

How to Price Your Sponsorship Packages

This PDF will help you find the right balance and price your packages just right so you can be attractive to potential sponsors and ensure that your financial needs are covered.

Start With Your Audience

The first step towards getting your pricing right is to calculate the size of your audience. You can start by adding together the number of your social media followers across various platforms, your email list subscribers, repeat website visitors, regular game and event attendees, and your fan club members.

It's safe to assume that not all of your followers will be equally engaged nor will they show up to every game. As such, it is recommended to divide the final number from above with 3 in order to get a more accurate number.

Identify Audience Segments

Now that you know your audience size, it's time to identify your audience segments. Evaluate their buying habits, likes, dislikes, and demographic data. This will allow you to understand what type of audience is attracted to you and then make it easier to research companies and business that target that same audience.

List Your Sponsorship Properties

The next step is to evaluate all your sponsorship properties. This includes all your games but also events, VIP days, fan appreciation days, concerts, and any other type of event where your team will be present and there is a chance for you to promote your sponsor.

List Your Sponsorship Assets

Once you're clear on the size of your audience and your properties, you need to list your sponsorship assets. Sponsorship assets include:

- Naming rights
- Logo placement

- Promotion on social media
- Promotion to your email list
- Signage placement
- Traditional media
- Speaking opportunities
- And more

Those assets should be related to the sponsorship properties mentioned earlier. In some cases, you'll find the opportunity to offer your asset in multiple properties so don't be afraid to mention it to increase the value of that particular opportunity.

Evaluate What Your Brand Offers

When you have worked out the elements above, it's time to consider what your team as a brand has to offer. Consider things like:

- How engaged your social media followers are
- How often do your subscribers click through to links in your newsletter
- What is your overall reputation
- How unique your package is

Your answers here may vary but it goes without saying that the more engaged your audience is and the more unique opportunities you have for promoting your sponsor, the higher you can price your packages.

Consider What Your Sponsors Want

Take some time to figure out what your sponsors want, not just from the sponsorship but what are their overall business goals. Consider the following questions:

- What do they hope to achieve?
- What actions can your audience take that would be the most beneficial for your sponsors?
- What and how they want measure to evaluate if the sponsorship paid off for them?
- How long is the evaluation period going to last?
- What do they like and dislike?

Knowing the answers to those questions will help you come up with the right ideas to use your sponsorship assets and opportunities.

Develop Your Activation Ideas

An activation idea is nothing more than an opportunity for your sponsors to “activate” their benefits. It can include things like allowing sponsors to come to your event and mingle with your audience, a newsletter blast or having a raffle during your game.

An activation idea should benefit both the sponsor and the audience. Ideally, your idea will cater to your audience’s likes and interests and align with your sponsor’s overall goals.

Consider Lifetime Customer Value and Customer Acquisition Cost

If you have a good relationship with your sponsor, consider asking them what their lifetime customer value and customer acquisition costs are.

Lifetime Customer Value (LCV) is the estimated profit a customer will generate during their lifetime with your sponsor.

Customer Acquisition Cost (CAC) refers to the amount your sponsor spends to convert a lead into a customer.

If your potential sponsor can spend less in other marketing efforts to acquire qualified leads, they will be less interested in your sponsorship package. But, if your packages can deliver the same amount of qualified leads for less, then the chances of sponsors signing the agreement goes up. In other words, your package should not increase the sponsor’s LCV and CAC.

If you cannot get these numbers from your sponsor, then you’ll have to rely on industry standards and benchmarks from various research.

Be Aware of Market Trends and Influences

When working out the pricing of your packages, be aware of market trends and influences that could negatively impact the price. For example, if you pitch a sponsorship agreement right before the event, the short lead time will not yield the same results as an ongoing marketing campaign. Similarly, if there are any major sporting events happening,

your sponsorship package that offer promotion on a local level might not be of interest to larger brands looking to gain international audience.

Research competition

Lastly, research sports teams in the same sport and see what they charge. Visit their website and look for their Sponsors page to get a rough idea on what they offer, how they structure their packages, and the prices. This can give you a starting point if you're brand new to sponsorships and serve as an inspiration to find creative and unique ways to promote your sponsors.