

Making the most of sponsorships

By Peter Needham

WHAT does the Tropfest short film festival have in common with the Brain Research Institute? How is Bangarra Dance Theatre linked with UNICEF?

Answer: they are sponsored by Qantas, one of Australia's largest and most prominent corporate sponsors of sport, the arts, entertainment and charities.

As part of its "Spirit of Australia" persona, Qantas sponsors a vast range of activities, performances, sporting spectacles and events. The latter category includes conferences. The airline's "Sharing the Spirit" initiative aims, in the airline's own words, "to help Australians connect with their heroes, their loved ones and their dreams". Qantas supports the Australian of the Year Awards, Mission Australia, the Starlight Foundations, the Brain Research Institute, Foodbank Australia (the country's largest non-profit, hunger relief charity), CanTeen — Teenagers Living with Cancer, the National Breast Cancer Foundation, CARE Australia,

Clean Up Australia Day and so on.

The Qantas "Spirit of the Arts" program backs the Art Gallery of New South Wales, Mamma Mia!, the Australia Business Arts Foundation, Musica Viva Australia, Opera Australia, the Australian Chamber Orchestra, Sydney Dance Company, the Australian Ballet, Bangarra Dance Theatre and more. "Spirit of Sport" involves Qantas in supporting top events in golf, rugby league, AFL, netball, rugby union, cricket, tennis and football, as well as behind the Melbourne 2006 Commonwealth Games and the NSW Institute of Sport.

All of this takes much money and many decisions — decisions relating to how the Qantas brand is deployed, how much is spent and which organisations benefit. In some cases — sponsorship of the 2003 Rugby World Cup, for instance — much benefit flows back to Qantas.

In reaching these decisions, Rob Gurney, Qantas head of sales and marketing, asks himself three questions: "Does it support the Spirit of Australia? How well do the events fit with our brand? Are the events key business drivers that offer other commercially related opportunities?"

Gurney has worked for Qantas twice, for total of about 15 or 16 years, with a five-year stint at British Airways in the middle.

He describes his Qantas role as "a terrific portfolio because it's a highly complementary portfolio. It's the ideal place to connect commercial opportunities and sponsorship opportunities."

Gurney says Qantas seeks partnership strategies that "tend to support Australian arts and popular culture, that



ROB GURNEY, QANTAS HEAD OF SALES AND MARKETING

support the growth and financial success of major Australian events, that promote tourism or help showcase Australia or Australian talent to the world. Qantas also seeks to build goodwill among customers and increase its profile within the arts and sports communities."

Commercial

Events or causes that fit naturally into the overall Qantas Spirit of Australia brand position have a good chance of gaining support. If they act as bridges to other commercial opportunities, so much the better.

Qantas also considers the nuts and bolts. Gurney explains: "Will it reach key audiences and how many of them will it connect? What is the likely impact of coverage? Is it local, regional, national or international? Does it help drive Qantas community and social objectives, specifically our 'Sharing the Spirit' program, which is our main community sponsorship platform? Can it drive incremental business and if so to



— Gurney addressing ATE in Perth —

which market? What is the customer profile of any business that might be generated? What type of engagement does the sponsorship allow — is it tactical; is it strategic? Will it engage our premium customers, like frequent fliers, or will it perhaps open up other partnership opportunities? What is the time of year or seasonality of any travel that might be attached to an event?"

The airline evaluates the success or otherwise of each project in various ways, including market research and staff assessments.

"Evaluation of our involvement in the Grand Prix requires different criteria to our involvement in Australian Rugby Union or CanTeen. When we enter into a sponsorship agreement there is an underlying strategic focus for doing so. One of the best ways of measuring it is to look at the output and success of the event and measure it against the criteria we've set ourselves for that particular sponsorship. For a major sporting event, one of the criteria might be the media value that we obtained in terms of exposure to the brand; another measure might be the revenue that was generated from the event in terms of flying people in or out of Australia to those events."

Access

When it comes to conferences, Gurney says Qantas "must be intelligent about how we construct those commercial relationships. If we are flying a guest speaker as part of our commercial arrangement, we've got to make sure we have the opportunity, within the sponsorship agreement, to market to the potential conference attendees. It's about getting access to the customers and being able to promote our products. In sponsoring conferences we make sure we get a fair share of business by being clearly associated with it in our marketing."

Being associated unequivocally with events is essential. Gurney cites the Rugby World Cup: "People could fly on other carriers to get to Australia during the Rugby World Cup — and people did. But we were by far the most active in marketing the Rugby World Cup in those international markets — through our media and our overall marketing



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strategy and also through the official travel agency appointed to handle travel. It's a matter of being rigorous and professional."

While Qantas sponsorship is worth millions of dollars, Gurney is reluctant to disclose the size of the budget.

"The number of dollars is not always the whole story of our contribution because we are involved in many different ways. There is a direct financial contribution, but we also have many 'in kind' contributions that are hard to attribute dollar values to. It could involve a role as an official airline for a number of sporting, artistic or social groups. It could involve times when we allow our customers to fly with us at discounted fares. We are the official airline for many organisations; some organisations have deep equity in terms of those partnerships. We do a lot of cross-promotional work; the fact that our brand is associated with these events often offers opportunities to them. It has an intrinsic value which is very hard to equate in dollar terms. Our view is that a sponsorship is not a financial contract; a sponsorship

consists of forming a partnership or a relationship. Sharing the Spirit goes well beyond just a financial contribution. The link is far deeper and broader across the whole organisation."

Qantas strives to balance sport, arts and community service sponsorships; domestic and international.

"Because the bulk of our commercial activity is here in Australia; it is by far our largest market. We manage the Australian sponsorship from here at head office and most of the resourcing is in Australia. But the international offices also are involved in sponsorships; they have local budgets to manage those. Some things transcend our international and Australian markets; the Rugby World Cup was an example, where our sponsorship and our official airline status helped leverage benefits for us both in the international markets, particularly in the UK and South Africa as well as here in Australia. If events or organisations we can sponsor provide us with international reach, then that can be quite attractive to us."