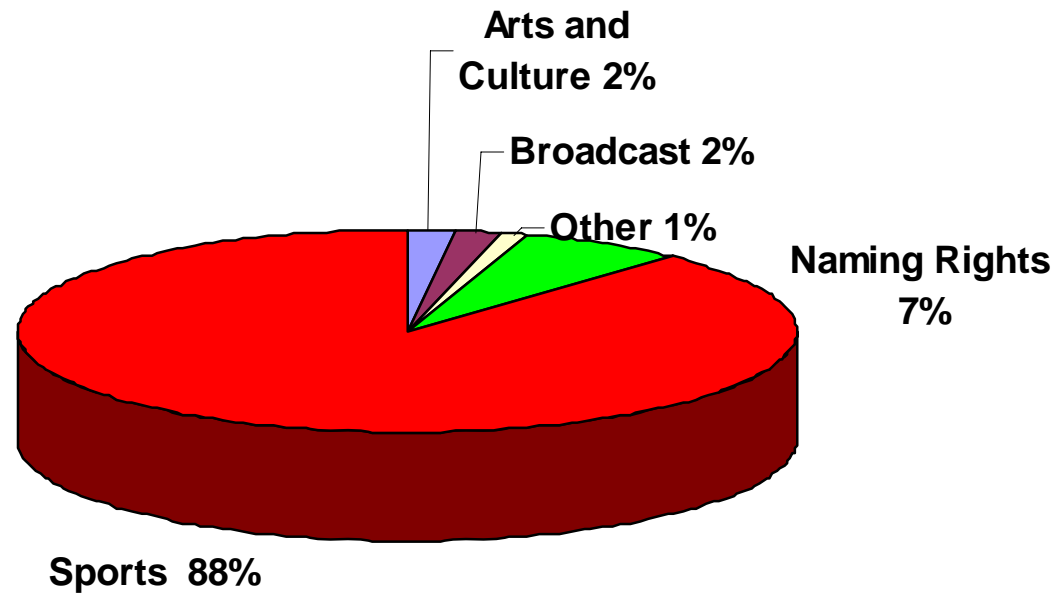
Worldwide Share of Sponsorship 2009
\$US billion



Source: TWSM Annual Review 2008

**SHARE OF
REPORTED
SPONSORSHIPS**

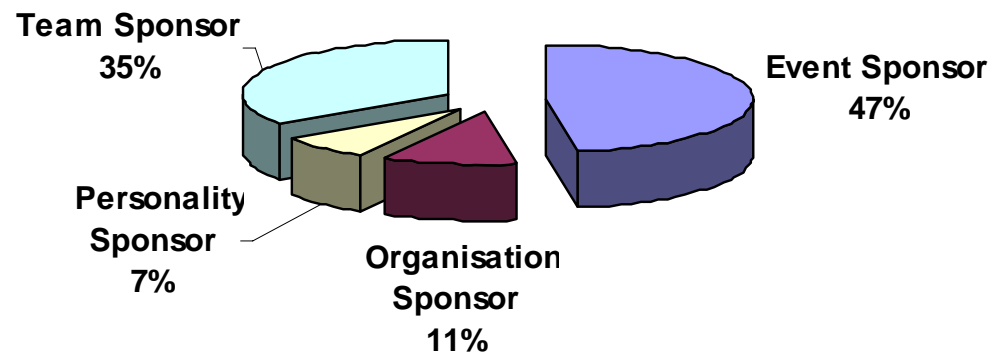
Share of Reported Deal by Category 2008
in % total committed investment



Source: TWSM Annual Review 2008

**TYPE OF
REPORTED
SPONSORSHIPS**

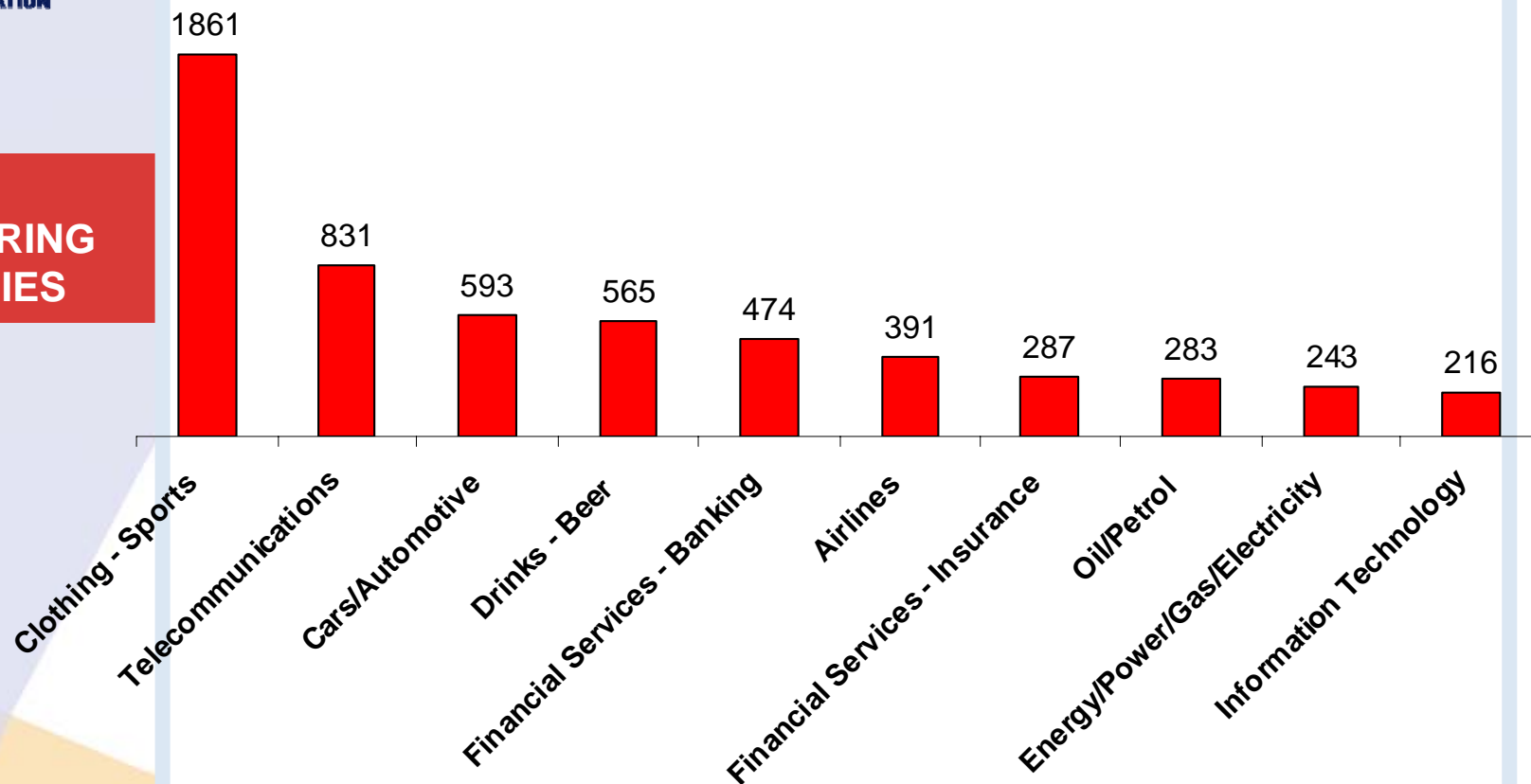
**Share of Reported Type of Sponsorship Deals
by number of deals in 2008**



Source: TWSM Annual Review 2008

**TOP 10
SPONSORING
INDUSTRIES**

Top 10 Spending Industries in Total Reported Value 2008 \$m.



Source: TWSM Annual Review 2008



**EC ALCOHOL &
HEALTH
FORUM**

- **Membership from the Advertising Process**

- Economic Operators
- Advertising Agencies
- Media (TV, publishers)
- the Advertisers
- the Organisers
- the Display Medium

- **Membership from the Sponsorship Process**

- Economic Operators
- Sponsorship Agencies
- *Rights holders*
- the Sponsors
- the Organisers
- *the Event / Property / Venue*

➤ **ESA represents all parties involved in sponsorship**



ESA COMMITMENT

- **Previously, no central discussion with the rights holders as to their views and attitudes on sponsorship by alcohol companies.**
- **An online survey developed for distribution to a range of sponsorship rights holders around Europe (sports governing bodies, major event/tournament organisers, cultural venues etc).**
- **The aim of the survey**
 - to gain better data on the views, rules, policies, case histories, and /or contractual obligations that the rights holders might have relating to alcohol sponsorship.
 - to use this data to understand what variation of self-regulation already exists due to rightsholders imposing their own parameters on alcohol sponsors
 - to analyse this data to draw out any key learnings and explore potential follow-up action

About Comperio

Comperio is the research arm of International Management Group (IMG), the world's leading sports marketing company. Comperio is a media and market research consultancy within the sport and entertainment sectors. Our goal is to provide data and analysis to inform strategy and investment which enables our clients to obtain maximum benefits.

Comperio's expertise lies in the following fields:

- Sponsorship
- Broadcast & distribution reporting
- Event & exhibition research
- Stadium & arena research
- Economic impact assessments
- Tourism research

Research Objectives

Comperio Research was commissioned by the European Sponsorship Association (ESA) to provide a survey of rights holders throughout Europe (including international, national or local organisations of all types such as sport, culture, environment, venue etc) to investigate the issue of the sponsorship of events and organisations by alcohol brands.

The objectives of the research were to identify:

- Types of sponsorships accepted by European rights holders
- Ways in which rights holders self-regulate their sponsorships
- Views and opinions on the current legislation and regulations of alcohol sponsorship
- Willingness of rights holders to support a responsible drinking campaign and instigate their own self-regulation of alcohol sponsorships in the future

The Survey

The results were achieved through an online survey of 22 questions developed and designed by ESA and Comperio Research to sample rights holders across Europe. ESA members were emailed the survey and a link was also placed on the ESA website (www.sponsorship.org) so that visitors to the site could complete the questionnaire.

238 responses were recorded from respondents in a wide range of European countries including the UK, Portugal, France, Germany, Spain, Hungary and The Netherlands.

The margin of error of this sample size at a confidence level of 95% is: +/- 6.3%.

Research Timetable

- Dec 07 Appointment of Comperio Research
- April 08 Development of questionnaire
- Sept 08 Distribution of online survey
- Jan 09 Analysis of responses
- Mar 09 Publication of findings

Full survey results published at: <http://www.sponsorship.org/freePaper/alcoSurveyFull09.pdf>

Key Findings

- Self-regulation of alcohol sponsorship is commonplace in all sectors and all levels of the industry.
- One common form of self-regulation of alcohol sponsorship is to ban it altogether for varying reasons (or maybe having a ban on perhaps spirits but not beer or wines), although many respondents also assess on a case-by-case basis, depending on such variables as the age of the target audience of the event and ethical/healthy lifestyle commitments of the sponsor and event.
- Two-thirds of respondents (66.7%) who have policies regarding alcohol sponsorship have banned one or more of the three categories (beer, wine or spirits), while more than half will only accept it for events targeted at the appropriately aged audience (55.6%).
- More than half of those who have an alcohol sponsor have regulations relating to how it is activated by a sponsor (57.3%). 60.3% of those who would consider an alcohol sponsor in the future would impose policies upon sponsorship they took up.
- One-third of those with alcohol sponsorships currently include clauses in their contracts relating to responsible marketing by alcohol sponsors. 90.0% of those with alcohol sponsorships who don't currently include a clause in their contracts, would consider doing so in the future.

Key Findings (2)

- Whilst clauses in sponsorship contracts are not currently common-place, there is a willingness within the industry to instigate such policies in the future. More than 9 out of 10 (90.7%) of all respondents either do, or would consider in the future, including policies relating to responsible marketing by an alcohol sponsor.
- International events (regional / global) are significantly more likely to have an alcohol sponsor than local or national ones. As such, if restrictions were imposed upon alcohol sponsorships, international events would be more noticeably affected.
- International events are currently more likely to have clauses in their contracts relating to responsible marketing by an alcohol sponsor, but both national and international events would be prepared to do so in the future.
- Events with international media reach are the most likely to have self-imposed policies regarding sponsorship, and to have policies related to sponsorship activation.
- Rights holders and sponsors generally accept they have an obligation to promote responsible attitudes towards alcohol and its consumption. 87.8% of respondents strongly agree or agree that alcohol sponsors have a responsibility to promote good practice and responsible drinking in relation to an alcohol sponsorship.

Key Findings (3)

- 80.3% believe that event organisers also have a responsibility in this area, indicating that both partners of the sponsorship deal are committed to the mutual responsibility of promoting good practice.
- The general consensus is that event organisers are responsible in the way they self-regulate sponsorship programmes (73.9% agree or strongly agree with this notion).
- As such, there is a reluctance to agree with the notion that there should be legislation controlling which events or organisations are sponsored by alcohol brands. Almost half of respondents disagree or strongly disagree with the introduction of legislation (49.2%), while only 28.2% agree or strongly agree.
- Both event organisers with and without alcohol sponsorship believe strongly that self-regulation is the best option overall (65.3% vs. 63.8% agreeing or strongly agreeing with self-regulation), compared to legislation on the matter.
- Those without alcohol sponsorship are more in favour of legislation regarding alcohol sponsorship than those with alcohol sponsorship, 35.0% agreeing or strongly agreeing with the notion, compared to 13.3% of those with sponsorships. In both cases this is far less than those that favour self-regulation.

Conclusion

- 9 out of 10 respondents either do, or would consider in the future, including policies relating to responsible marketing by an alcohol sponsor. This supports the notion that the industry is looking to be proactive in its commitment to delivering responsible sponsorship to its audience.
- Overall, responsible drinking is an area that organisations and events appear keen to promote. There is already widespread support of responsible drinking campaigns with almost half of respondents involved at present. In total almost four out of five respondents either currently support a responsible drinking campaign, or would do so in the future (79.4%). This once again illustrates the willingness of the industry to promote responsible activity regarding alcohol sponsorship.
- The majority of respondents would prefer to self-regulate their alcohol sponsorship under guidelines by an industry body such as the European Sponsorship Association (ESA) rather than an external body unrelated to the marketing sector.
- Around half of the organisations surveyed would be affected if legal restrictions were imposed upon alcohol sponsorships (significantly more for those with current alcohol sponsorship deals), suggesting that a commitment to self-regulation and responsibility amongst rights holders and sponsors, supported by ESA, may be a more suitable way to tackle the issue of alcohol sponsorship in Europe.



**WORLD
ROWING
- FISA**

- **FISA - Fédération Internationale des Sociétés d’Aviron**



- International rights holder for all world rowing
- Membership by national associations
- 65% male/35% female with 80% over 16
- Over 50% are professionals or key-decision makers
- Traditional, with values of team spirit, respect, commitment, integrity

- **Attitude to Alcohol Sponsorship**

- Would take an alcohol sponsor if below 14%
- Krombacher brewery was sponsor of Rowing World Cup in 1998
- Would not allow alcohol sponsorship of youth regattas

“As an outdoor sport with its accompanying water-side hospitality facilities, FISA acknowledges that drinking – provided it is conducted in a responsible manner - is very much part of the leisure/pleasure ambience at an international regatta.”

Andrew Couper, Marketing Director



FISA REGULATIONS

FISA Advertising Rules

- 1.3 Prohibited Advertising



Any form of advertising (including body advertising) which is not specifically permitted by this bye-law is prohibited. In addition, all advertising must comply with the laws and the rules of the country where the regatta is being staged. Even if otherwise permitted by such laws and rules, **there shall be no advertising which is inappropriate or harmful for the image of rowing such as tobacco and strong liquor (more than 15%)** or in contradiction with FISA rules, especially with Article 3 of the Statutes [Article 3 – No Discrimination, Demonstrations or Propaganda FISA shall not allow political, religious, racial or gender discrimination. No demonstrations, or political, religious or racial propaganda are permitted in any rowing venue or in connection with any rowing activity]. In case of doubt, the Executive Committee shall decide.

In events, regattas and championships solely for juniors [under 18 years] advertising relating to alcohol is totally prohibited. Where an advertiser or sponsor deals mainly in products which are prohibited by this clause, but also produces some other (not prohibited) product or service, it may have identifications, provided that the identification is clearly associated with the product or service that is not prohibited and cannot be seen as advertising the prohibited product (for example, Marlboro Wear or Memphis Timing would not be prohibited).



FISA – SELF REGULATION

- **FISA Rowing events**

- Broadcast worldwide by television and shown in media
- All advertising must abide by laws and rules of the country where regatta is staged
- If host county's rules are more lenient than those of FISA, then FISA rules will apply



- **Self-Regulation principles**

- Avoids any sponsorship from 'controversial' categories
- For instance, would not accept any gaming or gambling sponsor
- Agrees with findings of ESA survey that rights holders are mostly very responsible and should retain the decision-making capacity to choose their own sponsors within their own specific guidelines

“ We would welcome a suitable drinks company as a sponsorship partner, whilst at the same time, encourage it to activate the commercial rights it will have purchased, in a responsible way. We would self-regulate this via the sponsorship contract and oversee any exploitation to ensure that any campaigns or on-site activities are targeted at the 18+ age group, and are tasteful and handled responsibly”

Andrew Couper, Marketing Director



WORLD BASKETBALL - FIBA

- **FIBA – Federation Internationale de Basketball**



- International world rights holder for amateur basketball
- 2nd most popular team sport with 450m followers
- Young audience than average population around 70% male, with higher than average disposable income and levels of education
- ‘Cool’ image, with few image problems of poor behaviour etc.

- **Attitude to Alcohol Sponsorship**

- Would take an alcohol sponsor, but not a hard liquor brand
- Had San Miguel as sponsors for Eurobasket in Spain in 2007, but due to national laws, sponsoring brand was alcohol-free beer
- Would not allow any beer sponsorship of youth events
- Has a gambling sponsor BWin

“We believe that beer can be a part of a fan’s enjoyment of a game at the arena or on TV and therefore we are comfortable being associated with a beer brand as a FIBA sponsor. We also believe very strongly in responsible drinking and recognise we have a role in encouraging this.”

Matthew Osman, Commercial Director



**EUROPEAN
SWIMMING
- LEN**

- **LEN - Ligue Europeenne de Natation**



- Members are all the national swimming associations, and all their constituent swimming bodies
- Rights holder for all swimming events in Europe, including European Championships
- LEN rules are used as basis for all national swimming rules throughout Europe, at national, regional and local level
- Many competitive swimmers are under 18

- **Attitude to Alcohol Sponsorship**

- LEN Regulations - Advertising Regulation A3 reads:
No names of products involving tobacco or alcohol or articles relating to sex or issues to political parties shall be used.
- No alcohol company would be allowed to sponsor any swimming event at any level throughout Europe



CRICKET – LORD'S TAVERNERS CHARITY

- **Lord's Taverners - "Giving young people, particularly those with special needs, a sporting chance"**

- Supports grass roots cricket in UK
- Stages fund raising social events linked to cricket
- Has raised over £30m to schools, clubs and special needs organisations in UK in last decade



- **Marston's Beer**

- Major sponsor of the England cricket including:
 - Official beer of England Team (Ashes Ale)
 - Twenty20 Cup umpire sponsor
 - Sky broadcast sponsor of World Cup
 - County ground sponsorships and beer supplier
 - 'Drink Within Your Boundaries' campaign for responsible drinking



- **Attitude to Alcohol Sponsorship**

- New sponsorship by Marston's announced in June 2009
- LORD'S TAVERNERS ALE to be produced - 4.2% beer
- Guest ale on sale at cricket grounds and in Marstons pubs
- Percentage of all sales to be given to the charity



DANCE - CHARITY

- **dance4life**

- Building an active youth movement for social change
- Charity started in Netherlands in 2004
- Encourages young people (13 -19) to take action to push back HIV and AIDS
- Uses dance to inspire and ignite interest, empower and educate, and encourage action to change lifestyles
- Has reached almost 500,000 youth in 20 countries



- **Attitude to Alcohol Sponsorship**

- Partners who support dance4life gain visibility, so the rights holder would not have any alcohol partners due to the age of the target group
- ***“If an alcohol company wants to fundraise for dance4life, or make a donation without receiving any promotion from dance4life, then we would accept this money. The support or donation would remain anonymous and would not be mention in any dance4life communications.”*** Rupert Springfield, Fund-raising Manager
- However, alcohol brands can promote elsewhere their support for charity
- For instance, Heineken are providing free drinks at a major fundraising invitation dinner in Amsterdam on 3rd July for adults only without any credit to be given



PHILHARMONIA ORCHESTRA

philharmonia
orchestra

- **Philharmonia Orchestra**
 - Leading orchestra founded in 1945 with over 80 musicians
 - Around 40 concerts in London and 60 in its Residences each year
 - Tours around the world
 - World's most recorded orchestra with over 1000 releases to its credit
 - Community and educational programmes attract thousands of young people
- **Attitude to Alcohol Sponsorship**
 - Hardy's Wine sponsor for 5 years providing free product for private bar and fund-raising events, gaining benefits and in-kind partnership
 - Would not accept alcohol support for any educational programmes
 - Need to get sign-off from Board of their main venue (Southbank Centre, London) for any 'controversial' sponsors like gambling or fast food, but not for any alcohol sponsor

“For UK arts organisations that are experiencing diminishing subsidy and a critical reliance on a limited pool of private donors, alcohol sponsorships can make the difference between a successful fund-raising campaign or one that does not cover its costs. And private fund-raising is key to an arts organisations’ survival” Jennifer Davies, Development Director



T IN THE PARK

- **T in the Park**

- In 1994, leading promoters DF Concerts, teamed up with InBev brand Tennent's Lager, to create new live pop music festival, each having joint ownership
- In its 16th year, with 180 artists performing on 11 stages over 3 days
- Over 85,000 music fans from all over world daily, mostly aged over 18
- Generates c£21million for the Scottish economy



- **Attitude to Alcohol Sponsorship**

- Responsible drinking messages fully promoted, with 50% of advertising space given to The Drinkaware Trust to raise consumer awareness
- 500 bar staff specifically trained by Servewise
- July 2007 consumer tracking scores of 18-24's showed:
 - 93% spontaneous awareness of T in the Park
 - 97% know that Tennent's Lager is the sponsor of T in the Park
- T in the Park is the largest CarbonNeutral festival in the world and in addition to posting responsible alcohol messages, it also promotes healthy eating and drugs education

“T in the Park is now one of the most successful festivals in Europe. It has developed into one of Scotland's most prominent cultural gatherings, and provides the perfect opportunity to nurture home-grown talent.” Alex Salmon, First Minister of Scotland



**WORLD HEART
FEDERATION**

- **World Heart Federation**



“The World Heart Federation has a clear policy on working with the corporate sector, and does not work with business whose activities are incompatible with its values, or has a non-healthy public positioning. So for example the World Heart Federation would not work with alcohol companies.”

- **Attitude to Alcohol Sponsorship**

“However, it is up to each property to decide its own policy on engaging with sponsors, and there are situations where an event or activity has an adult audience (like horse racing or the theatre) where, in this example, alcohol sponsorship would not be at odds with the property”

Graham Minton, Director of Corporate Relations



GOVERNMENT SOCIAL SPONSORSHIPS

- **Sponsorship used by UK government for Social Marketing**
 - THINK! Drink Drive campaign
 - Title sponsorship of the Think! British Superbikes Championships
 - Previous sponsors of the Football League and the Great Britain Rugby League teams, using THINK! Road Safety message
- **Joint Government Campaigns with Alcohol brands**
 - With Carlsberg:
 - COI production of 3 posters with messages such as 'We want you here, not down the nick' linked to Carlsberg football sponsorship
 - Placed in football stadiums and printed in match day programmes
 - Reach over 2 million football fans
 - With Bacardi Martini:
 - UK Dept of Transport support of Bacardi global campaign with Michael Schumacher as ambassador, to promote responsible drinking
 - 18,000 leaflets supporting THINK! distributed at the Grand Prix
 - With InBev:
 - Becks Alcohol Free beer support of the THINK! campaign



FOOTBALL – EUROPEAN CHAMPIONSHIPS

- **UEFA –**

- Rights holder for all European Championships
- Official Sponsorship packages
- Premium price charged to sole alcohol sponsor
- Extensive expenditure to support sponsorship investment



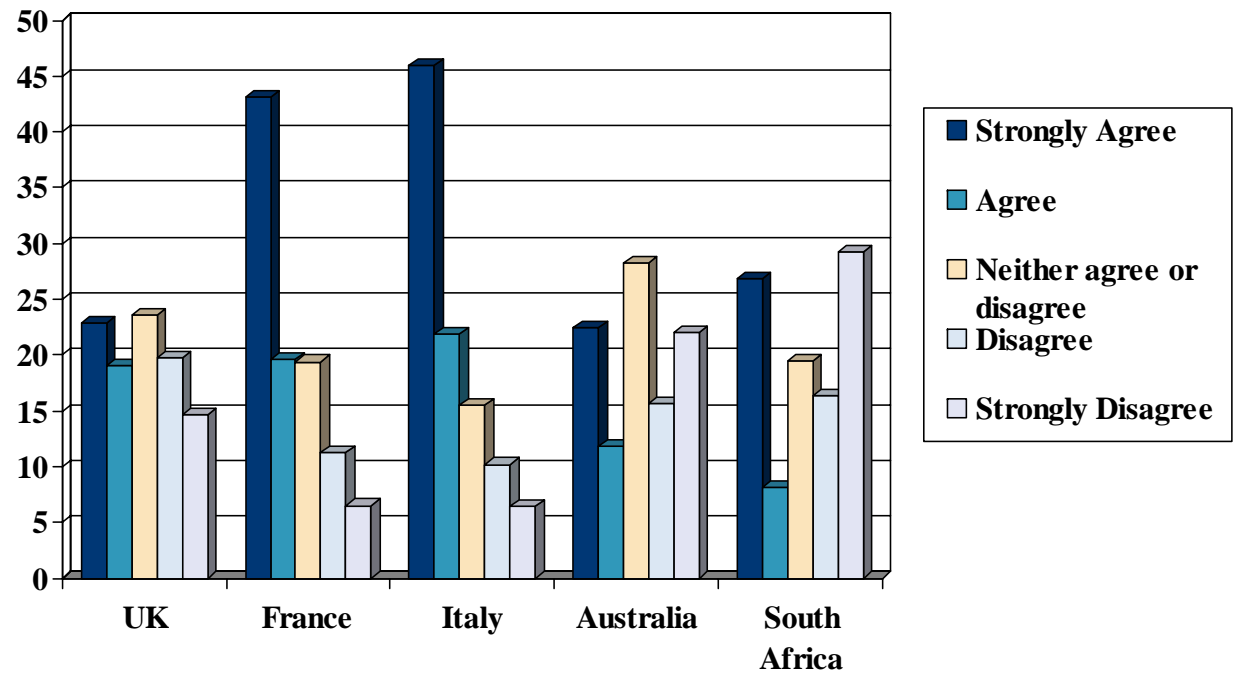
- **CARLSBERG –**

- Official exclusive alcohol sponsor in 2008
- 1.3 m were in the stadia and 5.2 m people visited the fan parks
- Live attendance was pre-dominantly over 18 years old.
- Only non-alcoholic beer provided in stadia, and also made available in all fan parks, being sold by concessionaires (not Carlsberg)
- Promotion of 'Carlsberg supports fair play on and off the pitch. Please drink responsibly' within stadia, on fan park cups etc.
- UEFA reported good fan behaviour at most matches and virtually no incidents of crowd disorder or obsessive drinking

(Other brewers like Heineken, Amstel and Bavaria were not official sponsors nor linked to the event at all, but solely did promotions associated to football or general advertising at the same time that the European Championships were being staged)

**PUBLIC
PERCEPTION**

**Public Perception Survey
“Sponsorship by an Alcohol Company is Acceptable”**



Source: Comperio Research 2007



OTHER RESEARCH

- **New Zealand – Research Report in Alcohol Sponsorship**
 - Undertaken by Foundation for Advertising Research in October 2006
 - Consortium appointed independent academics (Harker and Harker, Wiggs and Eames) to research:
 - Literature review of alcohol sponsorship and its impact (NZ and overseas)
 - Levels of alcohol sponsorship
 - Impact of alcohol sponsorship on recipients and their community
 - Extensive research (56 papers reviewed) and interviews undertaken
- **Key Findings**
 - “Organisations and events went out of their way to minimise exposure of alcohol messages to minors and they showed a high level of responsibility in regard to their use and exposure of alcohol generally.”
 - “The take-up of alcohol by adolescents and its abuse by some drinkers are multi-dimensional problems where the intense pressure from peers and environmental influences are of paramount importance.”
 - It found little support for the contention that alcohol promotion contributed to alcohol consumption. (Makowsky and Whitehead 1991)
 - “The literature review found that the careful evidence suggests that alcohol sponsorship is an insignificant variable in the alcohol take-up or abuse equation.”
 - “If alcohol sponsorship was removed social, economic, environmental and cultural capital of New Zealand communities would be eroded.”



**SPONSORSHIP
CODES
- Some examples**

- **EFRD Sponsorship Guidelines**
 - Commons Standards with appendix regarding sponsorship issues
 - No sponsorship of events with less than 70% adult audience (at event or on of broadcast media coverage)
 - Sponsorships accompanied by message promoting responsible drinking
- **Portman Group (UK)**
 - Not using sporting personalities in promotions
 - Not putting alcohol brands on children's replica football shirts
- **Ireland Code for Sponsorship by Alcohol Companies**
 - Complementary guidelines to those of ICC Code on Sponsorship
 - Monitoring Body set up collectively by government and industry
- **Scottish Executive and Alcohol Industry Partnership**
 - Voluntary code of practice
 - Not sponsors events with primary appeal to under 18s (meaning having special attractiveness to under 18s beyond the general attractiveness for persons over 18)



EUROPEAN SELF REGULATION

- **Sponsorship Complaints**
 - Normally would made by the public to the rights holder
 - Limited issues known or publicised
 - Contractual terms normally allow for sponsorship to be cancelled due to disrepute of either sponsor and sponsored party
- **EASA (European Advertising Standards Alliance)**
 - European national network of SROs
 - Membership of advertisers, agencies and the media
 - Principles of best practice
 - Competence to handle complaints within advertising
 - Limited sponsorship remit, occasionally for broadcast
- **ESA joined EASA in 2008 to establish pan-European sponsorship self-regulation process**
 - Complaints made to national SROs to be passed on
 - Joint Arbitration Panel to adjudicate on issues
- **NO sponsorship complaints have been referred in past year**

NEXT STEPS

- **Comperio Research survey**
 - Assess individual findings
 - Find examples of best practice
 - Develop guidelines for rights holders regarding alcohol sponsorship
 - Assessment of marketplace
 - Contractual terms
 - Leveraging guidelines to promote responsible drinking messages
 - Promote advice to rights holders
 - Consider similar processes for other sponsorship sectors
- **Other Action**
 - Seek further research or data regarding alcohol sponsorship
 - Promote sponsorship complaints process through EASA

CONCLUSIONS

- **Self Regulation has already been working for many years within rights holders, with them each establishing their own differing specific appropriate levels for alcohol sponsorship**
- **Rights holders often rely on alcohol sponsorship support as vital source of income and supply, which helps them provide enhanced community benefit**
- **No direct link has been established between sponsorship and alcohol-related health issues**
- **Best practice can be shared amongst rights holders to improve contractual deals with alcohol sponsors and encourage them both to assist in promoting responsible drinking messages**



**EUROPEAN SPONSORSHIP
ASSOCIATION**

**Sponsorship Presentation
to Marketing Task Force
EC Alcohol and Health Forum
9th June 2009**

This paper was produced for a meeting organized by Health & Consumers DG and represents the views of its author on the subject. These views have not been adopted or in any way approved by the Commission and should not be relied upon as a statement of the Commission's or Health & Consumers DG's views. The European Commission does not guarantee the accuracy of the data included in this paper, nor does it accept responsibility for any use made thereof.