

## **SPONSORSHIP AS THE VARIANT OF THE FINANCIAL HELP**

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Sponsorship is a cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes). For example, a corporate entity may provide equipment for a famous athlete or sports team in exchange for brand recognition. The sponsor earns popularity this way while the sponsored can earn a lot of money. A particular form of specialized brand sponsorship where a brand sponsors an unusual event or pastime that then becomes synonymous with that brand (to the point where future brands may be excluded from participation) is known as 'about sponsorship'. This provides a strong walled-garden sponsorship relationship between particular events and the brand.

What can be sponsored?

- a) Books and other publications such as maps.
- b) Exhibitions, which may be sponsored by, trade associations and professional societies.
- c) Education, in the form of grants, bursaries and fellowships.
- d) Expeditions, explorations, mountaineering, round-the-world voyages and other adventures.
- e) Sport.
- f) The arts such as music, painting, literature and the theatre.
- g) Charities, especially by helping them to promote their activities.

The aim of a sponsorship is to gain results associated with the advertising, public relations or marketing strategy.

Advertising objectives:

- a) When media advertising is banned. The product may be banned by certain media, e.g. cigarettes cannot be advertised on British TV, although this may not apply in other countries. Cigarette manufacturers have succeeded in gaining considerable TV programme coverage by sponsoring cricket, golf and motor racing.
- b) In association with sponsorship, arena advertising in the form of boards and bunting can be displayed at racecourses, sports stadiums, motor-racing circuits and other venues so that they are inevitably picked up by the TV cameras covering the event, apart from being seen by spectators on the spot.

Other commercial opportunities for sponsorship include signage at sporting events, local or national media coverage, promotional opportunities before and after the event, and the opportunity to entertain clients and prospective customers by inviting them as VIPs to sponsored events. Other benefits of sponsorship can include access to on-site hospitality tents or skyboxes; the opportunity to meet athletes or teams in person, and possibly even the opportunity for sponsors and their VIP guests to participate in a pro-am type event. Another benefit is the ability to reach a specific demographic or target market.

Apart from direct commercial benefit to a product or corporate brand, there are also "above the line" benefits, where sponsorship is awarded in the interest of general "corporate social responsibility". An example of this would be a production facility based in a particular region, sponsoring local charities. Sponsorship "in kind" can be a focus for teamwork in the

sponsor's workforce, and also a training ground for leadership and other management techniques.

Unlike philanthropy, money spent on cause marketing is a business expense, not a donation, and is expected to show a return on investment.

The International Sponsor Council (ISC) was formed as the world's first trade organization representing corporate sponsors. The mission of the ISC is to promote sponsor value and protect their collective interests. Members include some of the world's leading sponsors including Anheuser-Busch InBev, AT&T, Bridgestone Firestone, The Coca-Cola Company, Coca-cola Enterprises, FirstRand Group (South Africa), Honda Motor Co., MasterCard, Panasonic, Ping, Porsche Cars N.A., Visa, among others.

Sponsorship Insights Group (SIG) formed the largest online network for sponsorship professionals. The community best represents the entire sponsorship community - agencies, brands, properties, buyers, sellers, activators and other interested parties. They have over 5,000 professionals interacting via online discussion groups, newsletters and job board.

When commercial radio stations began broadcasting in the early 1920s, the programs were aired without advertising. Many radio stations were established by radio equipment manufacturers and retailers and programming was provided to sell radio transmitters and receivers. This led to a system where radio and television programs were financed by selling sponsorship rights to businesses. Eventually, the broadcasters began selling smaller blocks of advertising time to several businesses. Sponsorship is also becoming increasingly important in education.

Many companies want their logo on sponsored equipment in return. Formula One teams for many years relied heavily on the income from tobacco advertising, reflected in the sponsorship liveries of the teams. Other types of sponsorships revolve around companies paying for parts of television broadcasts and sporting events which bear their name. For example college bowl games now contain the name of their sponsor.

When events are named after their sponsor, like this Annual Students Rowing Contest ('Roeivierkamp') on the Amstel river in Amsterdam, the sponsor is a Title Sponsor.

Many times a company's motives for sponsorship are altruistic in order to create goodwill in the community, which increases their good reputation. However, sponsorship is more commonly used to derive benefit from the associations created for a company's brand(s) or image as a result of the sponsorship.

People may sponsor an individual or group of people to undertake a fundraising task, usually for a charity or other cause requiring funding.

In Japan, sponsorship is prevalent in television, as evidenced by each Japanese television series (after its opening sequence, its ending and subsequent episode preview).

With respect to neuroscience conferences, the term sponsor designates the person financially supporting the research presented at the conference.

Sponsorship in the traditional sense became less common in US television over the years—individual advertisements in many different programs being the norm for commercial television these days, with product placement becoming more popular—with the exception of Public Television, where sponsorship of an entire series is still commonplace, usually with a subdued announcement at the end, and optionally the beginning, of each program.

In Russia the sponsoring and sponsored sides while operate at random, preferring direct personal contacts and personal tastes of the leaders of sponsoring companies.

Development of sponsorship is directly linked with economic development, with political stability. If a country has economic growth or the economy remains unchanged at a high enough level, then there are all prerequisites in order to speak about the growth of sponsorship programs.