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Event Hospitality

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The full range of quantitative and qualitative research methods are available to gather information that becomes the evidence for the evaluation. These might include interviews, focus groups, surveys, and document reviews. The methods selected should be those that can provide the most appropriate data. Evaluations include descriptive information but go beyond that to draw evaluative conclusions using criteria and performance standards to determine overall quality and success of the evaluation.

Jeffery Adams
Pauline Dickinson
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See Also: Continuous Quality Improvement; Management Decision-Making Process; Strategic Management; Success, Measuring Marketing.

Further Readings

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experiences may change perceptions toward the sponsor.

Sports delivers experiences of adventure, friendship, solidarity, identification, care, and serenity, providing a perfect environment for organizations and brands to induce emotional bonds with their stakeholders. When two competitors provide the same products and services, the seller with the best personal relationship with the client will get the business. The challenge is to do it right. The days of participating in sponsorships because of the sports interest of a CEO and providing hospitality to this person's friends is over. Hospitality must have a business value to it or it is a waste of time.

A proper strategy begins with a thorough knowledge of a company's stakeholders. It is important to identify subgroups classified by their relationships to the company (customers, present or prospective; employees; vendors/suppliers), their perceptions of the company, problem areas in the relationship that need attention, and their interest in the sport. Objectives of the VIP treatment need clarification, whether that is to reward employees for sales performance, network for new business, introduce a new product or incentivize current and prospective customers for future business. These initial steps, performed properly, can lead to stronger relationships and partnerships with stakeholders that have a memorable experience attached to a company. Done poorly, hospitality can result in resentment and potential termination of the relationship.

There are many parts to a typical hospitality package. These can include tickets to the event, access to athletes participating in the sport, food, hotel accommodations, travel, and the cultural experiences that may come with the location of the sports event. Typical packages combining several of the above items can cost a sponsor \$50,000 to over \$200,000 depending on the number of VIPs attending and the quality of treatment ordered. According to leading trade publications, about \$11.3 billion was spent in 2009 in the United States on sports sponsorship. Estimates indicate that about 25 percent of that goes into hospitality services in and around sports events.

Hospitality experiences can be either passive, which is the more common type of experience, or experiential, in which, for example, VIPs are invited

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Hospitality in a sports marketing setting is a dynamic form of relationship marketing with sports that creates strong relationships with fans and participants. It is a means of indirect persuasion much different from traditional advertising's persuasive appeals. Hospitality can deliver a strong link between a company and enjoyment of an event that can last for a long time. Benefits may accrue from the gratitude felt for special treatment, and good

to play golf with Phil Mickelson, drive a racecar around a track, or be part of a white-water rafting expedition. Some of the biggest sports connected to hospitality in the United States include professional golf events, NASCAR racing, the Kentucky Derby, and the Super Bowl.

Internationally, top events include soccer, auto racing, and the Olympics. Almost every sports venue offers some version of special, exclusive seating and gathering space, such as skyboxes, luxury suites, and club seating, where tickets are usually inclusive of all food and drink.

Tracking

Hospitality is probably the most common component in sponsorship packages and was one of the main motivators for early sponsors to participate in events, especially sports. At the same time, tracking the impact of such perks is frequently ignored, especially if the special treatment is directed at internal audiences (managers, rank and file) of the sponsor. VIP treatment for external customers (present or fu-

ture) is more easily tracked by incremental or new sales figures.

Three variables need to be measured to accurately assess the contribution hospitality adds to sponsorship (strength, gratitude, and perceptions of the link) and suggests repeated measures over time, including a benchmark measure before the event so perceptual change can be assessed. Although it is unlikely that most sponsors will go to these lengths to assess the impact of VIP treatment, the formula highlights the need for such tracking to truly evaluate this component of sponsorship packages.

The Coca-Cola Company uses a simple formula to evaluate deal value from a sponsorship. Coca-Cola sums the market values of individual components such as media exposure and VIP/event tickets, adds cash flow from venue product sales, then subtracts sponsorship costs. Two concerns confounding the validity of this method are the unique opportunities to sell products at events and formulas used to calculate value for media exposure.



A table set for a special marketing event inside a luxury suite at an American football stadium. Most sports venues have skyboxes, luxury suites, and club seating where food and drink are served.

A survey of sports marketing sponsors and planners showed that of the 13 components of sports sponsorship packages weighted across a 100-point scale, exposure criteria held the most weight in practitioners' eyes. Media coverage and signage opportunities, the two individual components rated highest overall, also lead this category, with event program ads also rated highly. Although corporate relations criteria as a group were rated the lowest, two specific components, free tickets and hospitality, ranked near the top among individual components.

It is generally believed that the first and last impressions made as part of a hospitality experience are the most lasting, with the last impression being the most important. A common failure in extending the last impression is not following up with additional relationship marketing tactics after the event. A follow-up contact is the perfect way to acquire feedback on the participant's hospitality experience.

Conclusion

Hospitality employed in challenging economic times accompanied by government bailouts, layoffs, and plant closings is a risky strategy for sponsors. Fears of backlash from key stakeholders, particularly media, consumers, and employees have made some sponsors understandably hesitant to fund such activities despite the business value derived from the investments. Financial institutions helped by government bailout money fear publicity about their staff enjoying VIP treatment and luxuries at an event.

One result is a scaled-back or canceled event. Another response is a sharp decline in "in your face" branding at events. In better financial times, sponsor brand names have been splashed on every napkin and banner in sight. In recessionary times, some sponsors may not even want their name to appear on a card on the table.

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See Also: Customer Relationship Marketing; Event Marketing; Pre-Event Sponsorship Activities; Relationship Marketing; Sponsorship.

Further Readings

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Event Logistics

A sporting event is a temporary occurrence with a predetermined length, and it is carefully crafted such that the mechanics of the event are unnoticeable to the consumer. Event managers are responsible for coordinating the logistics of a sporting event, which entails making sure that the right people, equipment, and services are available and in the right place at the right time. The stakeholders who may be involved in helping to coordinate the effective implementation of a sporting event include representatives of the host organization; host community; sponsors; media; active sport participants such as players, coaches, and officials; and government, tourism, and transportation officials. The success or failure of an event rests in the planning and preplanning stages. A seasoned event organizer understands the importance of planning because of the chaotic nature of a sporting event. Once the event begins, it is often too late for the event planner to engage in activities such as recruiting hundreds of volunteers, locating a better facility, sorting tickets for pickup at the will-call window, or selling sponsorship rights for the event, as well as a variety of other functions. Some important logistical components of any sporting event include financial resources, equipment, ticketing, human resources, event site selection, information, and sponsorship.