

# How Covid-19 will affect sponsorships in the entertainment industry

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One of the industries that continues to be severely affected by the Covid-19 pandemic is the entertainment industry. Bandile Mngoma, sponsorships manager at Old Mutual, discusses the repercussions for local talent and the music industry.

Many of life's great pleasures, including live entertainment, may never be the same again. One of the early fallouts of the pandemic was the banning of mass gatherings. Although it was a responsible action designed to combat the spread of Covid-19, it sent shockwaves through all sectors of the entertainment industry.



The suspension of mass live entertainment, of course, did much more than disappoint thousands of music followers. It also caused the devastating loss of income and livelihoods of artists.

## Rethinking sponsorships

Corporates like Old Mutual that use sponsorships of entertainment platforms as a conduit for reaching their client bases and building their brands were also affected. In most cases, rights-holders and sponsors have had to revisit their current sponsorship models and contractual agreements.

Whatever the result of these negotiations, it is clear that in future, sponsors around the world will be evaluating their financial exposure and examining the possible downside risks of their commitments with a much more cautious 'Covid-trained' eye.



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Old partnership models will likely need to be reviewed and risks reassessed. The way sponsorships are delivered, how agreements are drawn up and how corporates can safeguard expected returns and measurable brand-building value will certainly be on the cards when planning strategies.

In South Africa and across the continent, although concerns and discussions on sponsorships will be similar, pan-African sponsors like Old Mutual will be reviewing and planning their activities in a slightly different light.

Fortunately, unlike the developed markets of the USA and Europe, many sponsorships are based on recognising and then addressing social and economic deficits.

The move to digital has given sponsors much food for thought and revealed new truths:

- Overt sales messages no longer work effectively
- Brands need to be connected to people's emotions and vulnerabilities, and help to re-energise them
- They need to contribute to creating a sense of optimism about the future
- Traditional five-year sponsorship strategic plans have been rendered meaningless
- What's important now is to be nimble and ready to adapt to sudden market changes



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## Old Mutual's sponsorship strategy

Old Mutual already revised its sponsorship strategy in 2018. By observing global trends and competitor behaviour, and evaluating previous sponsorship properties, the company found ways to engage and deepen relationships with its existing and potential customers. It opted to do so by tapping directly into their interests and passions in a way that went far beyond visibility and branding.

This approach has enabled it to continue to build its public image using platforms that help to strengthen and grow customer support by using relevant, meaningful and accessible platforms.

The search for effective new ways of engaging with our target markets naturally led to the digital world. Two Old Mutual sponsorships that have demonstrated the effective use of digital platforms to maintain and grow audiences are the AMPD Studios in Newtown, Johannesburg and the Old Mutual Amazing Voices Season Two series.



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## AMPD Studios Live powered by Old Mutual

Old Mutual joined forces with ViacomCBS Networks Africa to create an edutainment series called *AMPD Studios Live powered by Old Mutual*, which featured weekly on MTV Base and BET Africa as a series of 10 highly informative and inspirational episodes.

The repackaged video material, which contains learnings and insights from heavyweight South African and international artists, were flighted on SABC3, MacG on YouTube, and Zkhiphani, a social media influencer platform. Partnering with Primedia 947 allowed material to be aired on radio too.



The clear lesson in this digitally-led approach to broaden audience reach and keep the music alive is that content remains king. It is the energy of the artists' physical performances that enable them to showcase their talent, draw and entertain audiences and ultimately generate strong support and followers.

The numbers speak for themselves. Where the digital (website, Facebook and YouTube) audience used to be around 40,000, it increased to a few million.

The Old Mutual Amazing Voices pan-African singing competition that launched last year is designed to allow unsigned talent to showcase their talent and win a healthy \$100,000 to kick-start their musical careers.

Working on the premise that necessity is the mother of invention, Old Mutual devised an effective digital way of engaging with entrants this year. Contestants were encouraged to submit digital online audition entries. This not only increased the number of entrants this year but also broadened the opportunities for aspiring artists across the continent.



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As tough and immensely challenging as the year was, it cannot be denied that it changed some things for the better.

Fresh thinking came to the fore and previously untapped resources and opportunities were ignited.

Besides these benefits, the year also revitalised brands using collaborations and partnerships to achieve their objectives. The power of working together is more evident than ever, as are the benefits of creating shared value.

## ABOUT BANDILE MNGOMA

Sponsorship Manager at Old Mutual looking after music, sport and lifestyle projects...passionate about local talent and helping show case it to a broader audience.  
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