

LECTURE 2 – REVENUE STREAMS FOR EVENTS

EVENT REVENUE STREAMS

- Sponsorship
 - Financial
 - In kind eg. audio company giving them the service instead of them paying
- Media broadcast partnerships
- Grants
- Merchandise and licensing
- Corporate hospitality
- Hospitality services → concessions
- Tickets
- Donations/philanthropy
- Raffles, auctions, fundraising

SPONSORSHIP TERMS

- Supporter
- Partner → smaller events don't really use this as they don't want other businesses giving their input
- Presenting partner
- Principle partner
- Major partner
- Festival partner
- Government partner → may not give cash incentive but allow you to use their logo and say you're a supporter – may use this as leverage to get more sponsors
- Philanthropic partner
- Naming rights sponsor eg Rolex Sydney to Hobart

GRANTS

- Available from various government entities eg. Festivals Australia, State Event Agencies, local government, Department of Social Services
- Filling in the grant application is not quick and easy
- Application is only as good as the person who writes it, sometimes have in person interviews afterwards

MERCHANDISING AND LICENSING

- Merchandising → a way of leveraging the desire of individuals to show a connection with a specific event/sporting team through the purchase of a product eg. clothing
 - Printing on order → cuts cost of warehousing and can print to order
- Brand licencing → a business strategy in which the owner of an intangible asset, in this case, an event's brand name, permission to another business to utilise the brand for some specific project or activity. The terms of this agreement are set out in a licencing agreement
- Licensing → must be wary of ambush marketing
 - When people liken themselves to a major sponsor eg. tennis – puts out sporty ads even though they may not be a sponsor
 - Intellectual property issues

ONSITE PRODUCT/SERVICE PROVIDERS

- Contractual agreements can be established with organisations/venues to provide specific products/services at events eg. food and beverages
- Concessions → the people you buy food from at an event eg. Easter Show
 - Could be renting the space out and getting part of their profit

SPONSORSHIP DEFINED

- A partnership between sponsor and sponsee, characterised by financial and/or resource investment with the intent of satisfying strategic objectives
- Needs a match and congruence between the sponsor and the sponsee

SPONSORSHIP IN THE AUSTRALIAN CONTEXT

- Australian Sponsorship News
- Sports Business Insider

OTHER REVENUE SOURCES

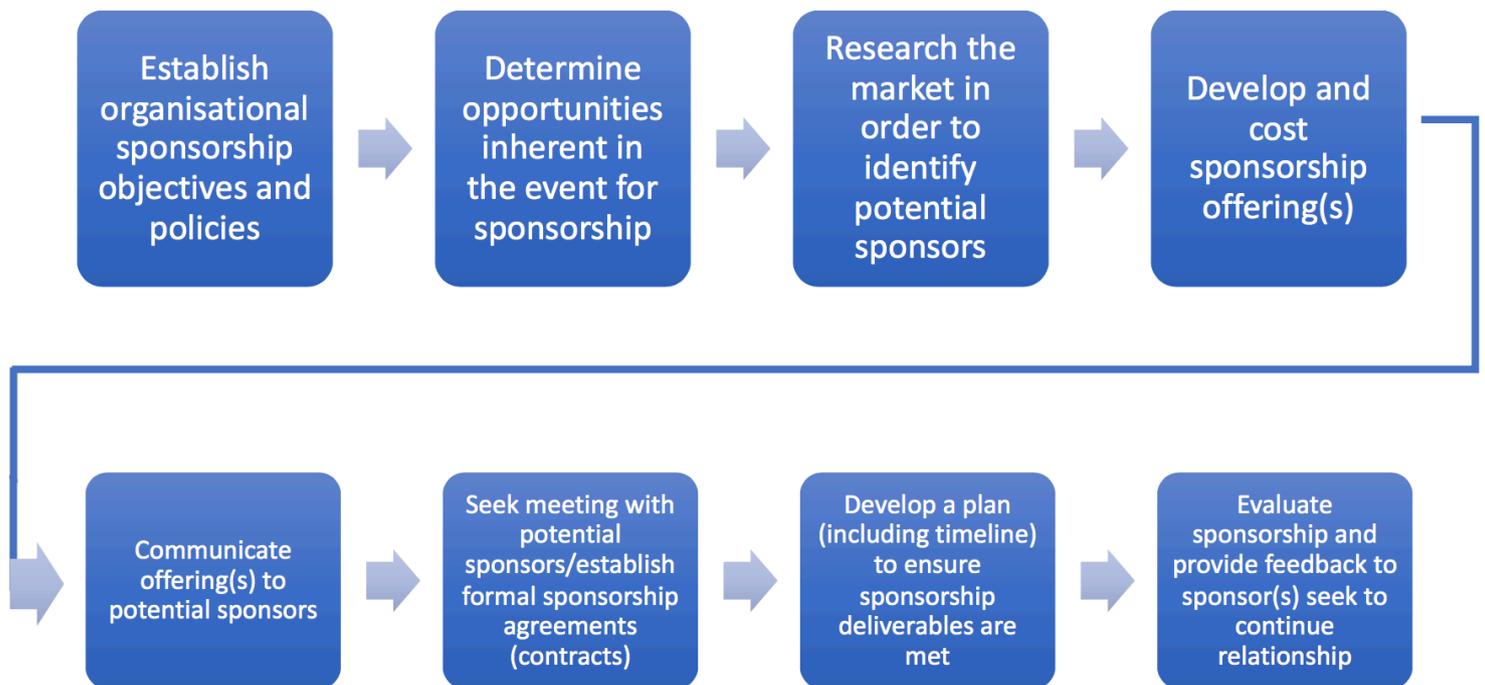
- Customised event experiences → VIP
- Exhibitions
- Event programs
- Donations/Philanthropy
- Auctions
- Competitions
- Parking
- "Satellite" events

MEDIA/BROADCAST PARTNERSHIPS

- Broadcast rights → some events sell the 'right' to broadcast their experience through various media outlets (television, radio and the internet)

LECTURE 3 – SPONSORSHIP

EVENT SPONSORSHIP PROCESS



SPONSORSHIP PROPOSAL

OVERVIEW OF THE EVENT INCLUDING

- Mission / goals
- History
- Location
- Current and past supporters
- Program / duration
- Key staff
- Past or anticipated level of media coverage
- Past or predicted attendance levels
- Actual or predicted attendee profile eg. age, income, sex, occupation
- Strategic fit between the proposal and the needs of the organisation
 - Only event that has everyone as the target market → Easter Show
 - Networking and understanding how it benefits the sponsors → not just a nice to have but STRATEGIC

SPONSORSHIP PACKAGE ON OFFER AND ITS ASSOCIATED COST

- Options include
 - Identical ‘packages’
 - Hierarchical structure cascading down through
 - Principal naming rights sponsor
 - Major sponsor
 - Minor sponsor
 - Official supplier
 - Having aspects of the event individually sponsored (eg. fireworks entertainment) or opting to go for a sole sponsor
- Any conditions linked to sponsorship
- Contact details

HOW POTENTIAL SPONSORS WILL ASSESS A PROPOSAL

- Relationship to corporate vision/mission/strategy
 - Must have congruence
- ‘Look’ and overall presentation
 - Professional, no typos/spelling mistakes/grammar errors
- Customer audience
 - Who is your audience? Must have matches with their potential consumer audiences
- Geographic market
- Exposure potential
 - Relationships with media
 - Direct and indirect marketing means
- Distribution channel audience
- Advantage over competitors
 - May want to just block out their competitors
- Resource investment level required (including leveraging costs)
 - One off? Are there additional leveraging costs?
- Event organisation’s reputation (opportunities for brand transfer)
- Event’s characteristics
- Entertainment and hospitality options
- Presence of other sponsors

CORPORATE HOSPITALITY

- Some events offer the opportunity to set aside areas for corporate hospitality, while others (venue based) have the capacity to utilise corporate boxes and/or purpose built spaces within a venue to offer premium priced experiences
- Such spaces can be controlled by the event organiser themselves, contracted out to specialist firms or handed over to corporates to make their own arrangements
- Attractive to corporate organisations to entertain groups of guests, VIPs and to reward employees

CUSTOMISED EVENT EXPERIENCES

- Events now offer customised VIP experiences at a higher ticket price
- These experiences may package items such as food and alcohol, dedicated service staff and upmarket seating
- Attractive to individuals, couples and groups of friends
- Can even be offered in the form of a competition for VIP to stimulate entry to an event

PARTICIPANT FEES

- The charging of fees to participate/enter in an event (talent show, sporting event) is a major form of revenue for some events
- Commonly, such fees underwrite the conduct of events where attendance is free

RAFFLES AND AUCTIONS

- Some forms of events (eg. local community festivals, association conferences) use raffles (license required) and auctions (silent or 'open cry') as "on the day" fundraising strategies
- Donations of goods and services are important for the success of these fundraising activities
- The sale or raffling of 'one off' unique items with no easily observable market value (eg. a signed cartoon by a well known cartoonist or an autographed guitar belonging to a well known performing artist) can be very effective in event auction settings
- Silent auction fundraising technology assists events with the operational side of running a live auction

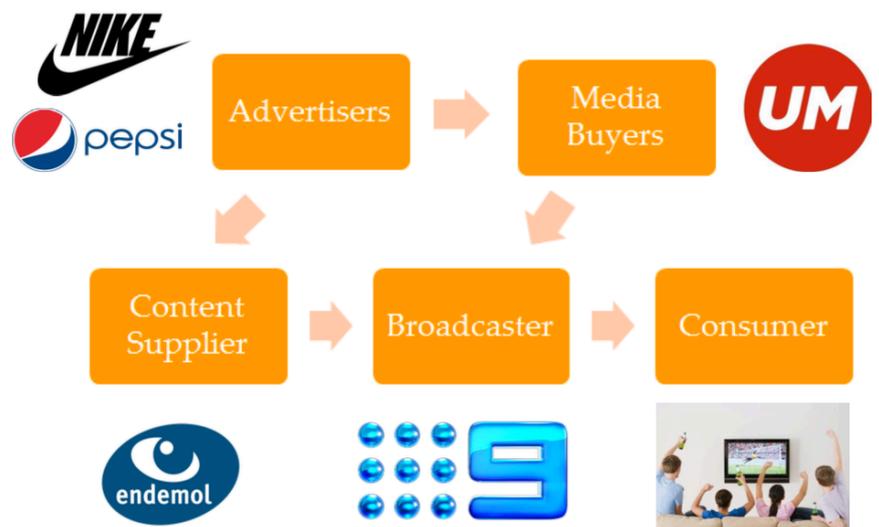
LECTURE 9 – MEDIA AND BROADCASTING

THE BROADCASTING INDUSTRY

- The traditional model
 - Content supplier → broadcaster → consumer
 - Example → beyond productions → channel 9 → consumers
- The new model
 - Content supplier and broadcaster → consumer
 - Example → Netflix → consumer
 - Australian penetration reached 25% by Q4 of 2016
 - 2,223,000 subscribers x 12 months x \$10 = \$266.76 million
 - SVOD platforms are still largely acquirers rather than producers of content
- Pay TV primarily driven by subscription rate
- Free TV Australia driven by ad spending
 - Why does advertising spend still differ between places even factoring in population?

COMPLETE TRADITIONAL MODE

- Brands → decide what they want to advertise
- Media buyers → engage with a media buyer to maximise the efficiency of their advertising spend
- Platforms / broadcasters
 - Securing discounts by bulk-purchasing ad slots
 - Strategically aligning the brand to the content



THE TRADITIONAL MODEL → FREE TV AUSTRALIA

- Traditionally FTA increasingly reliant on sport content

MEGA EVENTS AND MEDIA RIGHTS

WHAT IS A MEGA EVENT?

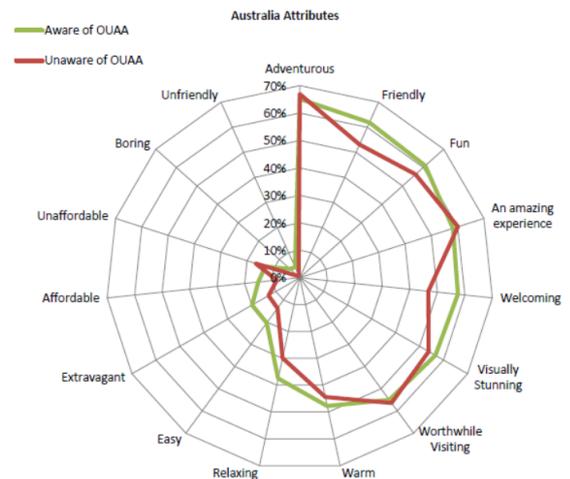
- External organising aspects
 - Level of media attention
 - Dramatic character
 - Attractiveness to international tourists
 - Types of impacts that occur eg. economic, social
- Internal organising aspects
 - Scale and scope
 - Duration / timeline

OPRAH'S ULTIMATE AUSTRALIAN ADVENTURE

- Mega events are not always sporting events
- The Oprah show was broadcasted to 150 countries worldwide
- Tourism Australia entered into a unique content partnership with The Oprah Show to show case Australia to Oprah's audience
- The adventure took place in December of 2010, broadcasted in January
- Why Oprah?
 - Total worldwide viewing audience of the Australian Oprah specials was 35 million people
 - 52% of Oprah viewers place a high importance on Oprah product recommendations
 - 61% of Oprah viewers have made past product purchases based on an Oprah recommendation
- American perceptions of Australia
 - 61% of people aware of Oprah's UAA took action in exploring Australian holiday options further post coverage
 - 47% of people stated a likelihood to book an Australian vacation in the future
 - people aware of UAA were 50% more likely to book a vacation

WHY MEGA EVENTS ARE MORE DESIREABLE TO FTA BROADCASTERS THAN PAY TV PROVIDERS?

- The 'anti-siphoning list' protects some sport mega events from ending up exclusively on pay TV
- One off events (sport or otherwise) by nature, cannot drive subscription to Pay TV (at least not longer than a month)
 - However, special events CAN drive audiences (which = advertising)
 - Events best belong on FTA TV



LOCAL EVENTS AND MEDIA / BROADCAST RIGHTS

BACKGROUND

- Local events struggle to generate broadcast coverage due to a lack of guaranteed audience size
- Small events will often record their own content for highlight syndication rather than be shown live
- Rather than receive broadcast fees, small events often enter contra-exchanges with broadcasters who may offer production services in exchange for broadcasting rights
- Some events may even need to pay to be broadcasted

BROADCAST STRATEGY

- Small events need to determine the trade-off value between an increase in potential sponsorship value against potential product costs
 - If we will have to pay for broadcast coverage, will the net value of sponsorship and other benefits outweigh this cost?
- A small event will be lucky to generate a television audience above 100,000 viewers if broadcasted on a secondary channel or non-commercial network
 - Other considerations include
 - Live (bigger audience, bigger cost) vs. delayed
 - Timeslot of broadcast
 - Channel → primary or secondary
- Is the event something that could potentially be syndicated and sold to other international markets?