

2.4 WHY SPONSORSHIP AND EVENT MARKETING ARE GROWING; CHANGING CORPORATE ATTITUDES

Recent trends in the marketplace have led some corporations to turn to sponsorship as a means to address their business needs. In understanding and appreciating the current marketplace trends, you will better understand why a certain corporation may ask for certain conditions on their sponsorship agreement, or better yet you can proact to offer solutions to their current needs.

The growth in sponsorship and event marketing can be attributed to five major trends in the marketplace.

Increasing Communication Clutter. Event Marketing is unique, exciting, tangible and emotional. Corporations wanting to differentiate themselves or their products from the competition can use events targeted at their key groups (trade, sales, consumer) to rise above the clutter. Canadian Tire had an objective of creating an image whereby Canadian Tire was "more than just tires" and in fact, one of the dominant Canadian bicycle retailers. Canadian Tire used event marketing to accomplish this image and other business objectives (sales, awareness) by creating and owning the Canadian Tire Cycling Series - a series of 5 internationally renowned cycling races in major cities across Canada.

Market Segmentation. Geographically and psychographically, Canada is divided into numerous market segments that demand specific marketing strategies and tactics. Event marketing helps corporations reach these fragmented groups in a cost efficient and synergistic way. The Canadian Tire Cycling Series stretches through Vancouver, Winnipeg, Toronto, Ottawa and Montreal, integrating the corporations' communication and marketing efforts from coast to coast.

Trade Domination. The last decade has seen a significant rise in strength from Canadian retailers across all industries who are in control of the product distribution network. Corporations continually search for new and effective tactics to reach the trade and influence buying decisions. Events offer entertainment and promotional opportunities for building trade relationships and creating "excitement" at store level. Corporations can substitute a straight dollar "buy-out" with a less expensive but "once-in-a-lifetime" opportunity that facilitates customer bonding/relationship building and hence purchase decisions. The "diet Coke Wayne Gretzky Spring Breakaway to L.A." offered diet Coke's