

Sponsorship

Elinor Devlin, Douglas Eadie and Kathryn Angus

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1.0 INTRODUCTION

Since the harmful effects of tobacco smoking on people's health became widely known in the mid 1960's, following the US Surgeon General's report, the legitimacy of tobacco companies' advertising and promotional activities have been called into question. Following a complex web of voluntary agreements surrounding the placement of ads, their creative content and the use of health warnings on promotional material, the UK Tobacco Advertising and Promotion Act (2002) was introduced. The Bill bans virtually all forms of tobacco promotion including advertising in the print media and billboards (by 14th February 2003) and direct mail and other promotions (by 14th May 2003). However, sponsorship has been treated differently in the Act and is allowed to continue domestically until 30th July 2003 and is permitted globally (e.g. Formula One, World Snooker) until 31st July 2005. The World Health Organisation and the governing body of world motor racing (FIA) agreed to phase out tobacco sponsorship by 2006. However, the EU Directive on the banning of tobacco advertising and promotion (COD 2001/0119) bans tobacco sponsorship in the European Union by July 2005 which is earlier than that agreed by WHO and FIA.

Sponsorship, particularly of sports, has become a popular method of advertising tobacco brands since advertising restrictions began. It will become a vital medium in the face of current advertising and promotional restrictions.

In 1999 the House of Commons Health Select Committee obtained access to the internal documents of five main advertising agencies of the UK tobacco industry. The five agencies were: CDP, M&C Saatchi, Mustoe Merriman Herring and Levy, TBWA GCT Simon Palmer Limited and Lowe Howard-Spink. A range of documents were obtained including: contact reports between client and agency, client briefs, creative briefs, media briefs, media schedules, advertising budgets and market research reports (their own and other contracted agencies). These documents were scanned during the summer of 2002 at the Centre for Tobacco Control Research to develop a searchable electronic archive (<http://www.tobaccopapers.com>). This site was searched using the keyword 'sponsorship' yielding 111 results. All of these documents were briefly reviewed online to determine their significance and those relevant were printed out for review.

The documents demonstrate that:

1. Sponsorship works in a similar manner to advertising by reinforcing existing brand imagery, lending associations and creating brand images and supporting new product development (NPD).
2. Sponsorship is used to associate brands with aspirational and successful characteristics.
3. Sponsorship is also used to attract new smokers.
4. The industry equates the effect of sponsorship with that of advertising and finds it difficult to distinguish between their effects.
5. Sponsorship is designed to be covert and 'subliminal'.

2.0 ANALYSIS OF INTERNAL DOCUMENTS

2.1 Sponsorship Works in a Similar Manner to Advertising

Evidence from the internal documents suggests that the fundamental purpose of sponsorship, like advertising, is to create and reinforce brand images designed to meet the emotional needs of smokers. The importance of this medium is clearly growing given the restrictions on advertising. Industry documents demonstrate that sponsorship can reinforce existing brand images and support the launch of new products:

'Even in the presence of an advertising ban it is possible through intensive point of sale efforts, price discounting and use of new communications media (see Appendix) to reinforce the image of existing brands with the consumer and to launch new brands, eg. Prince, L&M, Horizon.'
[Appendix includes sponsorship]
(Gallaher Ltd Memorandum, 1997)

Sponsorship is also able to create desirable commercial images and associations:

*'B&H sponsorship has been very successful. We should harness the dynamic / glamorous attributes. Let's launch a pack of fags inspired by the F1 sponsorship.
Who are we talking to?
The lads who are into Formula One or if not are into the values it represents, ie. fast cars, glamour, excitement, living on the edge.
Tone of voice.
Laddish, Loaded.'*
(M&C Saatchi Brief, 1997)

Similarly, a Benson & Hedges qualitative research report concluded that through Formula One sponsorship the images associated with event can be transferred to the brand:

*'Formula One is one of the least contentious sports for association with cigarette sponsorship, indeed there is a natural fit between the two.
The image is dynamic, macho and international and consequently can potentially bring these image values to a brand.'*
(MHA Debrief, 1997)

A considerable amount of consumer research is conducted to explore the images associated with various sports to identify those that will be most appropriate and influential among the target audience. For example, a Benson & Hedges qualitative research summary report demonstrates the use of consumer research to determine what sponsorship best fits with the brand and the target audiences' self-image:

'Benson & Hedges sponsorship of Formula One is entirely coherent with expectations and offers the brand many opportunities to capitalise on positive associations. For instance, by sponsoring Formula One, respondents claimed it made them believe that Benson & Hedges was a big, major league, very powerful brand with plenty of money. It also lent associations to the brand with young, fast, racy, adult, exciting, aspirational but attainable environments. It was coherent with all that respondents knew of the brand but also extended associative territory to make the brand more youthful, more dynamic and more exciting.'
(Colquhoun Associates Research Summary, 1996)

Another Benson & Hedges qualitative research document outlines how research was used to investigate attitudes towards sports sponsorship and how these images fit with the desired Benson & Hedges image:

*'Formula One
International
Rich people, expensive sport
Glamorous
Challenging
Mental fitness
Fast, furious, dangerous
Living life to the full
Living life to the edge
→ Ferrari, Porsche, Lotus.'*

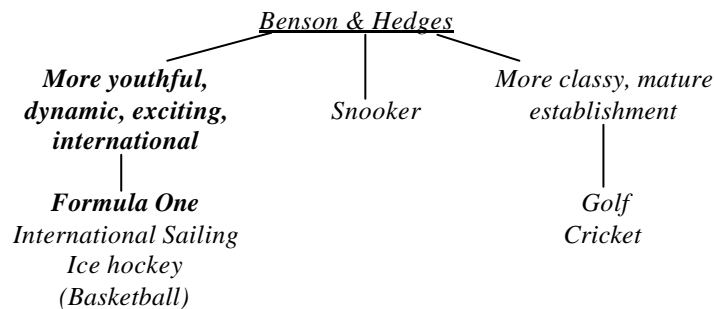
'More active sports, with the potential to create a more dynamic, exciting brand image:

- Formula One
- Big boat sailing
- Basketball
- Ice hockey.'

'In general terms:

- sponsorship associated with international premium brands (a virtuous circle)
- harder more macho sports a better fit with cigarettes with the exception of Silk Cut

<u>Silk Cut</u>	<u>Marlboro</u>	<u>Embassy</u>
Big boat sailing	Formula One	Darts
(Tennis)	(Basketball)	Bowls
(Horse jumping)	Ice hockey	Snooker
?	?	?
Only the first has the potential to be an image driver	All capable of capitalising on and driving brand imagery	No real potential, to drive but rather maintain brand image



(MHA Debrief, 1997)

The importance of sponsorship, particularly in the face of a ban on advertising and promotion is clear and strategies are discussed to minimise the effect these restrictions will have on communicating brand images. Evidence demonstrates that more effort is being directed at sponsorship activity:

'Client saw sponsorship as a way of extending and giving longevity to brand following advertising ban.'

(M&C Saatchi Contact Report, 1996a)

'Decrease in spends possibly due to funds being deployed elsewhere (eg. sponsorship, below-the-line activity, gift schemes).'

'Massive movement of advertising funds to other areas pre-ban:

- sponsorship, gift schemes, point of sale.

- return to bottom line given decreasing profitability from the growth of cheap brands.'

(CDP Presentation, 1999)

2.2 Sponsorship is Used to Associate the Brands with Aspirational and Successful Characteristics

Sponsorship, like advertising, has the ability to develop brand images and associations. These sports and events are chosen after careful consumer research and for the images that surround the event and ultimately because such images can be transferred to the brand. Sponsorship of events and sports is extremely popular. For example, Silk Cut sponsored The Renaissance Silk Grand Tour (a sponsored series of night club parties) with the aim of making Silk Cut a 'cool' brand and one that appeals to the target audiences 'self-image':

'What should they think after seeing the ad:

That Silk Cut is actually a cool brand to be seen smoking because it is enabling more Renaissance club nights. Our audience will need some evidence of this when they are challenged by their mates, "Silk Cut? My mum smokes them". Therefore the sponsorship advertising will need to communicate the relationship between Silk Cut and Renaissance by featuring the extensive lists of gigs and by appealing to their self-image to give them some defensive ammunition.'

(M&C Saatchi Creative Brief, 1996b)

Silk Cut also sponsored a yacht in the Whitbread Round the World Yacht Race to associate the brand with images such as masculinity and adventurousness:

'Silk Cut are sponsoring a boat, captained by Laurie Smith, in the next Whitbread Round the World Yacht race.'

What should they think after seeing the ad?

'That Silk Cut is sponsoring a boat in the Whitbread yacht race and, therefore, is actually quite a masculine, adventurous brand.'

Tone of voice

'Sporting. Androgynous. Informative.'

(M&C Saatchi Creative Brief, 1996b)

Benson & Hedges sponsorship of Formula One, is described in their documents as *very successful* and is deliberately associated with *'glamour', 'excitement', 'young' and 'aspirational but attainable'*. The documents highlight that the industry is aware that these images can be transferred to the brand (see Section 2.1).

2.3 Sponsorship is Typically Equated with Advertising Spend

The documents highlight that sponsorship coverage on the television is equated to television advertising:

'As I'm sure you are aware there was excellent coverage of the new Jordan car last night both on the 9 O'Clock News and the News at Ten. The respective All Men TVRs for the bulletins were 11.8 and 14.4. If we assume that the coverage equated to a 60" commercial on each station, I've estimated the equivalent advertising value to be £185,000. When the value of additional news slots on Channel 4, Channel 5 and Sky are added in, I expect the figure would exceed £250,000. Not bad to start off with.'

(CDP Facsimile, 1998)

Furthermore, it is clearly difficult to disentangle the effects of sponsorship and advertising as a Marlboro proposal highlights with one of the research objectives being to attempt to separately identify the effects from the two media:

'To separately identify the effect of Marlboro's sponsorship of the Ferrari Formula 1 team on the overall effectiveness of Marlboro advertising.'

(RSGB Research Proposal, 1997)

2.4 Sponsorship is Intended to be Covert and Subliminal

It is clear that advertising and sponsorship work in very similar ways. However, one significant difference is that sponsorship is intended to work at a covert and *'subliminal'* level. The documents recognise that younger people in particular are highly advertising-literate and therefore sceptical of conventional advertising. Consequently, sponsorship has the ability to convey the same messages in a more hidden manner:

*'Who are we talking to?
Urban venturers: Aged between 18-30, students/graduates just out of university, short of money but spend all they have on good nights out. **They are very advertising literate, and consequently very wary of big brands latching on to aspects of their lifestyle and exploiting them.'***

(M&C Saatchi Creative Brief, 1996b)

'At each event the level of Silk Cut branding is intended to be subliminal, with no direct reference to Silk Cut cigarettes. However, a strong visual clue is given to the sponsor's identity by the nightclubs (in which the events are staged) being 'clothes' in large areas of purple silk.'

(Market Trends, 1996)

2.5 Sponsorship is Used to Attract New Smokers

Throughout the documents there are constant referrals to young people and youth and a desire to associate brand with more 'youthful' characteristics. For example, a number of Gallaher documents highlight that Benson & Hedges describe the brand as 'young and trendy' (CDP Creative Brief, 1997) while Formula One sponsorship made the brand 'more youthful and exciting' (Colquhoun Associates Research Summary, 1996). A Marlboro Image Research document explicitly discusses recruiting 'new smokers':

'Engendering a sense of self-discovery requires careful selection of media above the line, and activity below the line: placement in respected bars and clubs, product placement in relevant films and sponsorship of relevant activities (between motor sport and the catwalk). Venues/activities need to be identified that combine newness and an aura of exclusivity with accessible delivery and a reassuring sense of familiarity to recruit new smokers into the Marlboro franchise.'

(2CV Ltd Research Debrief, 1998)

3.0 CONCLUSIONS

The documents highlight that there is no clear distinction between the roles of advertising and sponsorship in achieving the tobacco industry's branding objectives. Sponsorship, similar to advertising, is used to reinforce and create brand images and endow brands with successful and aspirational characteristics. Further evidence of their similarity is demonstrated by the tobacco industry's difficulty in disentangling their effects. Considerable time is spent researching which sports and events will provide the necessary fit between with the target audiences self-image and aspirations. Consequently, sponsorship has the potential to continue the work of advertising given its ban in the UK. Evidence from the documents demonstrates that the importance of this medium is growing as advertising restrictions increase.

Although sponsorship has been treated differently by regulators, they both clearly have massive potential to create images and association that fulfil the emotional needs of smokers. Furthermore, sponsorship can work on a more subtle level which will be particularly beneficial to the tobacco industry among highly advertising-literate audiences. Consequently, sponsorship should be subject to the same statutory regulations as other advertising and promotional tools.

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