



**PILOTE  
MEDIA**

# Getting Onto The Plane

Assessing the Benefits of Yacht Sponsorship

Author: David Fuller

April 2009

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

## TABLE OF CONTENTS

TABLE OF CONTENTS .....	2
ABOUT THE AUTHOR .....	3
ABOUT PILOTE .....	3
GETTING ONTO THE PLANE – THE SERIES .....	3
INTRODUCTION .....	4
A DEVELOPING SPORTS MARKETING OPPORTUNITY .....	4
THE CASE FOR YACHT RACING .....	5
<i>BRAND ASSOCIATION.....</i>	<i>5</i>
<i>MEDIA SAVVY TEAMS AND COMPETITORS.....</i>	<i>7</i>
<i>OTHER SPONSORSHIP BENEFITS.....</i>	<i>8</i>
RETURN ON INVESTMENT (ROI) AND OBJECTIVES (ROO).....	9
<i>VOLVO OCEAN RACE 2009 – HALF WAY STUDY.....</i>	<i>10</i>
CHOICES FOR SPONSORS .....	13
ACTIVATION – SPONSORSHIP IS ONLY HALF THE STORY .....	15
SPONSORSHIP & TECHNOLOGY. FIND YOUR AUDIENCE. ENGAGE. ....	16
SUMMARY .....	17
NOTES AND REFERENCES .....	18

Cover Photo: Courtesy Volvo Ocean Race. All Rights reserved.

Disclaimer: The information contained in this document represents the current view of Pilote Ltd on the issues discussed as of the date of publication. Because Pilote Ltd must respond to changing market conditions, it should not be interpreted to be a commitment on the part of Pilote Ltd, and Pilote Ltd cannot guarantee the accuracy of any information presented after the date of publication.

This White Paper is for informational purposes only. PILOTE LTD MAKES NO WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AS TO THE INFORMATION IN THIS DOCUMENT.

Complying with all applicable copyright laws is the responsibility of the user. Without limiting the rights under copyright, no part of this document may be reproduced, stored in or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise), or for any purpose, without the express written permission of Pilote Ltd.

© 2009 Pilote Ltd. All rights reserved.  
All other trademarks are property of their respective owners.



## ABOUT THE AUTHOR



1 David Fuller, CEO of Pilote Media

David Fuller is CEO of Pilote Media and a contributing editor of YachtSponsorship.com. He has worked on both sides of the marketing fence, having developed an understanding of brands and the mass-market at **Unilever**.

More recently, David has worked with global sporting properties like **NASCAR**, **Manchester United** and **MotoGP** to implement digital activation technologies like SMS text messaging and desktop relationship platforms that bring sports-fans and sponsors closer together.

## ABOUT PILOTE

Pilote is a publisher and specialist agency dedicated to sports marketing and sponsorship.

The company produces YACHTSPONSORSHIP.COM<sup>i</sup>, the only website dedicated to the business of yacht racing. With a dedicated subscriber base including some of the industry's most influential decision makers, YACHTSPONSORSHIP.COM has a unique global view of the business.

## GETTING ONTO THE PLANE – THE SERIES

This paper is the first in a series investigating the business of the sport of sailing.

Rather than being a reference to the boarding process for airline travel, the phrase 'getting onto the plane'<sup>ii</sup> refers to the hull of a boat lifting out of the water, enabling it to travel faster through the water. The series then is designed to help readers get from a standing start to racing.

This paper is designed to be an overview of some of the current hot topics in the sport of sailing. Further papers will provide more detail on sections included in this paper.

Future papers in the series:

- **Picking the Shifts** – A side by side comparison of sailing events from a sponsorship point of view including budgets, media coverage and case studies.
- **'The Womper'**<sup>iii</sup> – Activation. Activation. Activation.
- **The Approaching Storm** – How digital technologies will change the sport forever.
- **Over the Horizon** – A look into the future of Yacht Racing with insight from key players in the industry.
- **The Curious Case of the Cup** – A detailed look at the sorry state of the 'jewel in the crown' of sailing.

## INTRODUCTION

Sport is big business. Or at least it was. In 2008, the value of sports sponsorship was estimated at about \$USD 30 Billion. Current economic conditions will affect all professional sports, but some will suffer more than others. Some sports may even benefit as brands re-evaluate their sponsorships against smaller budgets and in some cases, increased public scrutiny. While some brands will withdraw into things they know, pursuing safe and tested strategies, others will take a new look at the available options.

This article will argue that one option that should be considered when considering sports sponsorships is sailing, or yacht racing.

## A DEVELOPING SPORTS MARKETING OPPORTUNITY

Sailing has a mixed reputation. Traditionally occupying a similar space to golf, it is easy to assign labels like exclusive, or elitist. But like golf, the sport is changing, and entrepreneurial event organisers are using new technology and business practises to bring yacht racing to new audiences.

There are only a handful of countries where sailing makes it into the top 10 sports. Australia is one of them. This could be because a large percentage of the population live next to the coast. It could be an effect of the annual world famous Sydney Hobart Yacht Race or perhaps it is due to lingering memories of the day when Australia II took the Americas Cup away from the Americans after 132 years. However even in Australia, there is a relatively low sponsorship spend attached to the sport given its popularity.

The reason that sailing is not more of a sports marketing platform is historical. Like rugby and cricket, sailing was an amateur sport, played by gentlemen who belonged to privileged classes. Sailing clubs were stereotypically stuffy places where the traditions were passed down through successive Commodores whose portraits were painted in oil and looked down on the current members with a watchful eye.

Golf, Cricket and Rugby have all innovated to become relevant to a modern sports watching public. Slowly, sailing is doing the same. Sailing provides all the marketing benefits provided by sports like Formula One or golf, in some cases at a fraction of the cost.



**2** 300 People attended the 2008 World Yacht Racing Forum. The first time the 'industry' had sat down.

Last year for the first time, 300 of the sport's top decision makers got together in Monaco for the World Yacht Racing Forum<sup>iv</sup>. It was a chance for competitors, race organisers and sponsors to get together to talk about the way forward. The event director, James Pleasance is one of those who believe that Yacht Racing's time has come:

*"Historically, yachting has been referred to as an elitist sport but that perception has changed, particularly in the last five years or so. Better TV coverage and the growth of broadband have brought the sport closer to the fan and to a much wider audience at the same time."*

*Over 1 million sailing fans visited Valencia for the America's Cup in 2007, and over 1 million fans visited Alicante for the start of the Volvo Ocean Race last year. Over half a million players have taken part in virtual sailing games in the last 12 months following races such as the Volvo Ocean Race and Vendee Globe. These are the sort of numbers that are appealing to venues and sponsors, and we're beginning to see many more of both come in to the sport"*

## THE CASE FOR YACHT RACING

Let's get some perspective. Imagine you have \$1 Million to spend on sponsorship. The McLaren Formula One team will take your cash and in return you will receive partner benefits, but you won't be seen on the car. For a similar budget you could own 2 sailing teams competing in 16 of the largest markets in the world, or even title rights to a World Championship.

Sponsoring sailing makes sense for many reasons. Sailing provides access to desirable audiences and market segments; it has positive brand associations including competition, innovation, environmental commitment and teamwork. Yacht Racing promotes research and development, provides proven return on investment and helps to deliver against corporate, social responsibility (CSR) goals. Sponsoring yacht racing can help with internal communications, bringing together teams around a common subject and shared conversation. Of course there are also the more traditional goals of awareness and media value, and technology is changing these metrics in a way that makes more niche sports compelling.

Let's look at some of these benefits in more detail.

### ***Brand Association***

One of the biggest reasons for any sponsorship is to give your brand or product properties by association. You can align yourself with a winning team, or position your brand as one that innovates in the face of tough competition and prevails. Brands that currently sponsor sailing include; luxury goods (Louis Vuitton, Rolex, and Hugo Boss), financial services

(Artemis, Aviva, and Skandia), car manufacturers (Volvo, BMW and Audi) and Technology firms (BT, ORACLE and Telefonica).

Each of these brands has different reasons for sponsoring sailing, but the sport succeeds in delivering on all. For Volvo Cars UK, there is a one-to-one relationship between their market and sailing. They focussed on boats that had to be taken to the sea by trailer and realised that to tow a trailer you needed a car.

Other positive brand associations that have been and can be used:

- Competition and performance
- Technological innovation
- National and community spirit
- Environmentally friendly
- Heritage and tradition
- Teamwork and trust
- Strength and solid decision making in the face of adversity
- Exclusivity, Glamour and Luxury

Sailing is a premium sport. At the top end, yacht racing is expensive. To win consistently is even more expensive. The men and women who play this sport have money. Little wonder then, that brands like JP-Morgan and Louis Vuitton sponsor yacht racing. As well as the competitors, there are hundreds of thousands more who follow sailing via the web and on television. Those who follow yacht racing tend to be from highly desirable demographics from a marketing point of view.

One brand that has recently entered the sailing sponsorship market is the watchmaker Seiko. Robert Wilson, Seiko's Director of Marketing, explains that sometimes a brand doesn't want millions of eyeballs.

*"As a result of our journey through the world of sports sponsorship," which included stints as Official Timing Partner of the Olympic Games, "we have evolved a model in which we balance exposure against prestige, and increasingly we are prepared to sacrifice exposure to gain more prestige. We started in our first phase with the visibility of our logo as our clear and single-minded aim and events like the FIFA world cup of soccer were perfect for this. In our positioning phase, sports timing was the key aim. And today, personalization and prestige is the name of our game."*

*"We've used our deal with the Olympic 49er sailing class to create stories. As the 49er class develops a new, faster rig, we have issued a challenge to all the sailors to use it to break the speed record for the 49er and to win sailing gear for doing so. Our aim is no longer exposure and no longer to demonstrate precision. Our aim today is to add individuality and character to the brand."*

For some companies there are direct research and development benefits from sponsoring sailing. For a company like Henri Lloyd, who manufacture and sell specialist sailing clothing, a Vendee Globe campaign is the perfect field test for gear that has to work. But it's not just clothing manufacturers that can benefit.

Thrane & Thrane is the Official Sponsor of Satellite and Radio Communications Equipment to the Volvo Ocean Race 2008-2009. The sponsorship ensures that teams and race organisers have the very best communications solutions at their disposal. Walther Thygesen, CEO of Thrane & Thrane says:

*"The Volvo Ocean Race is one of the toughest sporting events in the world. It reflects our philosophy of overcoming the challenges of communication in extreme environments so we are proud that the organisers have chosen us once again as the communications equipment provider."*

*"We will play an important part in the organisation of the race and the safety of the crew and boats as they constantly perform to the very limits of physical endurance. In fact, you could say that the VOR is the ultimate showcase for SAILOR<sup>v</sup>."*

Thrane & Thrane have also backed up their sponsorship with a magazine campaign that is running in more general sports business publications like 'Sports Pro'.

### ***Media Savvy Teams and Competitors.***

Sponsorship is not just one way though, and sailors understand that backers are looking for a return on their money. Those competing at the top level of sailing understand their commitment to their sponsors and are willing and able to fulfil media duties. This is not always the case with sport. The competitors on the field are often not the best communicators or ambassadors off the field. In some sports, the best a sponsor can hope for at a post race press conference is a monosyllabic grunt, or empty sporting cliché like 'We're taking it one game at a time'.

Skipper of the Volvo Ocean Race boat Puma, Ken Read is thinking about sponsor value even when he is hundreds of miles out at sea. Recently he said that his priorities were:

*"having everyone present and correct in St Petersburg" and "that the sponsor gets more out of it than it could ever imagine."*

Some skippers go further, managing to be completely 'on brand', sailing solo in the southern ocean. Sam Davies aboard Roxy, her 60 foot boat, in the recent Vendee Globe sponsored by the female surf brand of the same name, said in a daily blog<sup>vi</sup>:



**3** The Roxy Girls. Leveraging Across Sports.

*"Its days like this when I would just love to have use of a "Tardis" so that I could teleport on board some of the other Roxy girls (the real surfers) to see what they reckon! Lee-Ann Curren, Candice O'Donnell, Kelia Moniz, Kassia Meador - they could all probably give Roxy and I some tips. Although, a "hang ten" on the bow of Roxy is probably not a wise manoeuvre out here."*

### **OTHER SPONSORSHIP BENEFITS**

Of course brand benefits are only part of the mix. Like many other sports, sailing allows companies to achieve corporate business goals as well as external marketing results. Consider some of these important business benefits:

- Corporate Social Responsibility (CSR) and Charity through linking sponsorship to supported causes and using sport to fundraise.
- Internal Communications – bringing employees together around a common story.
- Personal Development and Training – developing teamwork and leadership through hands-on sessions with sponsored athletes and coaches.
- Corporate Hospitality. Though currently perceived by some as politically incorrect, sailing offers unparalleled opportunities for entertainment. What other sport can you participate in during the race? Being on a boat during racing is like being in the car with Lewis Hamilton or being in the scrum of a rugby game.

Sponsorship of sailing also has important economic benefits. The yacht racing industry is made up of manufacturers who create jobs. These are businesses that create things and generate export income.



## RETURN ON INVESTMENT (ROI) AND OBJECTIVES (ROO)

The current economic climate and consequential 'bailout' of large companies has focussed much attention on sports sponsorship. Most of the coverage has been political grandstanding, showing a real ignorance of the promotional mix available to marketing directors of large companies. Rather than focus on the return on investment of sports sponsorship deals, the media had focussed on the ticket price.

That there is a discussion at all about whether a bank should use public money to promote their brand using sports as a platform shows a deep misunderstanding about sponsorship of all sports. Increased scrutiny of deals and the resultant return on investment (ROI) may make marketers look more closely at the value of alternative sports and this is an opportunity for sailing.

For those who know, sailing provides great returns. Lex Kerssemakers, senior vice-president of Volvo Car Corp's brand, business and product strategy:

*"The return on investment, in terms of coverage, is 300 to 400 per cent of what we put into the race, 'EXCLUDING' the cars we sell"*

Notice that the boats have rather distinctive names; Telefonica, Puma, Hugo Boss, Ecover, Holmatro... There aren't many sports where you can have a billboard of 580 square metres that travels around the world. The return on investment for sailing has been shown to be impressive, despite relatively small audiences compared with some other sports. Increasingly, some sponsors are realising that they would rather have a relationship with thousands of customers than being 'seen' by millions.

Part way through the 2008 iShares Cup for eXtreme 40 catamarans, the organisers commissioned independent media auditors Sports Marketing Surveys to measure the media value of the event.

After just four events, the iShares cup had amassed:

- TV : 10h 26mins of international news broadcasts. Value: €1,224,720
- Print : 381 articles. Value: €1,379,756
- Internet : 548 articles. Value: €440,404

In addition, 80, 000 spectators watched the racing in Kiel, Germany. As Mark Turner, CEO of OC Events who runs the competition said:

*"These people were watching the event. They weren't just there for a day out and walk through the race village."*

## *Volvo Ocean Race 2009 – Half Way Study*



**4 Volvo Ocean Race Teams greeted by hundreds of media.**

The Volvo Ocean Race is a professionally run, commercially driven event. The Volvo Ocean race in 2009 includes stops in India, China, South Africa, Brazil and Russia. The organisers of the race have are using external consultants to evaluate the event for themselves, the teams and their commercial partners.

Numbers published in a 'Mid-Race Report' from sources like Sports Measurement Surveys, the Boston Consulting Group and VEMUK show that there is a latent demand for good sailing content.

Here are some of the top-line numbers from the report:

### **'Traditional' Media:**

- Visitors to the race villages so far - 2,350,392 (156% increase)
- Footfall for stopover in China - 811,677
- Peak day crowd for India - 107,287
- Cumulative TV audience - 547,251,706
- Chinese TV Audience - 268,968,000
- News Outlets - 319 in 200 countries
- Media Accreditations 1,556 (30% increase)
- Press cuttings - 6624 in 14 monitored territories
- Picture desks taking imagery from the race - 5,000
- Syndicated media value US\$65 Million

### **Multimedia.**

In multimedia terms, the race delivers an unparalleled experience - from multilingual websites to a dedicated broadband TV channel, mobile capability and a phenomenally successful online sailing game.

- Official Website Visitors - 2.41 million visitors (39% increase)

- Official Website Visits - 13.95 million (51% increase)
- VolvoOceanRace.tv unique visitors - 738,000
- Videos viewed on VolvoOceanRace.tv - 2,000,000
- Average viewing time per visitor - 49 Minutes
- Videos posted on Youtube - 300
- Views on Youtube - 655,821
- Mobile channel - 180% increase on 2005-2006

### Interactive Gaming.

This is something new and very exciting for sport. Name another game where you can compete in real-time against the competitors in a purpose built video game. Sure there have been many console games that replicate teams and venues, and some allow multiplayer gaming, but not in real time measured against the actual competitors. More on the interactive side later.

- Volvo Ocean Race Game players - 180,000
- Number of countries that online game players come from - 180 countries.



### Sponsor Objectives and Results - Telefonica

Sailing is a sport that fits very well with our philosophy of empowering people, and our sailing programme comprises all phases of a sailor's development.

Our objectives with the Volvo Ocean Race sponsorship were to:

- Reinforce Telefonica's presence in the sailing world
- Maximise media
- Increase the relationship with customers, major accounts, institutions and subsidiaries around the world

*"Mid-race, we feel we have achieved these objectives, having developed a successful marketing plan based on outdoor marketing, trade marketing, public relations and media."*

*15,000 guests visited our pavilion in Alicante, over 1,000 customers have sailed with us and hundreds more will do so before the end of the race. The media return is well above our best expectations."*

### Sponsor Objectives - Ericsson

Ericsson are entering the Volvo Ocean Race for a second successive campaign. Their continued support is based on results from the first time they entered in 2005. Bert Nordberg, Executive Vice-President and Head of Sales and Marketing (2006) said:

*"I think it is very hard to find a better and more efficient platform for meeting and spending quality time with our customers in an exciting environment. Our participation in this race has contributed to growing our business"*

Ericsson has three key objectives for the 2009 race:

- A global sporting event that would strengthen its brand, provide a platform to meet with key customers and clients on an international scale and showcase its leading edge technologies.
- In port stopovers, its sales and marketing activity centred on a hi-tech hospitality structure which provided an environment for networking, technology showcasing and extensive internal engagement.
- As the official supplier of mobile technology, Ericsson has taken global sports coverage into a brave new world of multimedia audience interaction.



5 Puma 'On the Plane' in the Volvo Ocean Race.



## CHOICES FOR SPONSORS

The success of a sailing sponsorship at delivering return on investment (ROI) and return on objective (ROO) goals depends on which kind of sailing is chosen. Unfortunately, the jewel in the crown of sailing; the America's Cup is currently stalled in the courts of New York, but there are plenty of other events.

Yacht Racing is a broad church. Just as motorsport is divided into open wheelers on tracks (Formula One), endurance racing (Le Mans), stock cars on ovals (NASCAR), stock cars on tracks (V8 Supercars) and two wheels (MotoGP), so too does Sailing have a wide variety enabling a brand to match marketing goals to a team, or teams. There is a growing trend towards 'super-teams' – teams that enter multiple competitions to maximise brand exposure.

Here are some of the choices.

- Offshore – Volvo Ocean Race, Vendee Globe, Transat, Sydney Hobart Race.
- Inshore – iShares Cup, Audi Med Cup, Olympic classes.
- Match Racing – World Match Racing Tour, RC44, America's Cup
- Record Attempts – Transatlantic, Round the World, Outright speed record.
- Regattas – Cowes Week, Antigua Race Week, Skandia Geelong Week.

Depending on your markets, products, budget and goals, each of these events has positives and negatives. While the Volvo Ocean Race is relatively expensive it is the only event listed that interacts with all the growing 'BRIC' countries (Brazil, Russia, India & China). Each team has a full time journalist aboard, equipped with high definition video equipment. The iShares Cup is aimed at a predominantly European market. It is no accident that the countries and cities that the series visits are important markets for title sponsor iShares.

A coming paper in this series will look at options in more detail, including side by side budgets and statistics for media reach.

The iShares Cup is an entertainment product. The racing is exciting and creates spectacular television and photography. Even though the rules are simplified so that the viewing public can understand the racing, the world's top skippers are still attracted to the event.

Mark Turner, CEO of OC Events<sup>vii</sup>, the company that organises the iShares Cup is one of the new breed of sailing race promoters.

*"It's completely different to the way sailing is normally seen. It is an entertainment product that uses sailing, whether that is entertaining VIPs, whether it's entertaining the public, whether it's entertaining journalists to get media coverage."*

The series has discarded with the traditional view that sailing has to be on a large piece of water like a harbour, sea or lake. In Amsterdam in 2008 the boats raced in a 200 metre by 600 metre concrete pit in the middle of the city, surrounded by buildings with the wind changing direction by 100 degrees.

*“Races are 10-12 minutes, in a way the public can understand. You don’t have to know what’s going on. The action happens right in front of you. And at the end of it, the sailors loved it and the good guys still won.”*

Turner is a sports promoter. Like the pioneers who changed cricket from a five day game in whites to a fifty or twenty over game in bright ‘pyjamas’, he understands that some of the traditions have to make way for the realities of modern sports entertainment.

*“I’ve never been one for rules. I like breaking rules. I don’t really care about the taboos and what’s really interesting in the iShares Cup in 2008 is we had the highest level of sailing you could really have. We had two Americas Cup syndicates, Olympic Medallists, World Champions, the lot, yet we ran racing in a way that you could never run in a traditional ‘playground’. We completely changed the rules.”*

Smart sponsors are picking and choosing from a variety of events to create a combination that delivers. For example, *Bahrain Team Pindar* sponsors an IMOCA 60 yacht skippered by Brian Thompson in the solo non-stop round the world race – the Vendee Globe. They also sponsor World Champion Ian Williams in the World Match Racing Tour, a series of 10 events around the world where skippers sail one-on-one in identical boats. This strategy combines the human interest and wonder of offshore racing with the strategy of match racing. Match racing is also the format used by the America’s Cup, so many of the skippers and teams go into compete at the highest level of the sport.

Other teams to use this model include *BT TEAM ELLEN*, headed up by UK sailing superstar Dame Ellen MacArthur. MacArthur knows better than most the incredible marketing returns that sailing can deliver. In 2005 her trimaran B&Q was on the front page of every UK paper after she broke the record for the fastest person to circumnavigate the globe. Today, *BT TEAM ELLEN* competes in the iShares cup, offshore races like the Vendee Globe and Transat and they also race an F18 catamaran.

*BT TEAM ELLEN* has three skippers, one Australian, one French, as well as MacArthur herself. While one is sailing around the world another can be giving presentations to sponsors while another can be flying to an event. The sponsors, including British telecommunications company BT get exposure in multiple markets and spread the risk across several events.

How you cut and slice the options depends on what you are trying to achieve. As always, sponsorship is a matching exercise. What works for one brand might not be appropriate for another.

## ACTIVATION – SPONSORSHIP IS ONLY HALF THE STORY

Once you've chosen which part of the sport delivers your brand objectives, then you are half way there. Much sponsorship fails because it is not activated properly. Sailing is no exception. Fortunately, technology makes it easier to get your message to a larger, more targeted audience, more quickly and with more measurability. This must be done in conjunction with the rest of your business activities.

Sponsorship is not a silo that stands on its own. There is no point in spending thousands, or millions of dollars on a sponsorship only to have it ruined because you make no mention of it on your corporate homepage. Similarly you might be surprised at the number of sales staff or employees that don't have any idea about a company's support of an athlete. If a client decides to walk into one of your stores or make a call to one of your salespeople as a direct result of your sponsorship, then they had better be ready to talk about the latest win, or loss, or piece of news.

Insurance company Aviva, supported by sailing specialists Synergy, have done a great job of promoting British Yachtswoman Dee Caffari to a wider audience. In 2008, the company ran distinctive full page advertisements featuring the boat that would carry Caffari to a world record – the first woman to circumnavigate the globe in both directions. The interesting thing about the campaign was that it appeared not just in the sailing press, but also in publications like the Economist's *Intelligent Life* and *Time*<sup>viii</sup>.



In one of the more innovative pieces of activation a replica of Puma's 70 foot Volvo Race Boat, il' Mostro (the Monster) is touring the world<sup>ix</sup>. In London, Puma ambassadors David Bentley (Tottenham Hotspur), Paul Sackey (London Wasps) and Lucy Boggis (Triathlon/Gladiators) joined other Puma stars as part of a public 'Mast Challenge' in London's Potters Field. The 'mast challenge' allowed the public to winch each other up the 100 ft mast of the Volvo 70 racing yacht and gain some insight into what it would be like to be thousands of miles from land with a 40 knot wind in your ears.

## **SPONSORSHIP & TECHNOLOGY. FIND YOUR AUDIENCE. ENGAGE.**

Sponsorship is no longer about eyeballs. Would you rather your brand was seen, fleetingly in the background of a TV shot by millions of people, or front and centre of a nine month interaction with a couple of hundred thousand? Column inches and news reports are only parts of what today's media mix can deliver. High definition video, iphone applications, multiplayer online games and experiential activities are all being used to get the message out there. Technology, in particular cheaper, faster internet connections has led to millions of people being able to interact with sport, and sailing is a sport made for technology.

Recently in New Zealand, long time Americas Cup sponsor Louis Vuitton, created a new regatta. 12 America's Cup teams competing in boats donated by Emirates Team New Zealand and BMW ORACLE competed in Auckland's Waimatia Harbour. Rather than cover the event using traditional television cameras, the city of Auckland was recreated as a 3D computer model. The boats, crews and race courses were also modelled. With each boat equipped with a transponder and real time weather being transmitted from locations around the bay, virtual spectators could get an insight into how match racing really works. Such technologies get over concerns that sailing might be too technical.

Of course all sports are technical if you don't know the rules and you have never watched before, but that hasn't stopped hundreds of thousands of people signing up to play the online game of the Volvo Ocean Race and the Vendee Globe. These games are played in real time. Weather information is made available and players have to decide what sails to use, what direction to point and when to change direction. The prize for the winner of the Volvo Ocean Race online game is a car. Virtual worldwide syndicates have been formed by people around the globe so that the boat can be kept on the most efficient path when one team member goes to sleep.

The multiplayer games are just one way that internet technology is changing access to sailing and other niche sports. Dedicated yacht racing internet TV sites now give access at the click of a mouse to those who want to engage with the sport. Digital activation has the advantages of being measurable. Every visitor recorded, every click counted. Companies can now track how many dollars of revenue they can directly attribute to sports sponsorship spending. This is no different for sailing.

As mobile phone technology gets more advanced, yacht racing fans can follow their favourite teams using purpose built applications. The Volvo Ocean Race has seen a huge number of people follow the race via their phones. During the first month of the Volvo Ocean Race, the mobile portal recorded over 1.5 million hits. Data traffic amounted to 40 gigabytes during October, with nearly 40% of that accounted for by iPhone users.

Or why not get rid of the middle-man completely. Bypass the PR companies and get the competitors to interact directly with the fans through social media like Facebook and Twitter. Sports stars and teams are beginning to understand that short, personal, relevant messages about behind the scenes brings fans closer than a well worded statement to the press.



## SUMMARY

So what conclusions can we draw about the value of yacht racing as an option in the marketing mix? Firstly, if you agree that sports sponsorship is a valid promotional tool, then sailing stands up against many well sponsored sports. While it might not have the reach of Football or Tennis or Golf, it does allow for well targeted campaigns to desirable audiences with spectacular imagery and brand associations. You can activate using traditional media as well as take advantage of social media and technology to create targeted measurable campaigns that deliver against brand objectives as well broader business goals.

Remember the example of a Formula One team. For \$1 million you can get some partner benefits and access to the VIP area on race-day, but you won't get any exposure on the car itself. For the same price-tag, you could be Title Sponsor of a sailing team with a fully branded 40 foot extreme catamaran racing in six key European markets as well as sponsoring a top-10 ranked Australian sailor who competes in the World Match Racing Tour visiting Brazil, Germany, Korea and Malaysia as part of a 10 event global tour.

For a little more, you could own a World Championship with live television coverage and some of the sport's best athletes. Given the potential ROI when activated correctly, this represents incredible value for money.

We find ourselves in challenging business times. Some companies will withdraw into things that they know to be safe bets. All businesses will re-evaluate the way they do business and re-assess the relative value and return on investment for all parts of the marketing mix. Some businesses will use the economic environment to innovate and look wider for opportunities to build relationships and revenue. Sponsoring yacht racing might not be a good fit for your brand, but if it is, then take a closer look. There are some bargains to be had.

## NOTES AND REFERENCES

<sup>i</sup> <http://www.yachtsponsorship.com>

<sup>ii</sup> Wikipedia – [http://en.wikipedia.org/wiki/Planing\\_\(sailing\)](http://en.wikipedia.org/wiki/Planing_(sailing))

<sup>iii</sup> Sail that gave American team the edge in 1992 film 'WIND' : <http://www.imdb.com/title/tt0105824/>

<sup>iv</sup> World Yacht Racing Forum - <http://worldyachtracingforum.com/index.php>

<sup>v</sup> *Sailor is the name of the specific Thrane & Thrane product showcased by the Volvo Ocean Race.*

<sup>vi</sup> <http://www.yachtsponsorship.com/2008/12/sam-davies-has-brand-message-in-mind/>

<sup>vii</sup> <http://www.yachtsponsorship.com/2008/10/mark-turner-on-the-business-of-yacht-racing/>

<sup>viii</sup> <http://www.yachtsponsorship.com/2008/06/aviva-activate-to-a-wider-audience/>

<sup>ix</sup> <http://www.yachtsponsorship.com/2008/12/puma-activate-race-with-mast-challenge/>