



9. The current sponsorship marketplace



What's covered in this chapter

Before embarking on creating or enhancing your own sponsorship programme, it is essential to have a good grasp of the sponsorship industry, including what sponsorship is, how it can deliver value for your club and what brands are looking for within a partnership.

This chapter explores sponsorship, providing definitions as well as the latest trends and industry insights.



Defining Sponsorship

”Sponsorship is a business relationship between a provider of funds, resources or services and a team, organisation, event or individual, which offers rights and association in return for sponsorship investment”.

SPONSORSHIP IS NOT FREE MONEY

Entering into sponsorship agreements with partners requires time and resource to be successful and must be seen as a two-way partnership.

Sponsorship and Partnerships are NOT Philanthropy.

Brands want a return on their investment - they are partnering with you to achieve their business objectives. The days of simply banking a fat cheque in exchange for a passing mention on the website, having branding on team kit or being provided with a perimeter board.

Mutually beneficial partnerships can add tremendous organisational value however, they should not be entered into lightly.





Overview: A Mutually Beneficial Marketing Tool

In years gone by sponsorship, or corporate partnerships, were considered a simple transactional arrangement between two parties. One party provided rights or an association and the other party bestowed either cash or a provision of services.

Sponsorship represented a relatively basic exchange, rights for money.

Some sponsorships do still follow this same simplistic approach, usually when a senior member of the company has a passion for a certain sport/team, however these sponsorships don't benefit the business.

In order to be successful, sponsorships need to run deeper - they should answer a business need and be beneficial for both parties. Sponsorship can uniquely offer business, brand and employee benefits that create opportunities and experiences which differentiate and add value to BOTH parties.

Partnerships should be powerful, exciting and engaging marketing and communication tools.





Current Market Trends and Life After Covid

The COVID-19 pandemic had a significant impact on the sports sponsorship market. Many events were cancelled or postponed, and the lack of live audiences has reduced the value of in-stadium and television advertising. This has led to a decrease in revenue for many rugby clubs, as many companies faced a financial stress and subsequently cut down on their spending including sponsorships.

However, the post pandemic world is looking far more rosy, as companies look again to sponsorship.





Estimated Current Market Size

The total sponsorship spend in the UK, across all properties was £3.87 billion in 2021. Sport accounts for 78% of the total spend, so it is anticipated that that sport accounts for approximately £3 billion.

According to Nielsen, rugby generated the 3rd highest spend as a sport accounting for approximately £270m each year. (Football and Motorsport are ranked as 1 and 2)

Whilst not massively relevant to club's further down the English rugby pyramid, it is believed that the total sponsorship income in the Premiership is £40m per annum. There is very little current insight available for sponsorships below the Premiership.

