

## Executive Overview

Yacht racing is a global giant in terms of sponsorship. Hundreds of millions of dollars are poured into the sport each year and an increasing number of brand owners are looking at the sponsorship potential. Yacht racing provides a unique multilevel sponsorship proposition that, when matched to the right brand owner and exploited to the full, is hard to beat. While the sport meets many of traditionally sponsorship objectives, it also has a track record in many of the increasingly important sponsorship targets including internal communications, employee motivation and corporate branding.

In corporate entertainment, yachting offers a range of unique experiential hospitality options in addition to on shore options. Yacht racing has developed sophisticated programmes for corporate participation, becoming a key tool for team building, and is the only sport where sponsors or guests are able to be with the professionals while it is actually racing in the main event.

Over the next few years the sport will benefit from the continuing developments in interactive technologies and the rollout of provision of new services, such as web TV and mobile internet, which will address the sport's one major weak spot; its relative lack of media coverage. The new media will not only provide yachting's many fans with unprecedented access on a 24/7, 365 days per year basis, but also an enriched content experience to deepen their relationship with the sport.

Yacht racing contains as broad range of disciplines, many of which have only two things in common: the wind and the sea. The sport covers events as different as round the world races the America's Cup, the Olympics and grassroots dinghy sailing. This diversity has the disadvantage of making the sport difficult for many outsiders to understand but it also provides a spectrum of options across the sport for brand owners to achieve a wide range of sponsorship objectives.

**The Business of Yacht Racing** is the definitive guide to sponsorship in yacht racing. The report is structured in four parts:

- Chapters 1-6 examine the structure of the sport, its key values and audience, and the yacht racing sponsorship proposition.
- Chapters 7-11 analyse the particular qualities and benefits of the main sponsorship properties in the sport.
- Chapter 12 assesses the impact and potential of the evolving media environment on sponsorship and yacht racing across the sport.
- Chapter 13 investigates the mutually beneficial relationship between yacht racing and its host venues.

As part of the report leading professional sailors and teams were invited to provide a profile of themselves. These are included at the end of the report.

## Executive Overview

### Chapter 1. THE STRUCTURE AND NATURE OF YACHT RACING

Yacht racing is a sport with a wide variety of events and competitive disciplines, ranging from giant round the world racing maxi-multihulls to short course dinghy sailing. While this provides many options for sponsors, the structure and breadth of the sport can also be confusing. This is not helped by the fact that the sport does not enjoy the level of inherent understanding enjoyed by major television sports such as football. This chapter provides an overview of the structure of yacht racing including:

- The different types of yacht racing
- The premier yacht racing events
- The roles and powers of the sport's governing bodies
- The role of international class associations and class categories
- The role of yacht clubs and event owners

### Chapter 2. TYPES OF SPONSORSHIP PROPERTIES

Yacht racing provides a variety of sponsorship opportunities that fall into one of three categories: events from round the world races to regatta weeks and record attempts; racing teams or yachts; and individual sailors. This chapter:

- Reviews the principle benefits of each sponsorship category
- Highlights the typical sponsorship rights
- Provides a quick reference guide to the typical events in each category

### Chapter 3. THE VALUES AND AUDIENCE FOR YACHTING

Two key issues facing brand owners and sports marketing firms when considering the sponsorship of any sport are the values and qualities the sport associates with the brand, and the size and nature of the sport's audience. In yacht racing there is no single source of this information but various research has been conducted on a fragmented basis by various organisations including national associations, major event owners, marine industry federations and independent sports marketing firms. This chapter assesses:

- The brand values of yacht racing in the UK and France
- The reach of the sport and the key countries involved in yacht racing
- The nature of yachting followers
- The socio-economic demographics of yachting participants across leading countries

## Executive Overview

### Chapter 4. THE SPONSORSHIP OPPORTUNITY AND YACHT RACING

Sports sponsorship is a fast maturing marketing discipline that has progressed a long way from the outdated perceptions that it is about a bit of hospitality and a few well-placed perimeter advertising boards. Within the sponsorship industry, it is widely acknowledged as an effective platform for delivering a variety of business objectives – providing it is a considered strategic investment, with clear objectives and measures, aimed at achieving effective returns.

Sailing and, in particular, ocean yacht racing has seen an increasing growth in corporate sponsorship over the last 10–15 years. Established round-the-world races have evolved and new events have emerged offering a variety of sponsorship opportunities for brand owners. The chapter analyses the reasons for sports sponsorship in general and the reasons why brand owners from a diverse range of industries select yacht racing including:

- The reasons for the growth of sports sponsorship
- The potential to achieve strategic objectives
- The reasons sponsorship can fail
- The variety of commercial benefits
- Some of the perceptions surrounding yachting as a sponsorship opportunity
- The key reasons sponsors choose yachting

### Chapter 5. YACHT RACING SPONSORSHIP: THE COMMERCIAL OBJECTIVES AND BENEFITS

Brand owners involved in yacht racing have a wide range of specific commercial objectives, according to the analysis of 39 sponsorship case studies conducted for this report. The majority of sponsors surveyed are using their sponsorship to achieve a variety of primary and secondary aims and target more than one audience. The key objectives include:

- Brand building
- Corporate reputation and brand image
- Relationship building and corporate hospitality
- Internal relations and branding
- Sales and market development
- Product development and showcasing
- Corporate citizenship and social image

This chapter analyses the ways yachting sponsorship is being used to achieve each of the commercial objectives and provides case studies of leading sponsorships.

## Executive Overview

### Chapter 6. LEVERAGE CONSIDERATIONS FOR YACHT RACING SPONSORS

Yacht racing can be leveraged in many different and creative ways. The case studies in Chapter 5 highlight many of the leverage activities undertaken by current sponsors. This chapter:

- Provides a checklist of leverage opportunities
- Highlights some of the current trends
- Identifies key considerations for yachting sponsorship leverage activities
- Provides a sponsorship process and planning checklist

### Chapters 7-11. LEADING YACHT RACING SPONSORSHIP PROPERTIES

As already described yacht racing is a multi-layered sport with multiple disciplines and sponsorship opportunities at many levels. While there are many prestigious events in the sport only the major international sponsorship properties are identified and individually analysed in detail in Chapters 7-11. The events included in these chapters fulfill the following criteria:

- The event itself is managed on a professional basis and involves substantial sponsorship investments comparable to other major sports
- Most if not all the competing boats in the fleet receive substantial corporate sponsorship driven by commercial aims
- The vast majority of competitors are either professional sailors or pay to sail amateurs
- The event is international in scope

Chapters 1 and 2 identified additional major events which have not been individually analysed in this section as they do not fulfill all the above criteria. However they usually involve levels of sponsorship (often at title level) and provide a real return for their backers. Events that fall into this category include the Olympics and ISAF world events; major public regatta weeks such as Cowes (UK), Kiel (Germany) and Cork (Ireland); the Admiral's Cup; individual class world championships; and standalone mass public races such as the Round the Island Race or the Sydney Hobart race in Australia.

The major international sponsorship properties are analysed for:

- History and heritage
- Event owners and title sponsors
- Changes and new features
- Benefits and key selling points
- Brand association and values
- Media coverage and strategy
- Hospitality and networking
- Continuity and future options

## Executive Overview

Each chapter includes all the major races of a particular type of event. For the most part each chapter features the major event(s) associated with particular classes of boat, and therefore the specific sponsorship proposition for the brand owner. The one exception is the IMOCA Open 60 class, which features events in both Chapter 7 (the Vendée Globe and 5 Oceans) and Chapter 9 (the Transat, Route du Rhum, Transat Jacques Vabre and other transatlantic races).

### Chapter 7. ROUND THE WORLD RACES: PREMIER EVENTS

- Volvo Ocean Race
- Vendée Globe
- 5 Oceans

### Chapter 8. ROUND THE WORLD RACES: PAY TO SAIL

- The Global Challenge
- The Clipper Race

### Chapter 9. TRANS-OCEAN RACES AND RELATED EVENTS

- The Transat Race
- Route du Rhum
- Transat Jacques Vabre
- Other transatlantic races
- ORMA Grand Prix Circuit/World Championship

### Chapter 10. AMERICA'S CUP AND MATCH RACING

- America's Cup
- Swedish Match Tour

### Chapter 11. RECORD BREAKING AND RELATED NEW EVENTS

- Record breaking
- The Oryx Quest 2005 and the Quest Qatar 2006

### Chapter 12. THE IMPACT OF THE EVOLVING MEDIA ENVIRONMENT

Yacht racing has been a prime beneficiary of the ongoing revolution in media technologies. The ability to provide cost effective, content rich experience across multiple communication channels is making the sport ever more accessible and enjoyable to the large but geographically spread yachting audience.

## Executive Overview

The levels of media coverage and the strategies for specific leading events have been examined in detail in previous chapters. This chapter assesses the key issues and opportunities for the sport in general across a range of media platforms including:

- The structure and key drivers of TV coverage
- The impact of broadcast technologies
- The increasing role of the internet, broadband and web TV
- The potential in mobile communications

### Chapter 13. YACHT RACING AND VENUES

The symbiotic and mutually beneficial relationship between sport and venues is generating increased recognition on both sides. The major yacht races are now big business for host ports as they have now become destination spots for the fans, in addition to acting as the bases for large numbers of competitors and support teams, and providing the venue for corporate hospitality from major international sponsors. Yacht racing has also been used to raise awareness and build the profile of cities and regions on the global stage. This chapter:

- Analyses the direct and indirect economic benefits of yacht racing for venues
- Assesses the value of yacht racing as a venue promotional tool
- Outlines other benefits and leverage applications

### REPORT METHODOLOGY

The report has been compiled using:

- Primary and secondary research
- Interviews with leading industry figures and independent experts,
- Case studies of leading events and sponsors,
- Author analysis