

# The Sponsorship REPORT

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## Burger King's big bite

The hand wringing continues. Will the merger of Tim Hortons and Burger King be good for sponsorship?

THE ALMOST CERTAIN \$11-billion merger between Tim Hortons and Burger King has unleashed a whirlwind of opinion on what the deal actually means. While analysts south of the border are focussing primarily on the tax and financial implications of the deal, Canadians are largely concentrating on potential damage to the Tim Hortons brand, including the coffee chain's national and community sponsorships, which span the NHL, CFL, CCA curling, the Tim Horton Children's Foundation, Timbits Hockey and myriad local programs.

The head office of the new company will be located in Oakville, ON at Tim Hortons' headquarters. However, while Americans express little concern that Burger King will be Canadianized after pulling up stakes from Miami, Canadian pundits seem to fear an erosion of the coffee chain's unique, and apparently fragile, national identity.

Cameron Conway, contributor to financial web site Motley Fool Canada, points out that if Burger King owner 3G Capital follows its traditional post-acquisition strategy, the chain will see heavy cost-cutting that will be manifested in "...corporate store sell-offs, shifting costs to franchisees, cuts to advertising, and could even affect programs like Timbits hockey. This is the complete opposite of the business model Tim Hortons has applied in the past, which favours reinvestment and brand loyalty."

Critics also point to Tim Hortons' 1995 merger with US burger chain Wendy's, decrying the Canadian chain's decade-long effort at American expansion, before it was spun off as a public company in 2006.

The Motley Fool posits a future decade in the wilderness as 3G implements cost-cutting strategies that take their toll on customer satisfaction, sponsorship and community programs. Only in the 10th year of the deal will 3G reap a stock-sale bonanza, allowing Tim's to begin rebuilding its brand.

Sponsorship marketing experts don't paint quite so dismal a picture for Tim Hortons, noting that shortsighted corporate vampirism is the exception rather than the rule and that — just maybe — investment firms may recognize the value of the corporate



Photo illustration by Peter Kenter

"[Tim Hortons] remained very much its own brand during the Wendy's partnership, and neither its brand nor its community sponsorships were harmed by it."

culture in properties they acquire.

Keeping the two brands apart as distinct entities is not only essential but also achievable, says Ken Wong, Associate Professor and Distinguished Professor of Marketing at Queen's School of Business.

"Procter & Gamble successfully maintains the identities of all of its brands, from Ivory's gentleness to Pantene's focus on vitamin enriched products to the medicated effectiveness of Head & Shoulders dandruff shampoo," he says. "There's no reason why two brands can't successfully co-exist under the same corporate structure. In addition, Tim Hortons is coming off a quarter in excess of analysts' expectations. It's not as though the brand is in trouble and requires serious reformulation."

And while 3G's reputation for cost cutting is far from mythical, Wong says it may be good for Tim's.

"The type of cost-cutting that results from centralization and standardization can benefit both brands, while allowing them to maintain their corporate values," he says. "In fact it makes great sense for Burger King to roll out Tim Hortons coffee at its outlets, so it

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# WHAT'S HAPPENING

## [OLYMPICS]

### IOC to vote on new Olympic channel

The Associated Press reports that Olympic leaders have backed IOC President Thomas Bach's proposal for an Olympic television channel. The IOC, in partnership with national sports organizations and Olympic Committees, would develop digital content for the Olympic TV channel, which would promote Olympic sports in the years between Olympic Games.

The proposal is part of an Olympic reform package that also includes a new bidding process for host cities and greater flexibility in sports programming. The package will put to a vote at a special International Olympic Committee session in Monaco on December 8 and 9.

## [EVENTS]

### More than hot air at balloon festival

Laurentian Bank ramped up its activation in this, its eighth years as presenting sponsor of the International Balloon Festival of Saint-Jean-sur-Richelieu, August 9 to 17.

The bank sponsored a host of activities for young families in the "Little +" area. Participants in a photo contest earned a chance for a ride in the bank's own hot air balloon, which made more than 40 flights during the festival. Laurentian Bank clients got a taste of VIP treatment, with exclusive access to the Laurentian Bank Lounge.

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## [SPORTS]

### Aussies give hockey a burl

Unless you're an Air Canada employee or an Australian fan of obscure sports, you're not likely to know that the Goodall Cup is the fifth oldest continuously awarded hockey trophy in the world. It has been awarded annually since 1909 to the champions of the Australian Ice Hockey League (AIHL). This year's winners, the Melbourne Mustangs, raised the cup to Air Canada, which sponsored not only the playoffs and finals, but the entire AIHL season.

Hockey, or ice hockey as it is known in Australia, is hardly a big draw. Though this year the league's attendance reportedly topped 100,000 for the first time, individual games draw crowds often in the hundreds. This year's championship was broadcast in Australia on the Fox network. Fox also runs an hour-long AIHL feature following weekly NHL games.

Air Canada serves Sydney from Vancouver and Toronto.

## [SPORTS]

### You fish where the fish are

Houston-headquartered Mystic Lubricants is expanding its marine lubricants product line into Canada, relying on a sponsorship of fishing legend and TV personality, Bob Izumi, and the Bob Izumi's Real Fishing Show to ease them into the new market. Izumi will serve as an official ambassador of the Mystic Lubricants brand through 2015.

"Bob will confidently push our products to the extreme, further demonstrating to marine enthusiasts the confidence they need on the water," said Karl Schmidt, General Manager of Petrochemicals and Lubricants in a release. Mystic will be integrated into the television show's production, and Izumi will be featured on Mystic Lubricants' social channels.



Credit: CNW Group/Staples Canada Inc.

Members of the Boys & Girls Clubs of Canada and Staples Canada executive Craig Taylor pose with Katy Perry prior to her July 19 performance at Toronto's Air Canada Centre.

## Staples makes Roar happen

AS IT TURNS OUT, now everything is easy. That "Easy button" that has been a staple of Staples marketing for a decade? Everybody's got one. For the past year, "Make More Happen" has replaced "That Was Easy" as the corporate tagline, intending to help communicate the message that Staples is much more than an office supplies retailer.

"We have more products that are available both in our stores and online, we have more services and more value that we're offering our customers," says Alina Chernin, Manager, Corporate Giving and Internal Communications.

Those customers should include schoolkids and families, the audience drawn to pop princess Katy Perry, says Chernin by way of explaining Staples' sponsorship of the performer's current world tour. The partnership was a US head office decision, says Chernin, but the activation at Perry's Canadian dates is homegrown.

"Back to school is one of our busiest seasons," says Chernin. "It's one of the most profitable times of the year for us."

However, the Katy Perry sponsorship was about the Staples brand and its new "make more happen" promise. It was not about sales. Had it been the latter, the partnership would have spoken to the decision-makers, mostly moms. This partnership speaks to kids about the importance of school. It leverages the title of Perry's current hit, Roar, morphing the Staples tagline into "Make Roar Happen" and supporting Staples Canada's annual School Supply Drive, through which Staples retailers raise funds for local community groups that help equip disadvantaged kids for the new school year.

It's a made in Canada program, Chernin stresses. In the US, Staples has donated \$1 million to the organization DonorChoose.org, which funds school-related programs.

True to the program's objective, there's not a heavy Staples presence at the concerts. Staples is prominently featured in the video

that opens each Canadian show – a fresh version of the program's PSA. It concludes with a call to action to "make roar happen," which serves as the intro for Perry and her opening number, Roar.

After that, Staples vanishes from the venue. The call to action featuring Katy Perry is repeated in the PSA, which was not part of Staples' media buy but still got a good deal of pickup, says Chernin, and on in-store signage. A contest anchored in social channels offered a chance to win free tickets to Perry's Canadian shows. Chernin says she was also pleased with the coverage received by two meet and greets – one in Montreal, the other in Toronto – that were part of the package. Staples used them to host kids from Club des petits déjeuners in Montreal and Boys and Girls Clubs of Canada in Toronto.

This is the first time Staples has leveraged a celebrity for its back to school promotion, and the key indicator of success will be fundraising. The School Supply Drive depends on consumer participation, and Chernin says that as of the end of August, "the donations are slightly ahead of last year."

The Katy Perry program is one of two youth-focussed programs launched by Staples in Canada this year. Earlier, in June, it announced a new partnership with ACCO Brands, one of its suppliers, and Free the Children and its Me to We events. ACCO has produced a line of eco-friendly school supplies – everything from backpacks and lunch bags, to tablet sleeves and notebooks – available exclusively at Staples. Each purchase comes with the promise of a vital "gift" to a child being served by one of Free the Children's program. A code on each product allows buyers to track the social impact of their purchase through Free the Children. Gifts include school supplies for one year, a tree planting, healthy meals, and reusable water bottles. ■

## World Tour cycling gets set for another spin

IT'S PROBABLY A TRIBUTE to the growth of cycling as a participation and spectator sport that the idea of a Canadian team on cycling's world tour simply won't go away. The most recent aborted venture was led by no less a cycling luminary than Steve Bauer, with a late-stage assist from Curt Harnett. Their Team SpiderTech competed at the continental (North American) level through 2012, but even the impressive corporate support it mustered was never sufficient to fund the leap to the UCI World Tour, which is capped by three Grand Tour races: the Vuelta a España, the Giro d'Italia and the Tour de France.

Mark Ernsting, a former competitive cyclist, Race Director of BC Superweek, head of the H&R Block Elite U23 development team and CEO of M1 Pro Cycling says he's going to give it a shot. Ernsting doesn't believe he knows something that Bauer and Harnett don't. Rather, he thinks, or at least hopes, it's a matter of timing. Cycling was beginning to capture the imagination of corporate sponsors when Team SpiderTech rolled into town. Ernsting's team will draft in behind them.

He's drafting a good distance away, mind you. Team SpiderTech was aiming for the World Tour in 2014. Ernsting has his sights set on 2020, but when you're talking about a team that's going to need some \$20 million per year to run, it's best to look long-term.

"We're doing our due diligence to build the foundation of the program," says Ernsting, referencing the new team's advisory board

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## Burger King's big bite

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can share in the values and the brand equity Tim Hortons has built through its sponsorships."

Ron Kunitzky, founder of Geyser Marketing Group and author of Partnership Marketing, notes that Tim Hortons grew substantially and fared extremely well during the period of its Wendy's partnership, despite a slight retrenchment from some US markets. In fact, it was the power and success of the Tim Hortons brand that led to its eventual spin-off and sale.

"People seem to have a short memory about the Wendy's decade," he says. "Tim Hortons is not a uniquely Canadian brand and part of its corporate identity is to explore opportunities with partners to achieve its goals. Nobody was concerned when Tim Hortons partnered with Arizona-based Cold Stone Creamery to introduce ice cream to many of its outlets. It remained very much its own brand during the Wendy's partnership, and neither its brand nor its community sponsorships were harmed by it."

Kunitzky notes that some critics of the deal may be overwhelmed by the size of Burger King and what they perceive as an unequal partnership.

"But why would 3G or Warren Buffet, who is helping to finance the deal through Berkshire Hathaway, tarnish or squash a corporate culture that has led to the establishment of more than 4,000 outlets," he asks.

US-based brand building expert Denise Lee Yohn, who counts Burger King among her clients, says she agrees.

"Tim Hortons enjoys such a strong equity as a Canadian brand and its active community-based sponsorships contribute to the sense of it being a 'local' brand," she says. "As a corporation, Burger King will need to continue to cultivate Tim Hortons' connections to the country and to the community."

Burger King doesn't have a sponsorship profile anywhere near the breadth and magnitude of Tim Hortons in Canada. However, that shouldn't change community expectations for either chain, she says.

"As a brand, there isn't the same expectation on Burger King to mimic Tim Hortons' approach to sponsorships," Yohn says. "Instead, Burger King should seek out ways to make a positive social impact that are in line with its own brand positioning."

However, Kunitzky sees an opening for Tim Hortons to leverage its community-based sponsorships in the wake of a broader US rollout of its franchise, with Burger King paving the way for the expansion.

"Tim Hortons has already succeeded with hockey sponsorships through its operations in Michigan and Western New York, and done a great job of it at the community level," he says. "There's no reason the chain couldn't leverage local relationships to sponsor community football in Texas. It's all about tying into the community and being relevant to the community." ■

## Receive TSR by email

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You will continue to receive your hard copy every month. In addition, however (and at no charge), you will also receive a pdf of the issue approximately a week ahead of time.



Credit: Luca Volpi via Wikimedia Commons

## Canada's Ryder Hesjedal celebrates his victory at the 2012 Giro d'Italia.

that is well stocked with heavyweights from sport, marketing and business.

The seed of the project is the current Team H&R Block, an elite under-23 development team that Ernsting manages. The vision is to use Team H&R Block to help feed a pro team that will compete for several years at the UCI Continental level. That team will in turn serve as the development platform, the farm team, for a new team that will join the UCI World Tour in 2020.

Ernsting will be looking first to Canada for sponsorship support, and the \$20 million question is whether that level of sponsorship support can be found. For the UCI Continental team, ideal sponsors must have or be seeking a strong presence in the US. For the eventual World Tour team, sponsoring brands will need global reach.

"We want to make sure that everything we do for a sponsor is based on a business decision. That is our priority when having these discussions with companies," Ernsting promises. That sounds good, but it hardly sets cycling apart from every other pro sport that knocks on a corporate door.

Fortunately, Ernsting doesn't need \$20 million out of the gate. In the buildup to 2020, needs will begin more modestly, giving Ernsting and his team chances to build proof points for the more significant investments that will be required later on. That's part of the plan, and so far, H&R Block is on board with it.

A UCI Continental team will compete on the North American circuit next year, says Ernsting. He will field a men's team in 2015 and a women's team in 2016. Team H&R Block will contribute its support infrastructure and assets to the new team and, for the moment, H&R Block will be the team's Title Sponsor. However, if the right brand were to make the right offer, Ernsting believes H&R Block could probably be persuaded to relinquish the title for the good of the team and an appropriate package of benefits.

With the popularity of cycling in the C-suite, Ernsting argues that the value proposition of cycling, is unlike any other pro sport. It offers the hospitality and personal appearance opportunities that have been golf's hallmark, and behind-the-scenes and on-field opportunities that no other sport can offer. These can include ride-alongs within the team's caravan car during a race, post-ride dinner with athletes, access to the mechanics' base, invitations to training camp, even training day rides with athletes. It's like being invited to take part in an NHL practice, says Ernsting. ■

## Lounge act: H&M Personal Shopping Room sponsorship earns world honours for Victoria's Uptown shopping centre

REFUSING TO ACCEPT the preconceived notion that "H&M doesn't do sponsorships" has resulted in the successful H&M Personal Shopping Room (PSR) at the Uptown shopping centre in Victoria, BC. The sponsorship was also voted the best campaign of 2013 at the International Council of Shopping Centers (ICSC) annual Sponsorship and Advertising Conference in New York City in August.

H&M is the upscale mall's exclusive sponsor of the H&M PSR – a unique retail experience in which patrons book appointments with Uptown's noted style director, Erin Bradley, who personally assists them with a guided shopping excursion.

The sponsorship coincided with H&M's first foray into Vancouver Island, in Phase Two of the Uptown development completed in August 2012. The driving force behind the concept was Kristy Lowes, Marketing Director for Uptown, a property of Morguard Investments Limited.

Lowes says that the marketing team wanted to drive home the position of the mall as a unique fashion and lifestyle destination and was inspired by the personal shopping services offered by British fashion retailer Top Shop.

"Wardrobe consulting services aren't a new idea, but the concept of a room dedicated to fashion and shopping services would be a first in Canada," says Lowes. "It's possibly unique in North America."

First she had to convince the internal team – ownership and management – to forgo potential retail revenue on prime retail property and to incorporate the shell of the room in the construction plan, even before a sponsor had been secured.

"We needed to sell a sponsorship so we could offset the cost of finishing, decorating and branding the PSR," says Lowes. "I immediately thought of H&M as the right partner, not only because of the unique exposure and benefits they would receive, but because H&M's increased presence would help solidify the reputation of Uptown as a fashion destination. I was told that H&M simply doesn't do sponsorships, but approached them just the same."

Despite the fact that H&M didn't have readily available funds for the sponsorship, the fashion retailer combined its PR, grand opening and store budgets to become the presenting sponsor.

"We were very happy when Uptown approached us with the opportunity to be the lead sponsor because we had already allocated the marketing budget for the store opening and this was a great way for us to build brand momentum and engage customers right at the shopping centre," says Emily Scarlett, Communications and Press Manager at H&M Canada. "It was a great way to naturally introduce customers to H&M and what we have to offer in terms of fashion and quality at the best price."

The lounge would open in February 2013 as "H&M Presents the Uptown Personal Shopping Room," coinciding with H&M's retail launch at the mall. For a one-year term, H&M would receive:

- Exclusive presenting sponsorship of the lounge, designed to reflect the aesthetics of an upscale wardrobe closet, replete with two change rooms, a runway-like space, chandeliers and clothing and accessories provided by Uptown retailers.

- Mannequin display in windows of the PSR.
- H&M signage and logos inside the PSR and on store windows facing Uptown Boulevard, and H&M/PSR signage on the outside of elevator doors. As many as 22,000 people were exposed to the signs each day. "If we had a chance to do the campaign over, we might have provided more street exposure for the PSR, so that it could be seen from outside," says Lowes.

- Digital screen promotions in the PSR and on other Uptown screens in high-traffic retail areas and office lobbies.
- Dominant placement on the Uptown website.
- A monthly feature on the Uptown blog, sponsored by H&M and the PSR.
- A dedicated PSR web page featuring the H&M logo.
- A PSR brochure featuring H&M logo and imagery.
- Media segments featuring Bradley outfitted in the H&M brand.
- Three fashion advertising opportunities to showcase the H&M and PSR brands.
- Three seasons of onsite posters and signage inside the fitting room and throughout the site, printed and installed by Uptown.

In addition, the H&M/PSR brands were featured in television commercials and a series of full-page ads in a local fashion magazine. Customers purchasing personal shopping services were automatically brought to H&M by the style director as their first shopping destination.

"The PSR was also available for private functions, special seminars and events, with mall merchants providing samples for gift bags," says Lowes. "For example, H&M hosted trend updates on style and fashion."

The metrics for the success of the H&M/PSR sponsorship are somewhat difficult to calculate, because the store and the sponsorship were launched simultaneously—there are no before and after figures for comparison. However, Lowes calculates that the return-on-investment for H&M was approximately six-fold, comparing the cost of the sponsorship to the value of media impressions, advertising and other exposure. H&M has become the top performer in family apparel at Uptown and sales in the family apparel category at the mall have also increased 28.5%.

"We can say that the sponsorship has been very successful and we have renewed our contract for another year," says Scarlett. "We are always looking to improve the customer experience and hope that we can continue to learn from this sponsorship in order to bet-

ter service our customers and continue to provide them a unique, inviting and exciting experience in store."

Lowes says that the ICSC award was icing on the cake. The campaigns were presented by invitation only, and the H&M/PSR presentation eclipsed such heavy hitters as the Coca Cola "Share a Coke" campaign.

"The one piece of advice I would offer anyone mounting a similar campaign, is to put your best effort into a pitch to the best partner, regardless of what other might lead you to expect," she says. "The worst that could happen is that you didn't try." ■

## Please don't pee on our rug

IN JULY, *TSR* REPORTED on the challenges faced by sponsors in the fossil fuels industry, most notably Enbridge, when opponents of their practices or policies took aim at their sponsored partners. Most often, the response on the part of the sponsor has been to express regret if a renewal opportunity was not offered, to wish the property well, and to focus instead on the long queue of organizations eager to enter into a partnership.

But when opponents of TransCanada PipeLines took aim at the company's donation of \$30,000 for a fire truck for the northern Ontario town of Mattawa, things got if not ugly, then at least terse.

The money came out of TransCanada's community relations budget, and envelope that doles out funds to communities and organizations along the many routes through which TransCanada's pipelines pass. And the funds are doled out with strings attached, such as appropriate recognition of TransCanada's support and a clause requiring that the recipient not publicly comment on TransCanada's operations or projects.

On learning of this, critics of TransCanada's proposed Energy East project, a plan to pipe Alberta oil sands crude to Atlantic Canada refineries, framed it as a gag order engineered to buy the silence of the Town of Mattawa, which is near the proposed Energy East route.

Though conceivable, it is unlikely that TransCanada so feared the voices of the Town of Mattawa's civic leaders that it sought to buy their silence for \$30,000. TransCanada stated that the clause was intended to protect recipients from feeling compelled to endorse the company's business practices, not to silence criticism.

Were TransCanada not a company in the fossil fuels industry with several high-profile projects on the table, it would not seem controversial that a community investment agreement should include a clause that, in effect, states "we're happy to have you for dinner, but please don't pee on our rug." But it is, and the issue gained sufficient media attention that Mattawa municipal leaders, including the mayor, felt compelled to reply that in their opinion, the clause did not prevent them from commenting to the National Energy Board (which has the power to approve or kill the project) or to their electorate on Energy East or any other matter.

TransCanada agreed and, for its part, quickly announced that it would reword the clause in this and subsequent agreements to make clear that it is not a gag order of any sort. TransCanada also took the opportunity to speak at some length about its community investment program, and its value to TransCanada employees and to the communities TransCanada serves. Using the tactics of good storytelling, it also took a few hard swipes at organizations that do



Credit: Uptown/Morguard Investments Limited.

# WHAT'S HAPPENING

## [SPORTS]

### Canada puts another bike on the Grand Tour

Canadian bicycle company Argon 18 has officially signed a three-year agreement with Germany's NetApp-Endura team. Effective January 1, 2015, the team, which finished seventh in the latest Tour de France general individual classification, will be known as BORA – ARGON 18.

"We chose this team because we firmly believe it will confirm our standing as a leading and innovative bike brand on a worldwide scale" said Gervais Rioux, Olympic athlete and founder of Argon 18 in a release. "Argon 18 will be mentioned every time the team's name will appear. For us, this was very important. It's one of the many reasons why this team was the perfect fit for us. This partnership will also give our brand unprecedented international exposure, as well as provide our R&D division invaluable feedback and insight." In the Tour de France, only five bicycle brands are part of a team's name.

Argon's top competition bikes retail for \$12,000, and as part of the agreement the company will be supplying between 150 and 200 of them to the team.

## [BRANDS]

### P&G trims the fat

Procter & Gamble, one of the world's most active sponsors in the CPG categories, has announced that it will shed as many as 100 of its consumer-facing brands, representing more than half of its portfolio. The process will occur over the next two years. Once complete, Procter & Gamble expects to be left with 70 or 80 of its top performers.

Procter & Gamble is currently the global leader in consumer product sales and, once the shedding is complete, it may actually still retain that title. According to media reports, the brands that will be dumped account for less than 10% of the company's global sales.

## [ARTS]

### Merchant makes statement on Middle East

Though Zane Caplansky, owner of Caplansky's Deli in Toronto, has never been one to retire to the wings, it should be noted that his decision to sponsor an August 8 outdoor screening of the Palestinian film *Laila's Birthday* was made long before the current conflict in the Gaza Strip reached its crescendo. The screening is part of the run-up to the Toronto Palestinian Film Festival. The decision, or rather the publicity surrounding it, earned Caplansky a great deal of attention, not all of it supportive.

Caplansky, who describes himself as "a proud Jewish man," took to his blog to explain his reasoning. *TSR* happily reproduces one paragraph here:

"One of the great joys of running a restaurant is that on most days, it feels like a room full of storytellers sharing their experiences over a great meal. This festival seemed to me to be another forum for storytelling. It is often said that the conflict between Jews and Palestinians is one of a conflicting narrative. I don't know if that's true, but I have to believe that a starting place for peace is a place where we can both share and listen to one another's stories. The truth is, I didn't screen the content of the films because I didn't make the decision to sponsor this festival to support any one perspective. I sponsored it as a small and humble effort to break down barriers so that both Jews and Palestinians care share each others stories. There was no ulterior motive here – lets just get together over good food and share stories."

The full posting may be accessed at <http://www.caplanskys.com/blog/entry/why-im-sponsoring-the-toronto-palestinian-film-festival>

a great deal of good but that, in their zeal, sometimes paint their opponents as one-dimensional. It's worth a read at <http://blog.transcanada.com/proud-to-support-our-communities1154>. ■

## On branded content

THERE'S A BIG RISK in taking research from one medium, or one market, and overlaying its findings on another. Until the advent of the Sponsorship Landscape Study, for instance, Canadian sponsorship marketers had only research from IEG in the US to guide their macro decision-making. The Landscape Study revealed what the smartest among us already knew: that the Canadian marketplace was not merely an undersized version of its southern neighbour, but a vastly different place.

Which bring us to the large grain of salt that must prudently accompany a sponsorship-based analysis of recent research from the Interactive Advertising Bureau and Edelman Berland. Not only is it research of the American market, it is also confined to news sites. However, given marketers' increasingly heavy reliance on branded content and various forms of native advertising, its findings may be enlightening, perhaps even instructive.

IAB and Edelman Berland looked at consumer response to in-feed native advertising on news sites and found that news consumers actually welcomed the content, provided it was done right. It turns out that relevancy is the key determinant of consumer interest in sponsored content, at least insofar as news sources are concerned. Close behind are brand familiarity and trust, and subject-matter expertise.

These findings may be cautionary to sponsoring brands and properties. Some of the latter, for instance, are selling their websites as hosts for branded content based on the demographic their sites attract. If the IAB/Edelman findings are to be believed, properties should be pitching, and brands should be writing content, based on relevancy and expertise, not merely demographics.

This isn't good news for challenger brands. Established brands own the expertise in the consumer's minds. Challengers may find branded content to be a less than ideal communications vehicle.

It's not only the credibility of the sponsoring brand that affects consumer perception. The IAB/Edelman study also found that the credibility of the host site played an important role in consumers' acceptance of sponsored content. This is perhaps more relevant for news sites, which vary in gravitas and authoritativeness, but it suggests that strong, relevant branded content from a credible source will be wasted if it is hosted on a site that is not viewed as credible. The dark halo from the host will overshadow the branded content, no matter how strong it might be.

Strong content tells a good story. It does not pitch a product or service.

Interestingly, the fact that content is branded seems to have little impact on consumer perceptions, at least with respect to news sites.

One of the key takeaways from the study is this: branded content is most effective when it works for both the brand and the host. The choice for sponsors and properties is clear. It should either be "win-win" or "no deal."

The study's results may be found online at <http://bit.ly/1oNYxps>. ■

## Toronto foodies feast at Taste of Toronto

WERE ONE TO LINE UP Toronto's summertime food festivals side by side, the buffet table would likely stretch the length of the Don Valley Parkway. Summertime in Toronto is a gourmand's paradise. It would seem to be the least likely host for one of the "Taste of" food festivals that IMG stages in many of the world's great cities, let alone its North American debut.

Here, Nancy Modrcin, Senior Director of Marketing for grocer Metro Ontario, takes some credit.

"Sam Galet (IMG Canada VP and Managing Director) approached me about several other sponsorships that were not food related," says Modrcin. "I said to him, 'my number one priority is food and my customers, and if you can provide me with a sponsorship opportunity that aligns with those two things, we should definitely talk.'"

Galet says IMG's "Taste of" festival was going to come to North America at some point, and Toronto's growing culinary reputation and lack of a high-end event made it a strong candidate from the start. It would be a new event for Toronto, but not for IMG, which has reams of data from "Taste of" events from Auckland to Stockholm to draw upon when approaching sponsors. Given the success of its first staging in Toronto, cities like Montreal and Vancouver should expect to find themselves on the list of possible future hosts. Along with Toronto, of course, which is already booked for 2015.

What sets "Taste of" apart in a food-festival saturated city is the level of production and the high-end food, drink and service.

"We call it mass affluent," says Galet. Everything is top shelf, according to Galet, from the 17 restaurants that were represented to the look of the venue, its footprint at Toronto's historic Fort York and, of course, to the quality of food and drink served. Even admission to the grounds mimicked a restaurant, with attendees reserving their spots at one of three daily four-hour services. Logistically, that meant that Taste of Toronto could play host to almost 20,000 people over four days while always seeming relatively uncrowded.

IMG even went so far as to purchase 14 fully equipped kitchens for its exhibitors when it became apparent that there weren't enough rental kitchens available to meet the festival's needs.

Events like Taste of Toronto are intended to set Metro apart in the highly competitive grocery market. All grocery retailers strive for pretty much the same thing: quality, freshness, a wide variety of products displayed in bright, clean-looking stores. It's a sea of sameness and consumers often select on the basis of proximity.

"When everybody's running on the same baseline of quality, freshness, variety, what you have to do to differentiate is provide the best service that you can and the best experience you can." Because grocery is a local business, Taste of Toronto became part of the local customer experience for Metro and the core of its summer marketing campaign. "We viewed it very much as a local marketing initiative."

Metro had two key objectives at Taste of Toronto: to connect with food lovers and to celebrate local growers. Activations onsite included the Metro Master Class, which allowed patrons to replicate restaurant dishes with celebrity chefs, live cooking demos, the Metro Lounge to allow digestive juices settle, and a virtual market. There, visitors could scan bar codes the favourite dishes they sampled and have their orders ready for pickup at the end of their visit.



Modrcin admits that the virtual market, in addition to being a smart engagement device, served as an early test platform for technology that may be part of the grocery store of the future.

Sixty-eight percent of attendees were women with an average household income of \$127,000, says Galet. For Metro, Taste of Toronto generated more than 15 million impressions and provided content for its digital platforms. Attendees were full of praise for the event (more than 80% rating it excellent or good).

"Even the restaurants were tweeting out that this was the best food event they've ever attended," boasts Galet.

"I think there's a great possibility that we will be back next year," says Modrcin. ■

### Digital

History may look back at this moment and declare that the digital revolution was as significant as the invention of the printing press. At Sponsorship Toronto, coming up November 4 and 5 at the Grand Hotel & Suites, we are privileged to introduce you to several of the digital world's thought-leaders.

For instance, **John Heppenstall** of The Social Ambassador completely rejects the notion that the digital world is too complex to predict. He calls his session "It's not like cooking spaghetti" because in the digital space, you don't just throw it against the wall and see if it sticks.

**Josh Epstein**, Director of Marketing at Newport Sports Management works with some of North America's top hockey players, helping them hone their digital skills. Josh will paint a picture of the digitally-savvy athlete and show how athletes, sports organizations and sponsors can get top value from digital engagement.

With Student Life Network and Parent Life Network, **TJ Donnelly** has built a successful business based on forging meaningful digital connections between markets and brands. How does he do it? You'll be surprised at how simple it can be.

The Social Media Scoreboard is a groundbreaking piece of research from Wasserman Media Group in Los Angeles. SVP **John Harper** says its findings show that sponsors are spending poorly and sports properties are leaving money on the table by not making the best use of the social assets at their disposal. It's a session you won't want to miss.

The same can be said of the rest of the program at Sponsorship Toronto, and its two popular bookend workshops: The Sponsorship Boot Camp on November 3, and the Municipal Forum on Sponsorship on November 6.

Want to learn more? Visit us.

**Sponsorship Toronto**, [www.sponsorshiptoronto.com](http://www.sponsorshiptoronto.com)

**The Sponsorship Boot Camp**, [www.sponsorship.ca/bootcamp.html](http://www.sponsorship.ca/bootcamp.html)

**The Municipal Forum on Sponsorship**, [www.sponsorship.ca/municipalities.html](http://www.sponsorship.ca/municipalities.html)

# Luminato's lofty ambitions

The arts community already acknowledges it as among the best arts festivals in the world. With the right partners, Luminato want to reach even higher.

THERE'S ROOM AT THE TOP at Luminato. Toronto's signature summertime arts and culture festival and its top partner L'Oréal Canada have announced that L'Oréal will be returning in 2015, but will no longer be integrated into the festival's title. Pretty much since the festival's launch in 2007, L'Oréal has enjoyed a hybrid position as presenting/title sponsor of the festival, with the festival promoted as Luminato and L'Oréal: Partners in Creativity.

That "Partners in Creativity" tag will be dropped for 2015, with L'Oréal Canada stepping down a rung to assume major partner status. For Luminato, it opens up a new opportunity to integrate a brand into its title. For L'Oréal Canada, it follows a pattern set in other major Canadian arts and culture festivals, like World MasterCard Fashion Week or the Toronto International Film Festival, in which the corporate brand retires to the wings and the spotlight shines instead on one or more of L'Oréal Canada's consumer-facing brands.

There's no dispute that L'Oréal Canada's eight year association with the festival has worked well for the company. *TSR's* call to L'Oréal Canada had not been returned by press time, but in a press release L'Oréal Canada President and CEO Frank Kollmar said "The original partnership goal of extending the L'Oréal brands nationally has positively impacted the company's performance especially in Ontario." That point was echoed in interviews with Luminato CEO Janice Price and with Bart Given, Managing Director of Torque Strategies, which is working with Luminato to re-engineer its sponsorship architecture.

Price doesn't feel the very close relationship between L'Oréal Canada and Luminato will suffer. L'Oréal is still top of the heap among Luminato sponsors, the

only difference being that it shares that position with a few others.

The impetus for the change appears to go beyond L'Oréal Canada's decision to focus on a small set of consumer-facing brands. There's a strong desire within both organizations to extend Luminato's reach beyond Ontario and to strengthen it as a digital property. Both objectives will be more easily accomplished in partnership with strong consumer-facing brands.



Credit: Damien D. via Wikimedia Commons

Sass Jordan at Luminato 2010.

Luminato views itself as an arts and culture festival of global significance, and that's a legitimate claim within the community of arts patrons. But among more casual consumers of arts and culture, it is a Toronto-centric brand. It is strong within Ontario, says Given, not so much outside Ontario's borders.

And that's where the opportunity lies. If Luminato is to lay claim to the title of best arts and culture festival on the planet, it needs stories that partners can tell and partners willing to tell them to a national and international audience. Price says she's already spoken with L'Oréal Canada about "a couple of really fun and exciting ideas" that will allow L'Oréal own a digital property that leverages the full range of Luminato content.

The idea, says Price "is to use the digital platform to tell the Luminato story more nationally and internationally."

Make that stories. According to Given, "we feel that there are more stories yet to be uncovered." He won't say what they might be. Luminato has already done an admirable job of creating ownership opportunities for performances and even venues. New ownership opportunities may involve thematic threads that run through a range of Luminato performances, digital properties, or both. ■

*The Sponsorship Report is a media partner of The Sponsorship Marketing Council of Canada. For more information on the Council, visit the website at [www.sponsorshipmarketing.ca](http://www.sponsorshipmarketing.ca), or phone (647) 748-3615, ext. 224.*

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# SPONSORSHIP WEEK



NOVEMBER 3-6, 2014  
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## NOVEMBER 3 Sponsorship Boot Camp

For sponsorship-seekers,  
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[www.sponsorship.ca/bootcamp.html](http://www.sponsorship.ca/bootcamp.html)

Bernie Colterman will lead you through a practical, no-nonsense session on sponsorship program development and sales that will shave a year off your learning curve. Bernie will quickly cut to the chase, arming you with field-tested strategies and tactics, practical tips and proven approaches for implementing a successful sponsorship program. If you're new to sponsorship, this session is a must-attend. If you've done this before, you can measure yourself against the Boot Camp's best practices.



## NOVEMBER 4 AND 5 Sponsorship Toronto

Best practices in sponsorship activation  
from across North America and beyond  
[www.sponsorshiptoronto.com](http://www.sponsorshiptoronto.com)

For sponsors, properties and agencies choose from an exciting mix of sessions presented by leading sponsorship pros from across North America and beyond. The focus of Sponsorship Toronto is best practices in sponsorship activation – the grand strategies and fine tactics that will make your sponsorship program soar. Choose from a mix of plenary and concurrent sessions to customize a conference experience that meets your specific needs, all in an intimate and relaxed environment in the heart of Canada's business capital.



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Public officials face unprecedented scrutiny and must address stakeholder concerns unlike anyone else in sponsorship. Even the smallest misstep can condemn a program to failure. But the rewards of doing it right are significant. Your session leader, Bernie Colterman, is recognized as one of North America's foremost experts on municipal sponsorship. Bernie will candidly explore strategies and tactics tailored to the unique environment of municipalities.



You can combine two or more sessions into one powerful learning experience, and save a bundle too.  
Learn more at [www.sponsorship.ca/register.html](http://www.sponsorship.ca/register.html)

## Sponsorship Boot Camp

**Monday, November 3**

This one-day workshop is tailored for professionals responsible for revenue-generation in public or not-for-profit organizations. You will acquire the skills needed to take an organized, professional approach towards designing, marketing and selling your sponsorship program. You will be guided by Bernie Colterman, one of Canada's finest sponsorship educators. This unique workshop has helped hundreds of professionals take a more strategic approach towards sponsorships. It takes you through a proven, end-to-end design and sales process that has been used to generate more than \$25 million in sponsorship revenue.

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## Sponsorship Toronto

**Tuesday, November 4 and Wednesday November 5**

More than 20 of the top sponsorship professionals from across North America will gather for an exclusive, intimate opportunity to share best practices in sponsorship activation.

Presenters and sessions include

**Jacque Ryan**, Vice President, Sponsorship and Partnerships, Scotiabank. Learn about the current evolution of Scotiabank's hockey strategy as it leverages a new relationship with Rogers.

**Nick Taylor**, Director, New Revenue at the Princess Margaret Cancer Foundation. Nick explains how his unique background with Rugby Canada and Tiffany's has equipped him to meet the challenge of revenue generation at one of the world's best cancer research centres.

**Diane Ridgway-Cross**, Executive Vice President, MarketELLE. Hear Diane's piercing new insights, including new research findings, into sponsorship marketing programs aimed at women.

**John Heppenstall**, Senior Strategist, The Social Ambassador. John demystifies the social landscape and shows how properties large and small can operate within it.

[www.sponsorshiptoronto.com](http://www.sponsorshiptoronto.com)

## The Municipal Forum on Sponsorship

**Thursday, November 6**

The 4th Annual Municipal Forum on Sponsorship will tackle key issues that are impacting municipal sponsorship programs today. The forum is designed specifically for middle to senior managers from municipalities and other public institutions who are currently involved in or considering Sponsorships, Naming Rights or Advertising as a source of revenue. Your session leader is Bernie Colterman, Managing Partner of the Centre of Excellence for Public Sector Marketing and one of North America's leading experts on municipal sponsorship.

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