

Beyond Sponsorship Dollars 101

ISEN Annual Convention

November 5, 2009 9:45 – 11:15 a.m.
Paul Jamieson CFEE

101 - Overall Concepts



1. **Basic “do’s and don’ts”**
2. **Demographics**
3. **Understand your competition**
4. **Cash and inventory controls**
5. **Pricing and selling**
6. **Knowing your priorities**

Overall concept #1 – Do’s and don’ts

Do...

- Realize the odds of hitting the lottery
- Understand the need for speed
- Consider \$ incentives
- Assemble a complete team

Don’t...

- Try to do everything
- Be too afraid of making mistakes
- Concentrate on your non-profit status
- Rely on attendance estimates



Overall concept #2 - Demographics

Whose money are you trying to get, anyway?



Basic demographic information

- Do you know the **age, income, education**, ethnicity, marital status and gender of your audience?
- How does it compare to the area that you are attempting to draw from?
- How do these people spend their entertainment/leisure dollars?



Basic demographics - age

	<u>Tinley Park*</u>	<u>Cook County</u>	<u>Illinois</u>
15 – 19	7.2%	6.6%	6.8%
20 – 24	5.6%	6.5%	6.7%
25 – 34	12.9%	14.8%	14%
35 – 44	18.2%	15.1%	15%
45 – 54	15.5%	13.9%	14.4%
55 – 64	11%	9.8%	10%
65 & over	10.8%	11.3%	11.6%

Source - US Census Bureau, 2000 Census*, 2005 American Community Survey

Basic demographics - income

	<u>Tinley Park*</u>	<u>Cook County</u>	<u>Illinois</u>
>\$14,999	6.2%	15.2%	13.6%
\$15 - \$24,999	8.3%	10.6%	10.8%
\$25 - \$34,999	8.4%	11%	10.8%
\$35 - \$49,999	15%	14.1%	14.5%
\$50 - \$74,999	24.3%	18.6%	19.6%
\$75 - \$99,999	18.9%	11.4%	12.3%
\$100 - \$149,999	13.5%	11.5%	11.4%
\$150 & above	4.6%	4.7%	6.9%

Household income
Source - US Census Bureau, 2000 Census*, 2005 American Community Survey

Basic demographics - education

	<u>Tinley Park*</u>	<u>Cook County</u>	<u>Illinois</u>
>12 th Grade	10.5%	17.5%	14.1%
H.S. Graduate	30.8%	25%	28.3%
Some College	25.7%	19.3%	20.9%
Associate Degree	8.2%	6.3%	7.4%
Bachelors	17.4%	19%	18.3%
Masters	5.8%	8.6%	7.7%
Professional	1.3%	2.8%	2.1%
Doctorate	0.3%	1.2%	1.1%

Population age 25 and over – Highest attainment
Source - US Census Bureau, 2000 Census*, 2005 American Community Survey

Random demographic comparisons

	<u>TP</u>	<u>CC</u>	<u>IL</u>	<u>USA</u>
% pop. Growth 00-03*/05	10.5%*	-1.4%	2.8%	5.3%
Lang. other than Eng. spoken at home	10%	30.8%	19.2%	17.9%
Min. traveled to work	33.2	32.6	28	25.5
Homeownership rate	84.9%	57.9%	67.3%	66.2%
Median value housing	\$169,300	\$157,700	\$130,800	\$119,600
Median hshld. income	\$61,648	\$42,704	\$47,367	\$43,318
Retail sales per capita	\$10,868	\$9,403	\$10,446	\$10,615
Persons under 18 years	26.6%	25.8%	25.5%	25%
Persons below poverty	2.5%	14.5%	11.4%	12.5%
Women owned firms	33.1%	26.4%	27.2%	26%

Source – US Census Bureau, State & County QuickFacts

Going beyond the numbers – why age matters

Annual Household Spending on Fees and Admissions to Entertainment Events by AGE

Under 25	\$232.90	55 to 64	\$597.20
25 to 35	\$402.30	64 to 74	\$383.47
35 to 44	\$637.67	75 & older	\$243.80
45 to 54	\$624.26		

Source – nSpend, 2003 Data

Going beyond the numbers – why income matters

(Monthly) Spending on Fees and Admissions to Entertainment Events – by INCOME

Under \$20,000	\$6.17	\$70 to \$79,999	\$31.04
\$20 to \$39,999	\$13.65	\$80 to \$99,999	\$37.84
\$40 to \$49,999	\$23.20	\$100,000 +	\$64.25
\$50 to \$69,999	\$32.04		

Source – nSpend, 2003 Data

Going beyond the numbers - why education matters

Annual Household Spending on Fees and Admissions to Entertainment Events by EDUCATION

Less than H.S.	\$91.82	College Grad.	\$1000.14
H.S. Graduate	\$284.64	B.S. Degree	\$931.91
Some College	\$414.90	Masters, professional,	
Assoc. Degree	\$516.97	doctoral degree	\$1121.10

Source – nSpend, 2003 Data

Going beyond the numbers – why it ALL matters

- Your event will likely work best in the most demographically favorable environment
- What is the audience you may be missing?
- Do your prices/marketing match your demos?
- Does your planning reflect reality?
- **What are the spending habits of your customers?**

Going beyond the numbers – why it ALL matters

- One size fits all of ANYTHING is a fading concept in 2009
 - Technology and target marketing allow people to customize their world
 - People want what they want
- Do you REALLY think he wants...



Going beyond the numbers – why it ALL matters



...the same thing
that she wants?

#3 Understand your competition



- Direct competition
- Indirect (?) competition
- Time competition and the hassle factor
- **What are your hassle factors?**

#4 – Cash and Inventory Controls

On-site cash management

- Complete check and balance system
- Control the cash or the product
- Keeping accurate records by location
- Internal auditors
 1. Tickets vs. cash
 2. Inventory controls
 3. Spotters and spies

Tickets vs. cash

- | | |
|--|--------------------------|
| ■ Maximize revenue potential or accountability | ■ Education |
| ■ Loss prevention | ■ Spontaneous purchases |
| ■ Consumer orientation | ■ Expense factors |
| ■ Creating currency | ■ Reliance on technology |
| ■ Event staff | ■ Time of transactions |

Credit / Debit cards

- How much cash do *you* carry?
- What do *you* use your credit card for?
- The average credit card purchase is 50% higher than a cash purchase
- ATM machines

Inventory Controls

Trust is nice, but...

- Whose minding the store?
- Count everything together
- Opportunity cost
- Volunteers **will** take stuff



Spotters and Spies



- Are an absolute must!
- Quality, not quantity
 - Spy school
 - Think "need to know"

#5 Pricing and selling

PRICING

- Know what market prices are
- Prices go up...why should you be different?
- Varying levels and prices are okay
- People rarely remember what you charged last year
- Price for your target customer
- Really understand how much discounting *increases* sales

#5 Pricing and selling

SELLING

- Are you selling or taking orders?
- Understanding and maximizing the revenue of your top sales periods
- CONVENIENCE is the key to pre-event ticket sales
- SPEED is the key to on-site sales
- Sell event overall value, not price

#6 Knowing your priorities

- What are yours?
- Does everyone agree?
- Really?
- What are theirs?
- How do your priorities affect your ability to maximize revenue?





#6 Knowing your priorities

- Can revenue (sustainability) be your #1 priority?
- Focus on your key “fun” drivers
 - THINK BIG TO SMALL**
 - **What makes people come?**
 - SF = music, music, music
 - Music impact vs. quantity; best available; ROI
 - **What do they spend on when they come?**
 - SF = party, party, party
 - A/B/W revenue
 - The best time and place for a party



101 Key Points

- Can you make sustainability #1?
- The need for speed
- Know your audience and area
- People want what they want
- Understand all your competition
- Hassle factors = lost revenue
- Control the \$ or control the product
- Price – and sell – like a for profit business
- Focus on your key drivers



Speaker Information

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