

Cheat Sheet: Marketing Terms a Sponsorship Seeker Must Know

by Kim Skildum-Reid

This is a short, sharp cheat sheet for sponsorship seekers.

Corporate marketers have their own lingo, and if you want to demonstrate a reasonably high degree of sophistication and understanding of their needs, you need to be able to speak their language.

To that end, I've formulated a list of some of the most common terms you'll hear from a corporate marketer. If you read a national advertising (bi)weekly – and you should – you'll come across these terms regularly. I've left out the most obvious terms and concentrated on the ones that can be very important in a sponsorship conversation, but are not necessarily clear.

Many of these terms overlap, and which a marketer uses will be a matter of personal style and accepted idiom within their company.

If you've been in the sponsorship industry for some time, this list probably won't be that useful to you. If not, this cheat sheet just might help you sound like the marketing peer that you are.

General marketing/sponsorship terms

Objectives – This is a collection of goal that a brand or business is trying to achieve. Marketing objectives all fall into one of two categories: Changing behaviours and changing perceptions. There are no such things as “sponsorship objectives” – sponsorship is just another tool to achieve overall marketing objectives. Specific sponsorships, however, may be achieving various subsets of overall marketing objectives.

Leverage – Leverage is what a sponsor does with the opportunity you sell them. With most sponsorships, leverage is what will provide most or all of the actual results for the sponsor. To get your head around the kinds of things that make up leverage, think to yourself, “if I owned that company, what would I do with this sponsorship if I could do anything?”. What you come up with is leverage.

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Marketing platform – This is the premise or anchor for other marketing activities. It could be any number of things, like a brand statement, like “we’re the bank that cares about the environment”, a product attribute, like “100% organic”, or a sponsorship.

Marketing channel – A method of getting the brand/product to the end user. For instance, Coca-Cola’s marketing channels would include grocery stores, convenience stores and service stations, restaurants and bars, vending machines, and more. Some companies align their marketing management to brands, while others align it to channels (eg, one manager or team looks after all of the brands that are marketed through grocery stores).

ROI – Return-on-Investment. While this is not necessarily about a dollars-to-dollars ratio, many companies have fallen into the habit of reflecting the returns of a sponsorship as a dollars-out, dollars-in ratio.

ROO – Return-on-Objectives. This refers to measuring the returns of a sponsorship against a range of objectives and in a range of ways (dollars, percentages, numbers, or subjective). It is generally accepted that this is a more realistic approach to measuring the returns of sponsorship. Some companies take this multifaceted approach and refer to it as ROI, so you may need to dig a little to find out how they measure success.

Strapline – This is the same as a tagline, a short iteration of a positioning statement, like “Just do it”.

Talking about target markets

Audience or customer base – This is the whole group of people who make up the buyers or potential buyers of a brand. It is generally made up of a group of target markets.

Target market or segment – A portion of the total customer base who share similar primary motivations. One segment might buy a Vespa (scooter) because they’re cute and fun. Another segment might buy one because it’s inexpensive to buy and operate (compared to a car). Yet another segment might buy one because it is easy to park and get through heavy traffic. Each segment buys the same product for different reasons.

Demographics – Hard information about a person or group of people, such as age, gender, level of education, household income, number of kids, etc. Demographics is about what a person is. It used to be the primary driver for marketing, but has been supplanted by Psychographics (see below).

Psychographics – While demographics is what a person is (38 year old female), psychographics is who a person is (ambitious, world-travelling career woman). Psychographics include things like priorities, motivations, and self-definitions and is the primary segmentation tool for most brands. Psychographics and target market segments go hand-in-hand.

Internal markets – Companies don't only market to people outside of the company, they also market to internal markets, their staff and shareholders. They know that these two groups are integral to the health of their company and brand and make an effort to keep them happy and engaged. Sponsorship often has an internal marketing component, particularly for staff.

Intermediary markets – These are the companies that sit between many corporate brand owners and the people who buy the brands, like retailers, brokers, agents, dealerships, and resellers. If a brand has one or more intermediary markets, they know that those markets are integral to the efficient and effective sale of their brand to the end user (see below), so they put a lot of effort into keeping them on-side. Sponsorship virtually always has a significant component of the activity – and sometimes 100% of the activity – directed at intermediary markets.

End-users – The people or companies who are the final purchasers and users of a brand. This could be the accounting firm that buys the photocopier or the teenager that buys the Red Bull.

B2B, B2C, and B2G – These mean: Business-to-Business, Business-to-Consumer, and Business-to-Government. The brand is the first “business”, who they're selling to is the second “business”. Some brands sell to all three, some concentrate on just one or two.

SOHO – Small office, home office. These are tiny companies and are usually treated by brands more like consumers than business.

SME – Small-to-Medium-Enterprise. This is a business marketplace that is between the SOHO market and the corporate market. The European Union defines an SME as a company with less than 500 employees, but different brands use different numbers.

Consumers – These are individual end-users. Can also refer to the SOHO market.

Customers – This could refer to individual or businesses (B2B). If a company sells to both individuals and businesses – like a computer manufacturer – they will often refer to their individual buyers as “consumers” and their business buyers as “customers”.

Talking about sales (and things that lead to sales)

Trial – Getting someone to try something for the first time. Examples are buying the new kind of ice cream for the first time, having a play with an iPhone for the first time, test driving the car. Common phrases: Increase trial, induce trial.

Trial intention – This is a measure of whether a target market intends to try a brand or product at some point. Example: “I’m going to check out a Prius next time I buy a car”.

Consideration – The step before “trial”. Consideration is when someone moves a brand or product into the short list of brands or products they are considering. An example would be comparing features or prices of a product online.

Propensity to buy/try – A measure of whether someone intends to try or buy a brand or product at some point in future.

Purchase intention – A measure of whether a target market intends to purchase a brand or product in future. Example: “I’m definitely upgrading to the iPhone 3Gs”.

Repertoire – This is easiest to explain using an example. Think about your last trip to the grocery store. At several points, you probably looked at a category, like cookies or cheese or beer, and made your choice between a number of brands that you know, like, and trust. That’s your repertoire. For a brand, getting into the repertoire of brands that someone in their target markets chooses from is a huge step, because they’re gone from a “no” to a “maybe” in any given purchasing situation.

Preference – Within a repertoire for any given category (let’s say “beer”), people will usually have some favourites. “Increasing preference” is about someone choosing a brand that is already in the repertoire more often than they do now.

Loyalty – This is just what you think it is: The degree to which someone will stick with a brand, especially in the face of attractive offers from other brands.

Advocacy – This is when a customer recommends a brand to others. It is often referred to as “word of mouth”, but advocacy is not always conversational. For instance, bloggers, reviewers, and users of the thousands of social media channels also advocate. Advocacy is generally regarded as the most powerful marketing channel, as it is more credible and authentic than anything a brand can say about itself. Brands often try to engender advocacy by creating “talking points” or “fostering chatter”. Best practice sponsorship is a very powerful way to foster advocacy.

Upselling – Selling a larger version of whatever someone already owns or is buying. For instance, selling a BMW 5-Series to someone who intends to buy a 3-Series.

Incremental sales – Selling additional stuff to someone who already owns or is buying. For instance, upgrading to the top stereo system on the BMW or buying life insurance from the bank where you’re already a customer.

Share (or market share) – This is the percent of the overall market for a product or service that a particular brand holds. As an example, Nokia has a global market share of about 40% of the smartphone market. Increasing share (or increasing market share) means growing a brands portion of the market for that product or service – in this case, smartphones – by reducing the market share of competitors.

Share of wallet – In the financial industry, the term “share of wallet” is used to refer to the percentage of spend their brand gets, as compared to other financial brands. As an example, American Express knows that their customers are not loyal, having a number of payment methods to choose from. They are trying to increase their share of wallet, so people reach for the Amex more often than for the Visa or Mastercard that is right next to it in the same wallet. It is basically the same as the term “preference”, but specific to the financial services industry.

Growing the market – As opposed to growing market share, this means to grow the entire market for a product or service, creating more sales and revenue for a brand, even if the same market share is maintained. As an example, if the market for smartphones doubles in the next year, manufacturers of smartphones will sell roughly double what they are selling now, even if all they do is maintain their current share.

Churn – A cycle of acquiring new customers and losing existing customers. It is often used in high-switch industries (like phone service providers). To reduce churn is to simultaneously increase the loyalty of existing customers while attracting more new customers.

Retail/dealer support – If a company says they are trying to “increase retail support”, that means they are trying to get retailers that carry their brand to promote it more aggressively, give it better or more shelf space, or undertake other activities that will increase the likelihood of selling the brand over other brands in the category.

I wish you all the best and hope you have great success at attracting great sponsors. Questions? Drop me a line on admin@powersponsorship.com.

Additional resources

- [The Sponsorship Seeker's Toolkit 3rd Edition](#) – Available from any good bookstore.
- [Power Sponsorship's Broker Registry](#) – We do not offer a brokerage service, but we do have a listing of brokers from around the world.
- [Kim Skildum-Reid's Corporate Sponsorship Blog](#) – This is my blog (obviously) and I try to include a lot of how-to for both sponsors and sponsorship seekers.
- [Free Stuff](#) – We have a broad variety of white papers and templates that are available for download at no charge.