BANKING GIANT RECALIBRATES SPONSORSHIP STRATEGY TO SUPPORT EVOLVING BUSINESS OBJECTIVES.

Like every other financial institution, HSBC Holdings plc (“Values-based Sponsorship: HSBC’s New Global Model” 05.05.08) has reexamined its sponsorship strategy in the wake of the 2008-2009 economic collapse and subsequent fallout across the financial services industry.

As a result, the bank has adopted a new strategy “to support a shift in positioning from “The World’s Local Bank” to the world’s leading international bank.

HSBC has scaled back partnerships with local properties in favor of ties with a handful of international sports leagues and events.

The strategy centers on two platforms: golf and rugby. Those include the HSBC Sevens World Series and the Abu Dhabi HSBC Golf Championship.

And other deals may be in the works to support priority markets as well as the company’s 150th anniversary in March 2015.

IEG SR spoke with Giles Morgan, HSBC global head of sponsorships and events, about the thinking behind the new strategy, the importance of being flexible to support changing business priorities, and other topics.

Below are edited excerpts from the conversation.

IEG SR: You announced a new sponsorship strategy in support of HSBC’s “The World’s Local Bank” campaign at IEG’s 2008 conference. What is the status of the campaign?

Morgan: Any sponsorship, by definition, should mirror the brand strategy of the company that invests in the sponsorship. Sponsorship is about borrowing equity to achieve objectives, and it should be led by the business and its brand.
We announced a new strategy in Chicago that was driven by our brand values. The strategy reflected where HSBC was as a company and where it was going. But the world has changed significantly from 2008 to 2012, particularly in the financial services industry.

We have a new CEO and a new focus on our business. As a result, our sponsorship strategy has evolved as our business has evolved.

**IEG SR:** Can you give me a before and after as it relates to the new strategy?

**Morgan:** We now position ourselves as the world’s leading international bank. We don’t advertise the slogan “The World’s Local Bank.” We haven’t officially taken it down, but we are a much more focused organization. We are focusing on four global businesses: retail banking, investment banking, commercial banking and private banking. We’re focusing on businesses where we can make the most profit, and we’ve sold the ones that aren’t profitable. HSBC is now positioned as an international business with a focus on trade between emerging and mature markets.

As a result, our sponsorship strategy is more focused. We now focus on fewer, bigger flagship events in our top 15 to 20 markets.

Our corporate values of respect and trust are still the same. But rather than having many sponsorships across our network, we’re focused on fewer and bigger properties that attract the best customers and reflect the scale of our business.

**IEG SR:** Can you share give an example of the strategy in action?

**Morgan:** We sponsor major golf tournaments in markets where we have a large presence. Those include the U.S. Open, the World Golf Championships and the HSBC Champions and the Abu Dhabi HSBC Golf Championship in the United Arab Emirates.

Similarly, we are also a global sponsor of rugby. Like golf, it’s one of two new sports in the 2016 Olympics. We sponsor the HSBC Sevens World Series, which is comprised of nine tournaments in nine cities. It’s an extremely attractive event, particularly in London, Dubai and Hong Kong, where it is well known.

We are helping those sports evolve and grow, which is what a financial services company is all about.

**IEG SR:** HSBC has a large sponsorship portfolio. How did you recalibrate the portfolio to accommodate the new strategy?

**Morgan:** In some instances we had some existing sponsorships like the HSBC Champions in China, and in other cases we added new events like the Abu Dhabi HSBC Golf Championship and Hong Kong Sevens.

We looked at every sponsorship in the group, and now we have much tighter control over what markets are allowed to sponsor. We dropped a number of smaller events as part of that process. Those events may be all right for the local market, but there is no benefit from a regional or international perspective.

**IEG SR:** Was it a challenge launching the new strategy?

**Morgan:** Every sponsorship strategy should be in a permanent state of flux. Many businesses are in a constant state of flux as they adjust to market pressures and market opportunities, and sponsorship should follow suit.
The world is moving fast, and sponsorship executives need to quickly adapt to new situations and respond to the needs of the business.

One of the great advantages of my job is that I report to HSBC’s group head of marketing, who reports directly to our CEO. We are very cognizant of what we’re trying to achieve as a business, and our entire marketing and sponsorship strategy has to be absolutely aligned with those objectives.

**IEG SR:** Might you sign additional deals to support the new strategy?

**Morgan:** We’re not just focused on golf and rugby. We’re looking at some markets where we don’t have a flagship event. That’s an evolving process.

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**Source**

HSBC Holdings plc, Tel: 44/20-7991-8888
SPONSOR PROFILE

Snyder's-Lance Grows Appetite for Sponsorship

Mergers and acquisitions drive new activity in the snack food category.

A growing product lineup is driving new interest in sponsorship for Snyder’s-Lance, Inc.

The snack food company—formed in 2010 following the merger of Lance, Inc. and Snyder's of Hanover, Inc.—has signed several new deals over the past year to promote new products and gain platforms for retail promotions.

Much of that activity is on behalf of the Snyder's of Hanover brand, the category leader in the pretzel category.

Case in point: The pretzel brand this year inked a two-year, high-six-figure in-kind partnership with New York Road Runners, the organizer of the ING New York City Marathon and other endurance sports events.

Snyder’s-Lance also is using existing partnerships to support its growing product portfolio. The company expanded Snyder’s of Hanover’s nine-year-old partnership with last weekend’s Marine Corps Marathon to include Lance whole grain crackers and Cape Cod potato chips.

The deals come amid modest growth in the pretzel category. Dollar sales of pretzels in supermarket, drug store, mass merchant and gas and grocery store outlets—excluding Wal-Mart Stores, Inc.—rose 2.44 percent in the year-ended Oct. 7, according to SymphonyIRI Group, a market research firm.

Snyder’s of Hanover is the major player in the category with 36% market share, according to IRI.

The pretzel brand partnered with NYRR to reach runners, a demographic that frequently needs sodium to replace salt lost while sweating.

The sponsorship affords sampling rights at the ING New York City Marathon and other NYRR events, said Ann Crandall, NYRR’s executive vice president of business development and marketing strategy.

The partnership will help enhance the runner experience, she added, noting that post-event marathon surveys reflect a desire for more food and beverage options.
In addition to enhancing the runner experience, the partnership gives NYRR another valuable benefit: exposure in non-traditional marketing channels. Snyder’s-Lance is activating the tie with in-store marketing collateral that promotes the sponsorship and the association between pretzels and running.

Snyder’s-Lance also is activating the tie through social media. That includes a Facebook promotion that dangles ASICS running gear and an official NYRR training program for four family members. The site also offers training and conditioning tips from a brand ambassador who will run in the Nov. 4 marathon.

The pretzel brand also sponsors the Dick’s Sporting Goods Pittsburgh Marathon.

Snyder’s-Lance continues to expand its sponsorship portfolio as a result of acquisitions. The company this month completed its acquisition of Snack Factory, LLC, the maker of the Pretzel Crisps brand.

Pretzel Crisps sponsors the WNBA Chicago Sky and last year ran a donation-with-purchase promotion with Komen for the Cure.

Other Snyder’s-Lance brands include EatSmart Naturals, Grande Tortilla Chips, Jay’s potato chips and Krunchers! kettle chips.

Sources
Snyder’s-Lance, Inc., Tel: 704/554-1421
New York Road Runners, Tel: 212/860-4455

THE TOP TEN PLAYERS IN THE PRETZEL CATEGORY

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DOLLAR SALES</th>
<th>YEAR-OVER-YEAR DOLLAR SALES GROWTH</th>
<th>DOLLAR SHARE</th>
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<tbody>
<tr>
<td>Snyder’s-Lance</td>
<td>$419.3 million</td>
<td>5.71%</td>
<td>35.97%</td>
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<tr>
<td>Frito Lay</td>
<td>$244 million</td>
<td>(10.95%)</td>
<td>19.21%</td>
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<td>Private Label</td>
<td>$161.7 million</td>
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<td>Mars Inc.</td>
<td>$130.2 million</td>
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<td>Utz Quality Foods</td>
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<td>Herr Foods Inc.</td>
<td>$30.6 million</td>
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<td>National Pretzel Co.</td>
<td>$16.1 million</td>
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<td>Bachman Co.</td>
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<td>Glutino Importations Deroma Inc.</td>
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<td>Old Dutch Foods</td>
<td>$10.3 million</td>
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<td>0.89%</td>
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Source: Total U.S. sales in supermarkets, drugstores, gasoline/convenience stores and mass merchant (excluding Walmart) outlets in the 52 weeks ending Oct. 7, per SymphonyIRI Group
HEALTHCARE

PHYSICAL THERAPY PROVIDERS WARM UP TO SPONSORSHIP

Physical therapy providers use sponsorship to showcase expertise in front of weekend warrior Baby Boomers.

The growing number of Baby Boomers staying active later in life has prompted new activity in the physical therapy category.

Providers ranging from independent clinics to regional chains and specialty hospitals are increasingly aligning with sports teams, performing arts organizations and other types of properties to showcase their healthcare expertise.

One of the category’s most active players: Select Medical Holdings Corp., owner of NovaCare Rehabilitation, Select Physical Therapy and other physical therapy and occupational therapy clinics. NovaCare and Select Physical sponsor more than 35 properties across the sports spectrum ranging from Minor League Baseball’s Double-A Pensacola Blue Wahoos to the NFL Philadelphia Eagles, the latter of which affords naming rights to the NovaCare Complex practice facility.

Each tie affords status as the preferred or official sports rehabilitation and/or athletic training provider.

And other providers have joined the sponsorship fray. Those include Athletico, Ltd., which sponsors the MLS Chicago Fire, NBA Chicago Bulls and every other major sports team in the Windy City, and ATI Physical Therapy, whose portfolio includes the MLB Milwaukee Brewers, NBA Milwaukee Bucks and naming rights to Joliet Junior College’s ATI Field at Joliet Memorial Stadium.

Sponsorship activity is expected to pick up even more steam as more Baby Boomers enter their golden years. In one measure of the industry’s growth, the U.S. Dept. of Labor expects employment among physical therapists to grow 39 percent from 2010 to 2020, outpacing the 14 percent average increase for all occupations.

Athletico Expands Sponsorship Portfolio

The 21-year-old privately-held company kicked off its sponsorship push in 1997 with a founding partner tie to the MLS Chicago Fire. The company now sponsors more than 200 properties ranging from pro and amateur sports teams to performing arts organizations. Those range from the Illinois Junior Golf Assn. to Broadway in Chicago and The Joffrey Ballet of Chicago.
And the company continues to expand its portfolio. Athletico over the past year has bolstered its presence in the endurance sports world and is now placing more focus on college athletics.

“There’s more to come,” said Carol Czaplicki, Athletico’s director of marketing.

Ties in the endurance sports space include the Bank of America Shamrock Shuffle, The Leukemia & Lymphoma Society’s Team in Training and the XSport Fitness Rock ‘n’ Roll Chicago Half Marathon.

Athletico—which operates 66 clinics in the greater Chicago area—uses the ties to showcase its expertise by providing certified athletic trainers, massage therapists and other services to sponsored teams and organizations.

The company typically looks for designation as official physical therapy and occupational therapy provider.

Athletico promotes the affiliations and official designation on its Web site, through in-stadium signage and in its clinics. “If we can work with a pro sports team, we can work with you,” said Czaplicki.

Athletico frequently treats athletes from sponsored teams at local clinics, she said.

“Someone sitting next to you may be getting treated for the same injury. That’s a unique and priceless experience.”

Another major hot button: injury prevention. Athletico frequently leverages pro sports teams by sponsoring injury reports and seventh inning stretches. It also promotes injury prevention through speaking opportunities at team outreach programs.

“That ties into who we are and what we do,” said Czaplicki. “We’re an injury prevention company as well as a physical therapy company.”

Source
Athletico Ltd., Tel: 630/575-6200
ABOUT IEG

IEG leads the way in sponsorship solutions. With over 30 years providing insights, evaluation, and guidance, our teams bring unparalleled perspective and proven methodology to every challenge.

We partner with top brands and properties to create fresh strategies, evaluate opportunities and maximize results. Our clients rise above competitors, meaningfully engage audiences and achieve lasting impact.

A unit of WPP’s GroupM, IEG is connected to specialty sibling communications companies in media, digital and activation. GroupM is the leading global media investment management operation that also serves as parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare.

For more information about IEG and the sponsorship industry, please visit www.sponsorship.com or call 800/834-4850 (outside the U.S. and Canada, 312/944-1727).