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HEIGHTENED AWARENESS

# ROOs and Don'ts



If a brand's objective is to raise brand awareness a far more accurate and direct measure of success is to measure brand recall.

With the recent unveiling of several 2011 challengers, it stands to reason we should be seeing one or two significant new sponsorship announcements per team, with upgrades and extensions by incumbents.

Yet surprisingly we've seen some substantial blank spaces being unveiled in front of the garages in Valencia. Of course there may be big announcements yet to come, such as is anticipated at AT&T Williams, but so far their interim livery – albeit with new PDVSA sponsorship – suggests the prime branding real estate deserted by RBS and Philips at the end of 2010 is still 'For Sale'. It's a similar story up and down the pit lane with the standout exception of Sauber – who ran with a predominantly white car throughout 2010. South American telco giants Telmex and Claro are fine examples of the organisations Formula 1 should be attracting and can deliver a superb return to. I'm sure their activation will also be a further boost to Formula 1's huge popularity in the Latin markets.

In terms of renewals, we see Vodafone and Santander continue with extended partnerships at Vodafone McLaren Mercedes whilst Formula 1's official partner LG has not renewed its sponsorship of reigning World Champions Red Bull Racing - the departure of several of their most senior marketers suggesting something of a change in strategy in Seoul.

So what's going on? Speaking to departing sponsors and some teams, few can provide much more than a subjective view on the performance of their sponsorship.

Many sponsors remain fixated on AEV as a measure of ROI, which can lead to overinvestment in sponsorship elements such as perimeter (or circuit) signage. This undeniably delivers sponsors consistent and high brand exposure, perhaps 3 or 4 times the rights fee in AEV even after discounting, however, a more rigorous ROO evaluation may reveal that brand exposure does not directly equate to brand awareness.

So if a brand's objective is to raise brand awareness a far more accurate and direct measure of success is to measure brand recall.

Return on Objectives (ROO) provides a far more sophisticated and accurate way to measure the direct impact of sponsorship on key business value drivers from improved brand perception and propensity to purchase, to new business development and employee performance morale.

The implication is clear, that the right type of research is critical to monitor key performance indicators that should be established from the outset (prior to rights acquisition) and identified from broader business objectives. So quantitative research (such as seconds of coverage) should always be combined with qualitative (effect on the brand) research. The research must track and measure outcomes to the business: how consumers' attitudes to the brand have changed, how propensity to purchase the brand has shifted and ultimately what effect it had on the bottom line.

Of course this process requires budget and resource, but this should be as much the responsibility of the rights holder as it is the sponsor and their agencies. At least it is crucial if Formula 1 is to increase sponsorship growth in both volume and value up to and above industry levels.

It is with this philosophy that Rush works with sponsors to first identify their key business value drivers. From there we establish key performance indicators as to how the sponsorship will deliver against these and put in place appropriate measures to track performance. Once these are agreed Rush works with the sponsor to identify the rights holder(s) that has the strongest ability to deliver against these before developing and securing a bespoke programme on their behalf. The results are demonstrable and deliver increased value for sponsors and rights holders over the long term.

Remember...you can't improve what you don't measure! ■