



Sponsorship Accountability Metrics Project

Marketing Accountability

- Link and collaborate marketing activities with financial values
- Marketing is more than corporate window dressing
- Intangible value (primarily brand) is 20% + of many balance sheets and growing

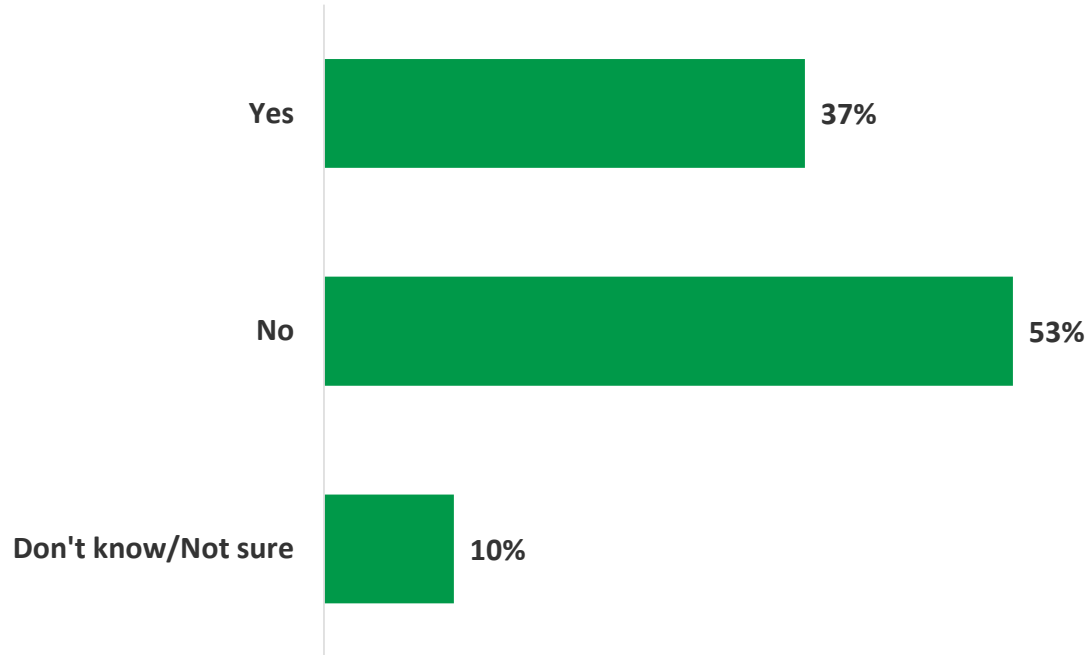
Sponsorship Accountability

- Dollars are substantial and growing
 - 23.1 Billion NA (2017, ESP)
 - 62.7 Billion Global (2017, ESP)
 - Over 2 Billion NA on cause sponsorship (2017, ESP)
- Length of commitment offers 3+ years
- Historically sponsorships are “a little less measurable” (Denise Karkos, Accountable CMO)

- Starting point – two previous ANA surveys (2010 & 2013)
- Conducted new survey with similar questions
- Followed up with qualitative
- Preview findings today
 - Quantitative
 - In-depth qualitative follow-up
 - Industry experts' perspectives
 - Findings/observation

Standardized Process for Measuring Return on Sponsorships

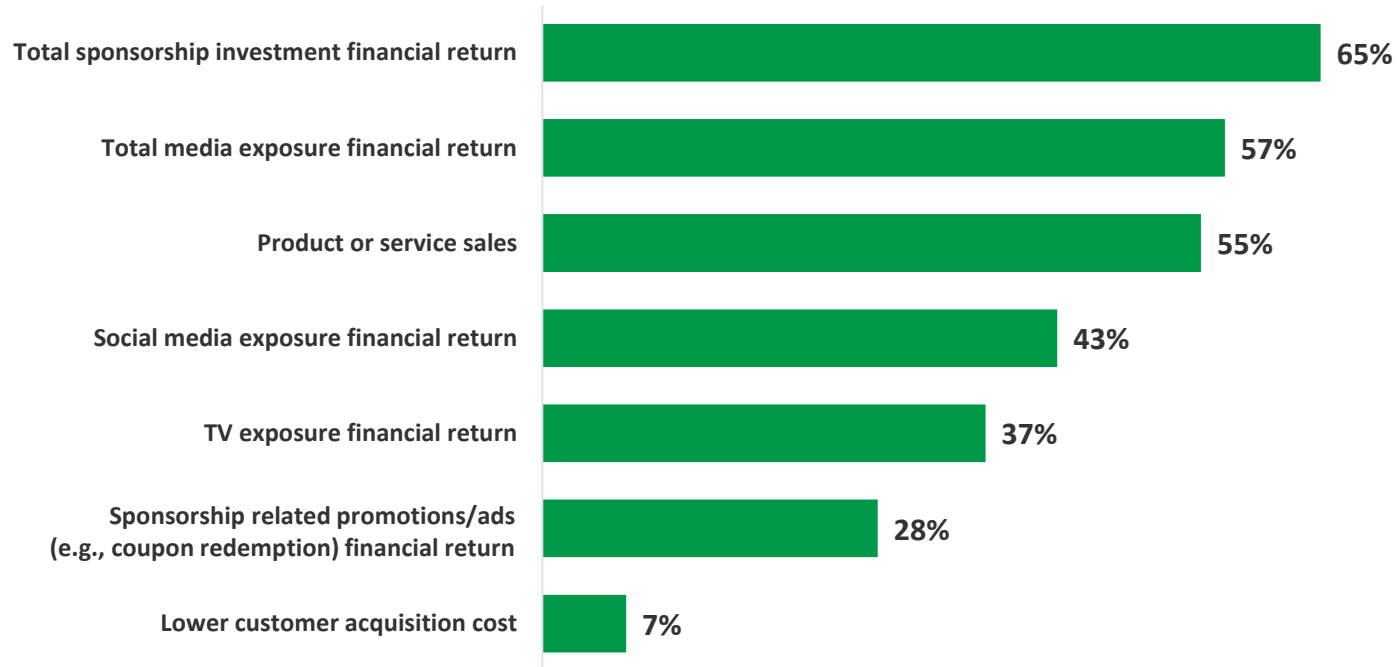
Base: 182



Does your company have a standardized process (or processes) for measuring its return on sponsorships?

Sponsorship ROI Metrics

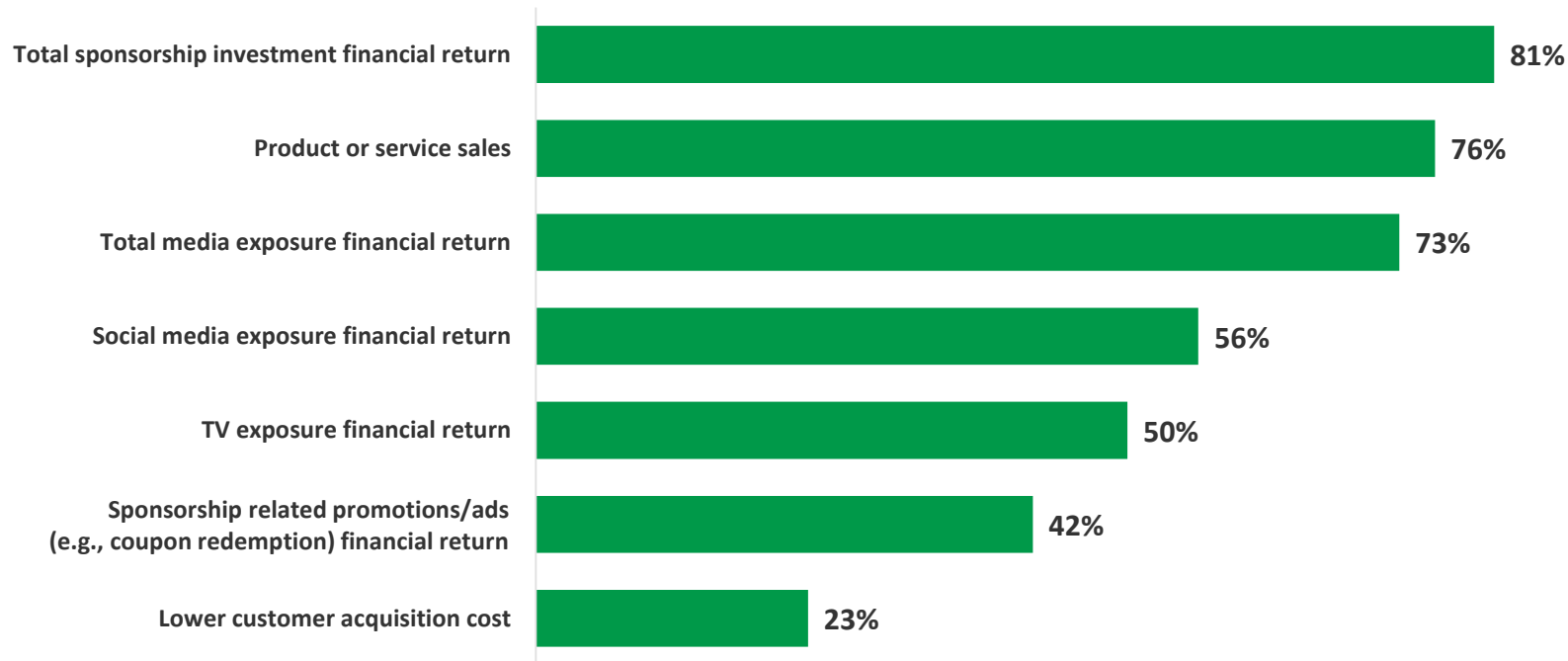
Base: 60



How does your company measure ROI of sponsorship? (ROI is defined as a performance measure used to evaluate the return of an investment or to compare the return of a number of different investments; ROI is focused on financial outcomes.) Please select all that apply.

Value of Metrics Used to Measure Sponsorship ROI (Top Two Box)

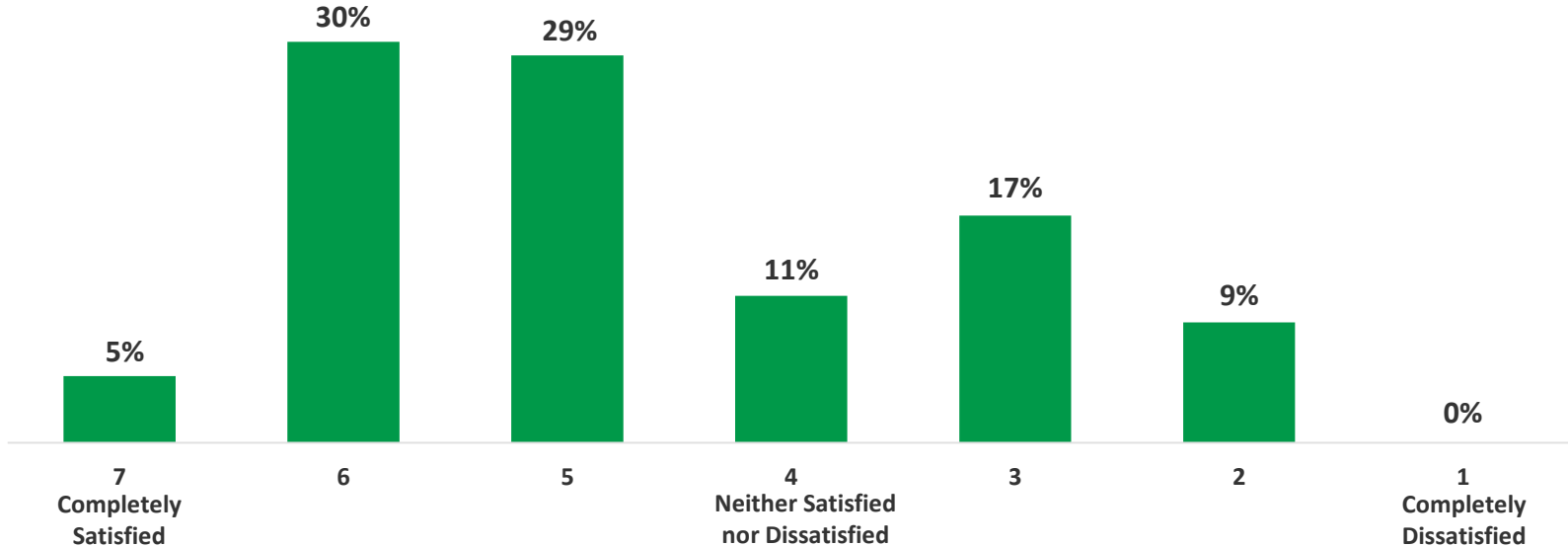
Base: 52



How do you rate the value of the following metrics in measuring ROI of sponsorship?

Satisfaction in Measuring Sponsorship ROI

Base: 66

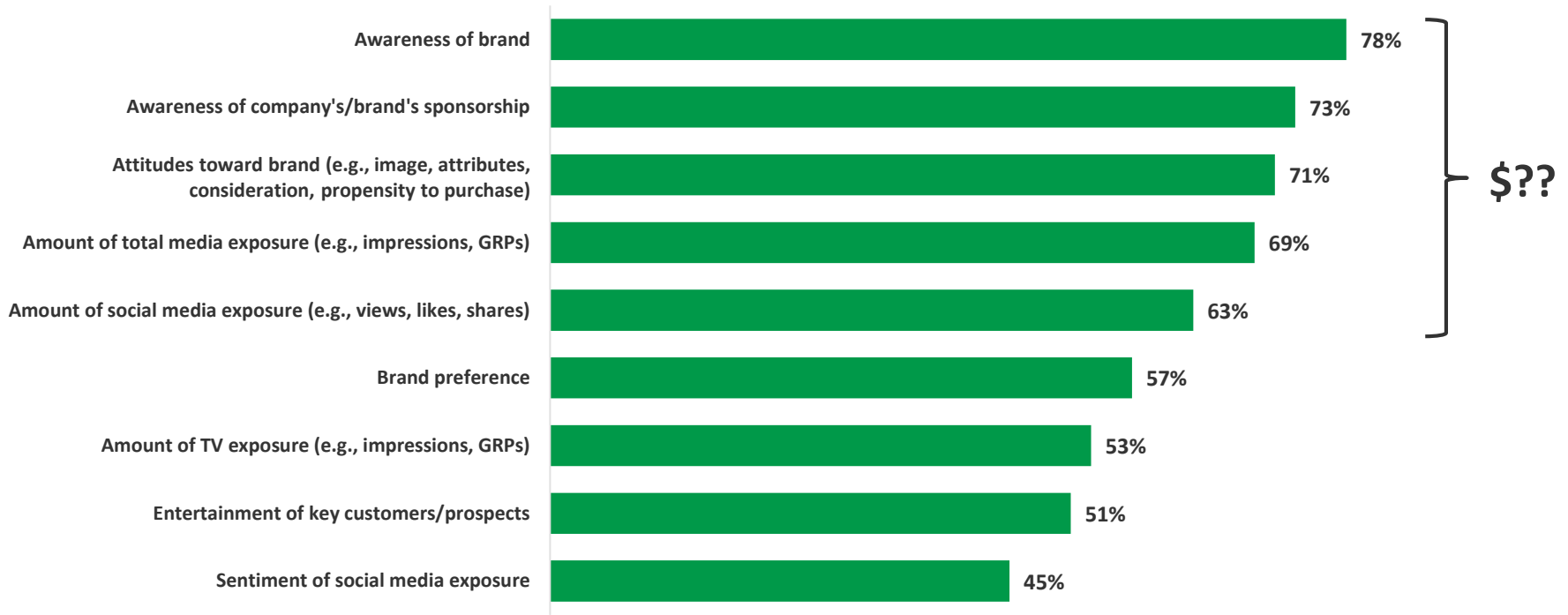


How satisfied is your company with its ability to measure Return on Investment (ROI) from your sponsorship programs?

Note: Percentages may not add up to 100% due to rounding.

Sponsorship ROO Metrics

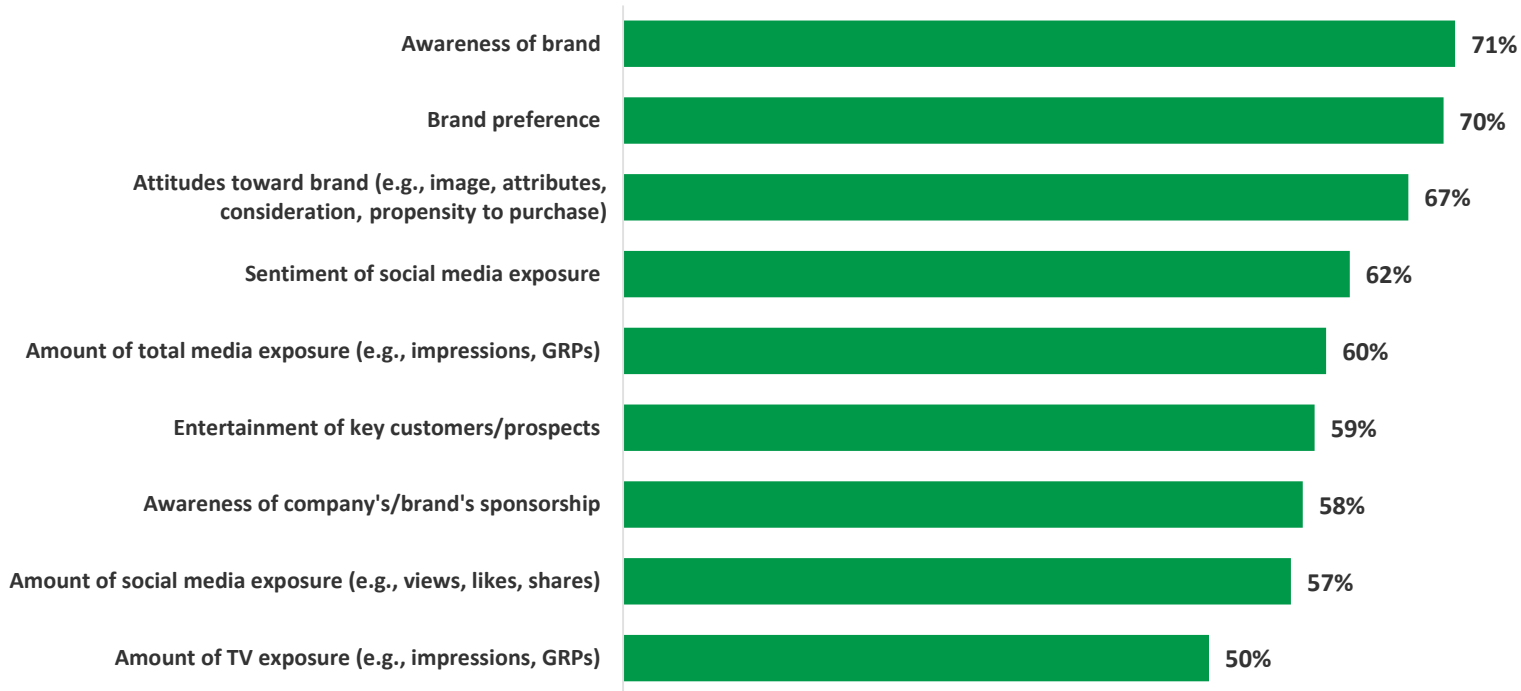
Base: 51



How does your company measure ROO (Return on Objectives) of sponsorship? (ROO is defined as a performance measure used to evaluate whether a marketing activity is achieving or exceeding the outcome of a desired marketing objective; ROO is focused on behavioral outcomes.) Please select all that apply.

Value of Metrics Used to Measure Sponsorship ROO (Top Two Box)

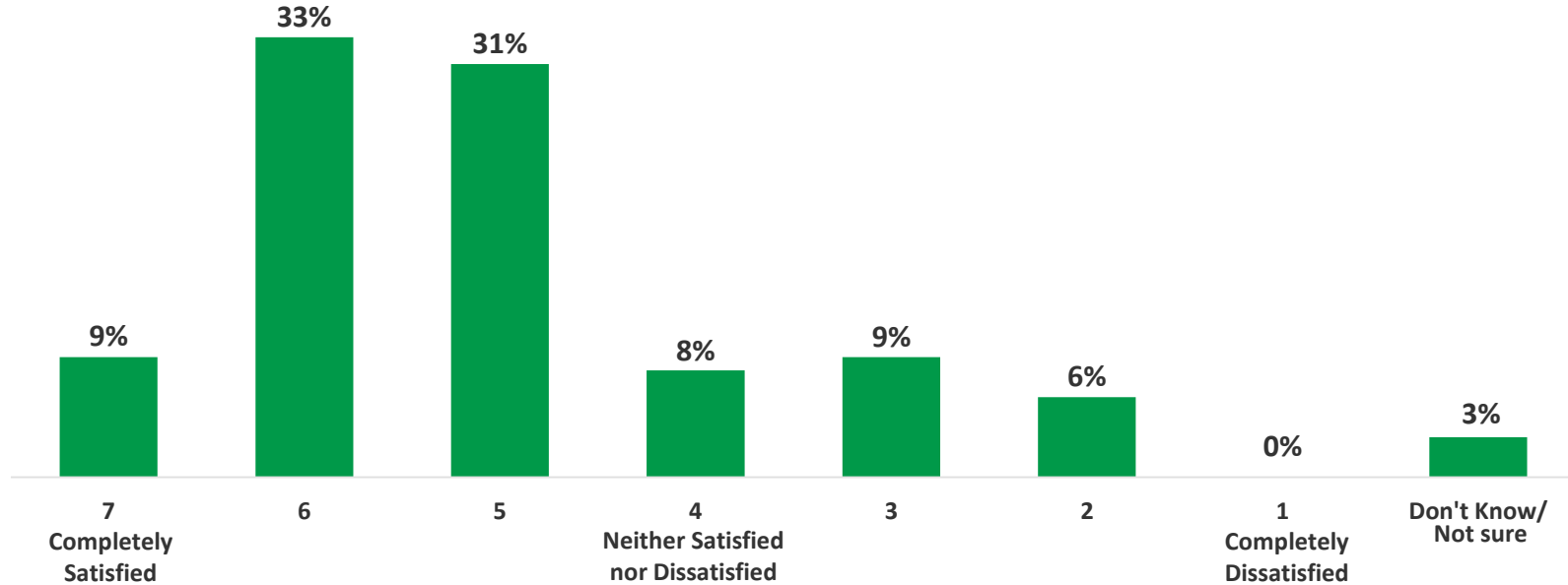
Base: 46



How do you rate the value of the following metrics in measuring ROO of sponsorship?

Satisfaction in Measuring Sponsorship ROO

Base: 64

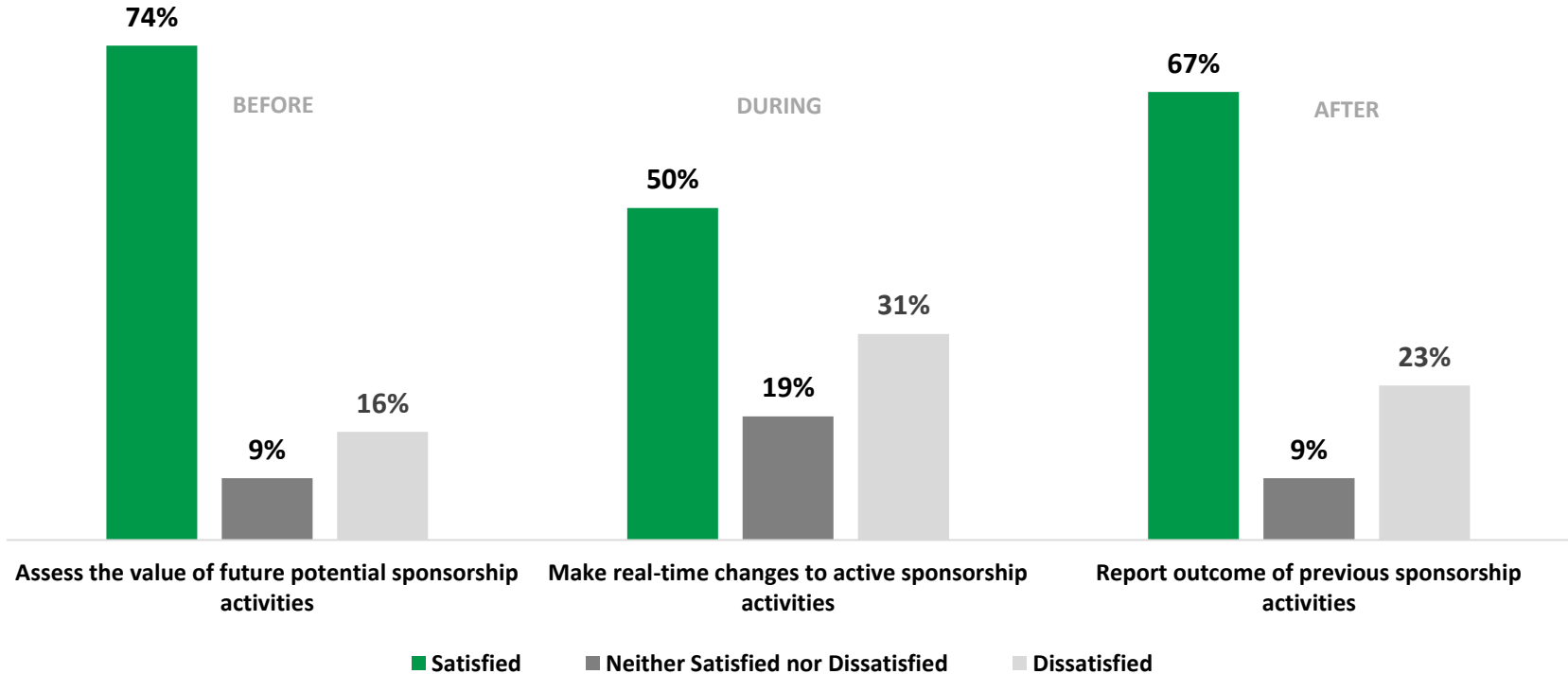


How satisfied is your company with its ability to measure Return on Objectives (ROO) from your sponsorship programs?

Note: Percentages may not add up to 100% due to rounding.

Measurement Before, During, After the Sponsorship

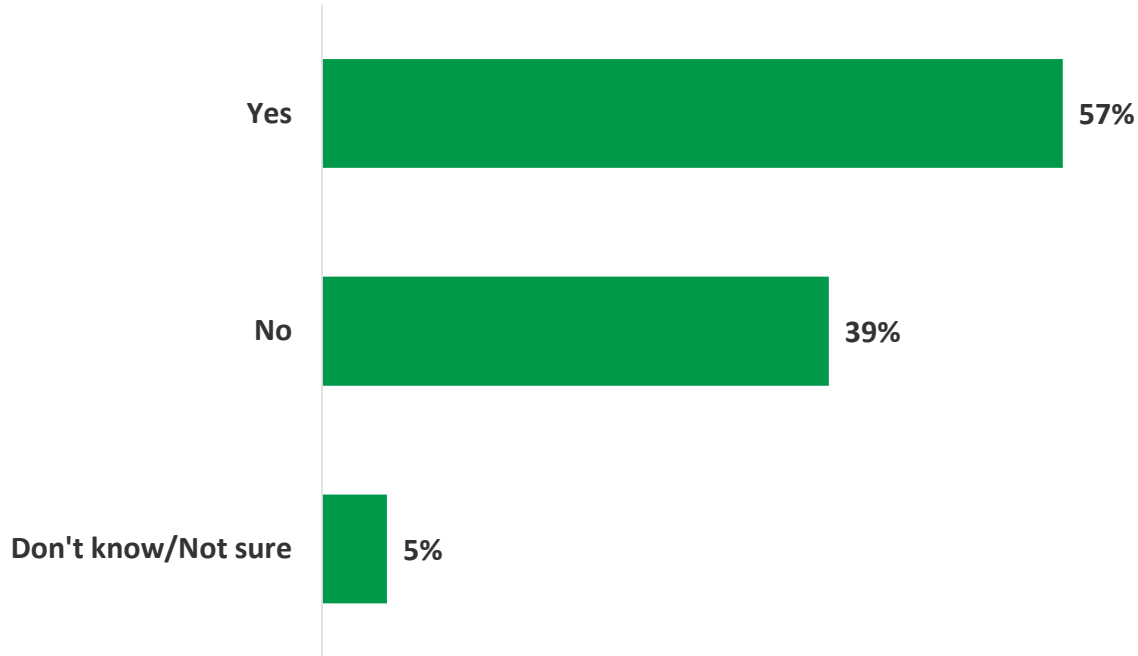
Base: 43



How satisfied is your company with its ability to use sponsorship measurement to do the following:
Note: Percentages may not add up to 100% due to rounding.

Sponsorship Measurement Budget

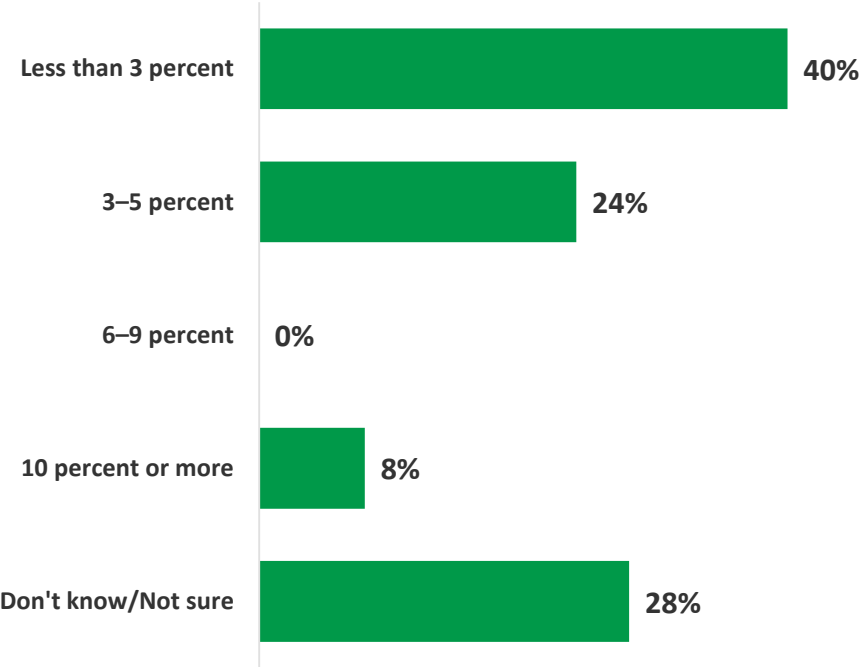
Base: 44



Does your company have a budget for sponsorship measurement?
Note: Percentages may not add up to 100% due to rounding.

Spending on Sponsorship Measurement as Percentage of Sponsorship Rights

Base: 25*



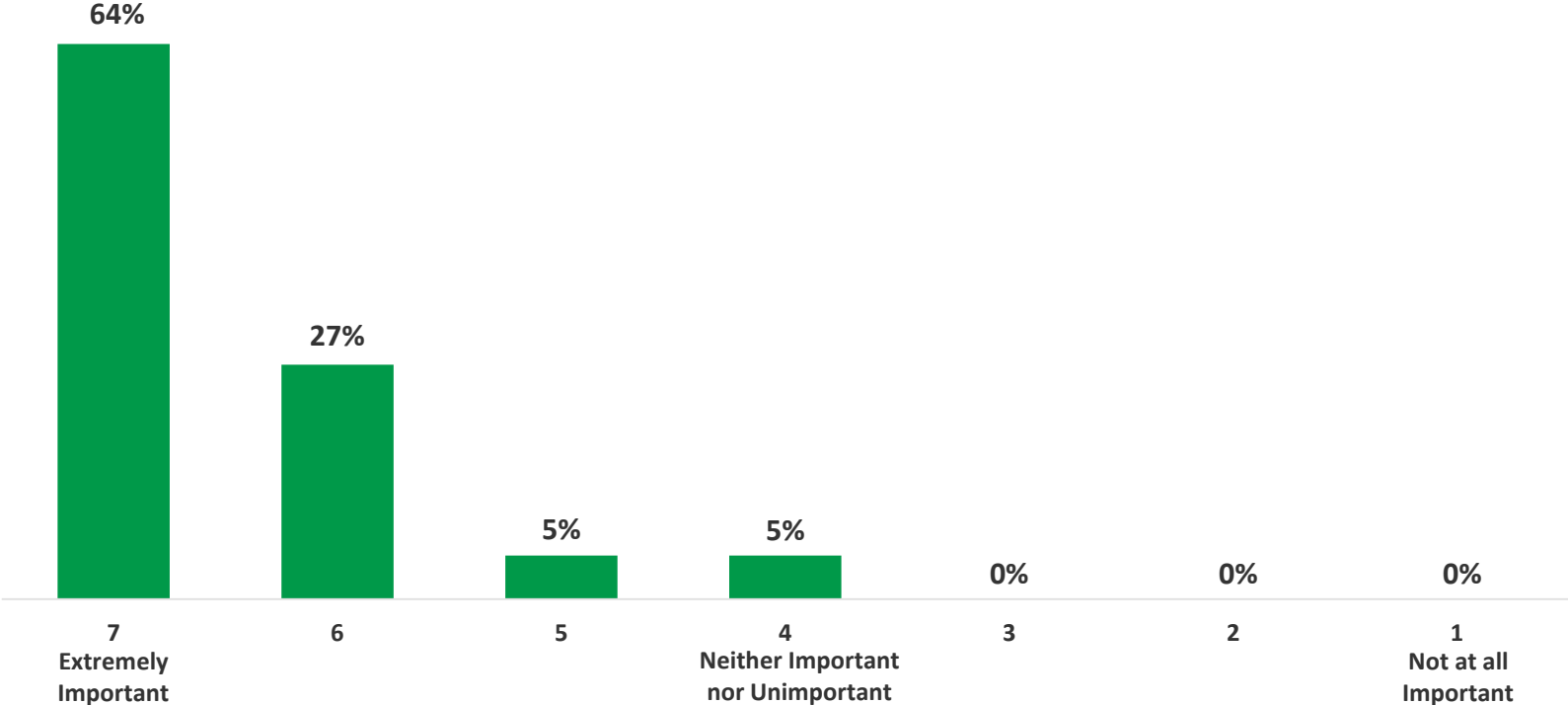
How much does your company spend on sponsorship measurement as a percentage of the amount spent to acquire sponsorship rights?

*Caution: very small base



Performance Relative to Other Marketing Expenditures

Base: 44



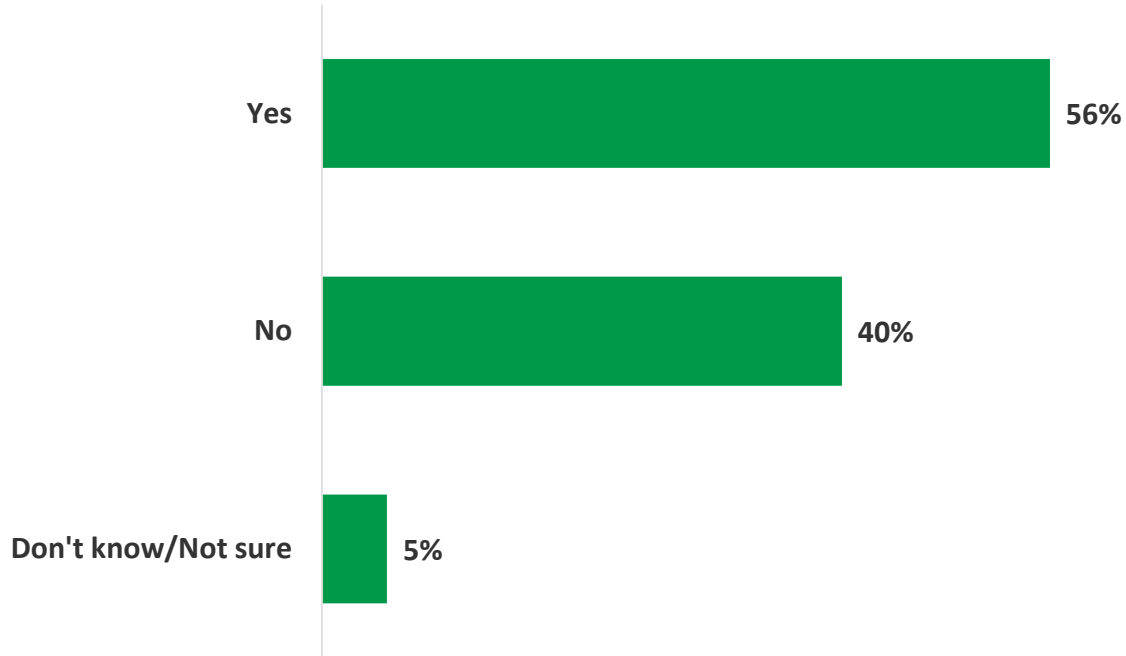
How important is it for your sponsorship measures to allow you to understand performance relative to other marketing expenditures?

Note: Percentages may not add up to 100% due to rounding.



Isolating the Impact of Sponsorship

Base: 43

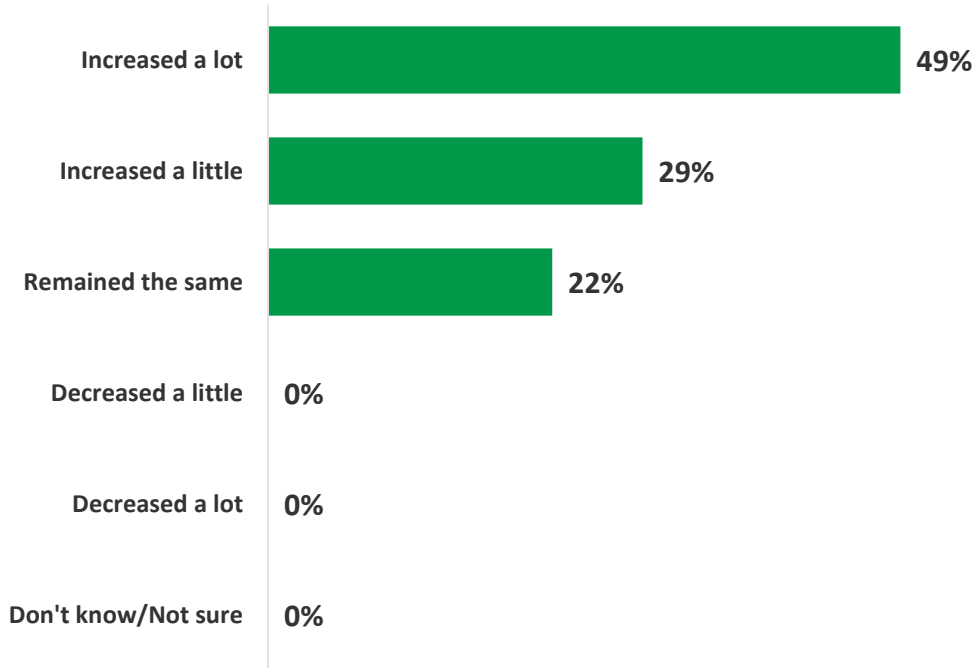


Do your company's sponsorship measurements attempt to isolate the impact of the activity vs. other concurrent marketing communications?

Note: Percentages may not add up to 100% due to rounding.

Need for Validated Results

Base: 45

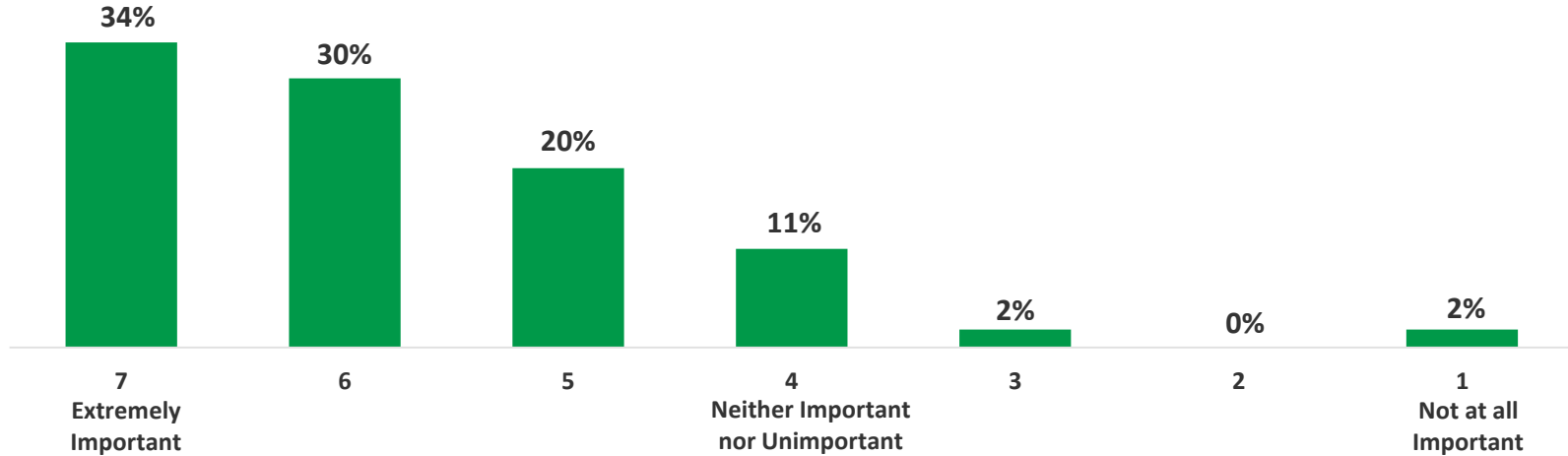


How has the need for validated results for your sponsorship initiatives changed in the past one to two years?



Measurement by Sponsorship Properties

Base: 44

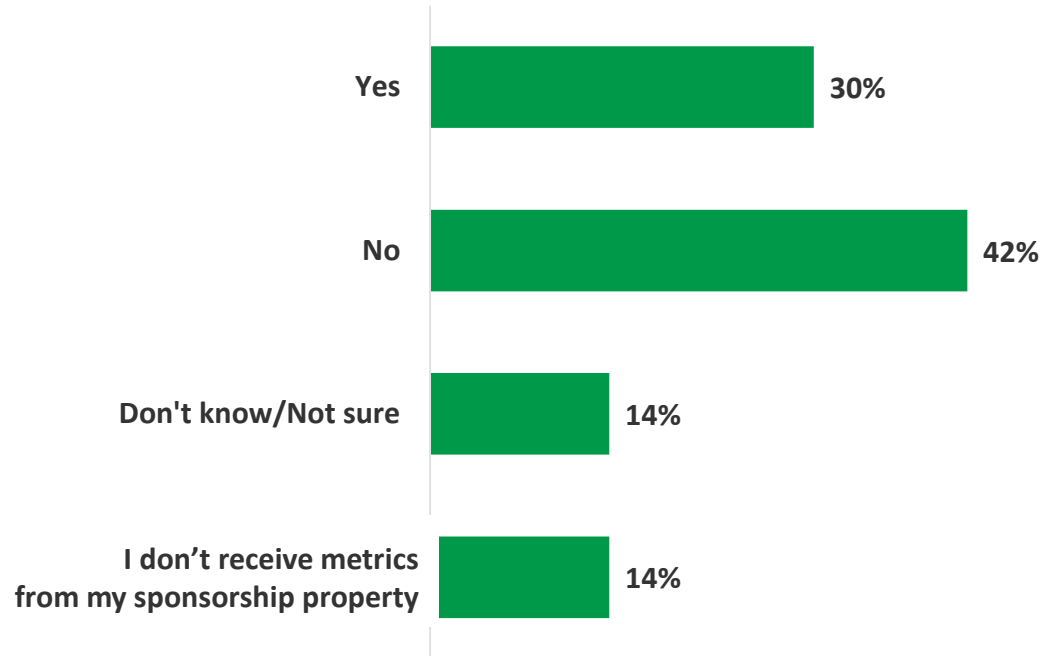


How important is it that the sponsorship property helps measure results?

Note: Percentages may not add up to 100% due to rounding.

Auditing/Verification of Metrics from Sponsorship Property

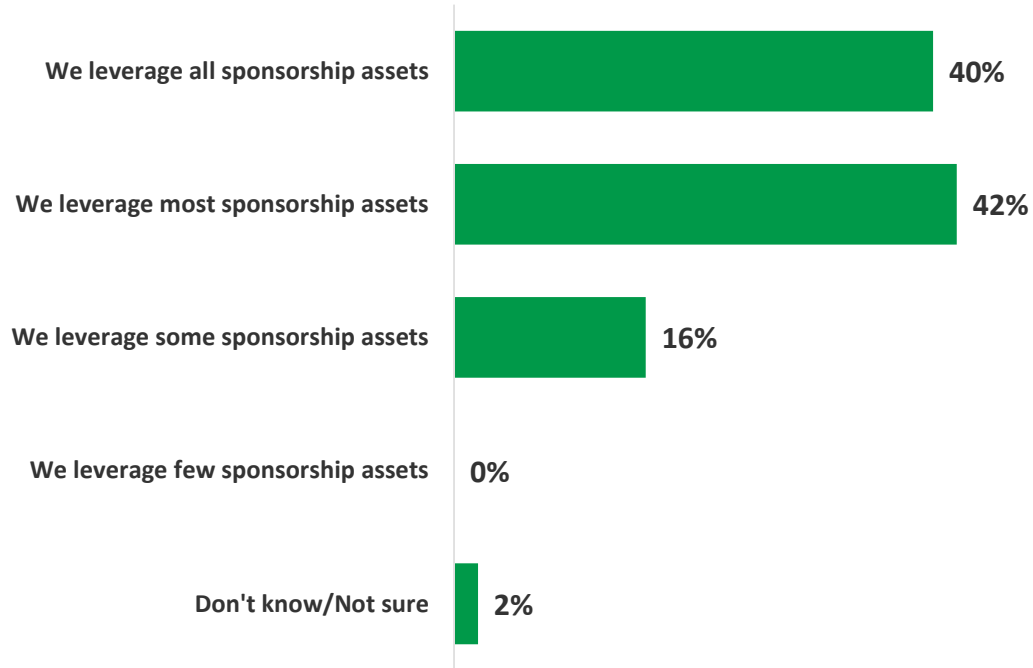
Base: 43



Do you audit or verify the metrics you receive from your sponsorship property?

Ability to Leverage Sponsorship Assets

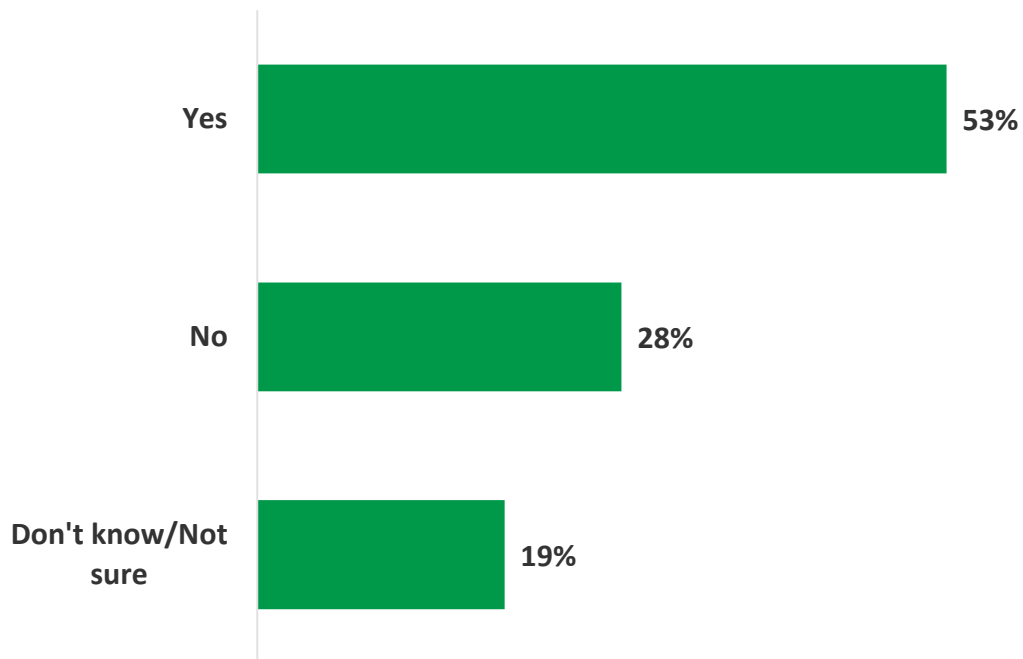
Base: 43



To what extent are you able to leverage the sponsorship assets included in your contract with the sponsorship property?

Non-Transparent Business Practices in Sponsorship

Base: 43



Given recent news around non-transparent business practices in media and production, do you have any concerns about non-transparent practices in sponsorship?



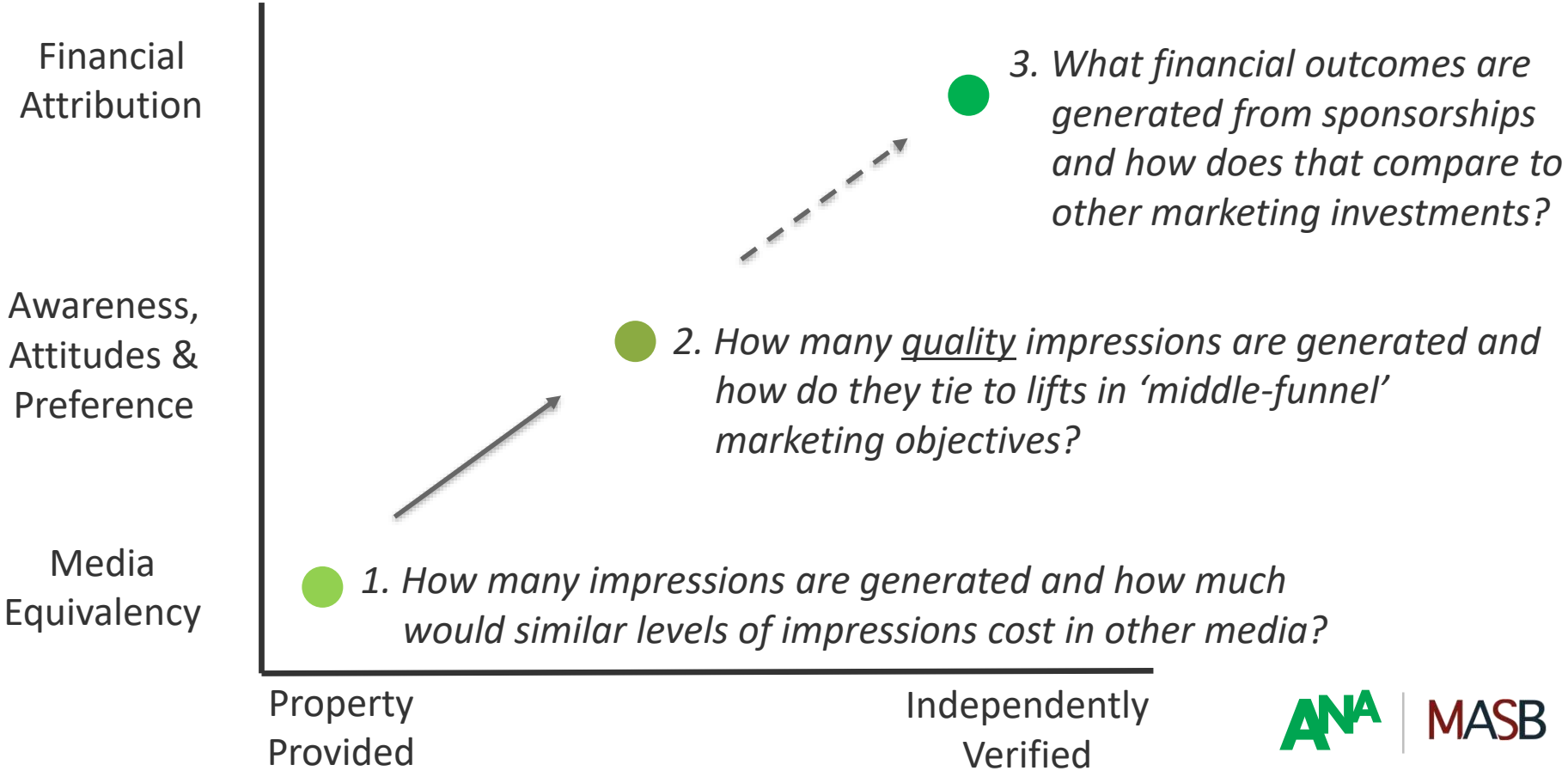
Sponsorship Accountability Metrics Project

Sponsorship Accountability Data is Now Reaching Highest Levels of Marketing

This is regardless of reporting structure:

- *“So on a regular basis, the data is shared all the way up through **SVP**. The SVPs here do report right to the **CMO**. But I would say a larger, annual health of [large sponsorship] would go all the way up to the CMO.”*
- *“It’s the centralized marketing group that’s determining whether to continue, start, end, get another. So it’s going to the **highest level in the marketing area...**”*
- *“Yes, it’s almost always the **head of global sponsorships**. He’s in-charge of actually putting together these campaigns and these efforts. ...a lot of times what we’re doing is working with him to try to help him with what he’s presenting back up to **his senior leadership**, which is up the marketing organization.”*

Sponsorship Accountability is Moving Towards Financial Outcomes



Everyone Starts with Media Equivalency

- *“So we’re measuring more or less the number of impressions...we haven’t actually tied that to activations yet”*
- *“What we’re trying to look at more is if we didn’t do that event...what’s the total media impressions that we’re getting out of that.”*
- *“I’m looking at it now as impressions and what we’re looking at and how much we’re paying for it. I have to take it a step further...and go what is that value that we’re getting out of it by doing these.”*
- *“It’s not perfect but it’s a lot better than what we had before and then it spits out a rating for me and it gives a cost per 1,000 impressions of what it is.”*
- ***“I have a meeting with our Chief Financial Officer...where they look at...number of impressions... if you had to pay for this as advertising, there would be \$50 million in advertising.”***
- *“Just to give [Sponsorship Decision Maker] a media value. But we’re trying to find more interesting ways to again attribute that to some sort of a business performance indicator.”*

Return on Objectives is the Second Measurement Step

- *“It's hard for us to dissect our sponsorship initiatives from some of our other major media initiatives...In terms of return on objective, we see that as more qualitative. So if our objectives are to drive awareness and to have consumers recognize that we're the sponsor of X, those are more measurable right now than the investment piece.”*
- ***“While we could estimate some dollar values, what it's worth per percentage point of awareness or familiarity of whatever that might be, it's a pretty artificial exercise. So we haven't used it in that sense of an ROI.”***
- *“We do have tracking mechanisms through a third party to measure consideration and awareness that we fill quarterly...And then I think in terms of objectives, did we complete X and did we do Y, those would be a little bit squishier metrics or softer metrics than the dollars returned.”*
- *“We're sponsors of the [SF]. So how does their [SF] media compare to our basic prime time buy on television or other sports that we might be buying? And we can measure that with your fees and delivery. We can also measure them with mid-funnel metrics like we aired spots on TV and did they drive a lot of site traffic or search traffic? And those mid-funnel metrics can be like proxies for awareness or consideration.”*

Financial Attribution is the “Elusive Goal”

- *“That's something that we're also just getting into...They [attribution vendor] are not just taking into consideration all of the different sponsorships that we have, but...all of the existing marketing efforts and all the different live dates and drop dates...so we have an understanding of how everything is correlating with our direct acquisition and retention goals for growth.”*
- *“We were considering using [attribution vendor] for a current sponsorship campaign that we have with the [sponsorship property], which includes T.V., includes some digital display...I'm having some trouble pulling the trigger for cost reasons... **It'd definitely be the only way that we could meaningfully attribute that campaign to changes in some of our brand tracker metrics and our brand funnel [financial] metrics.**”*
- *“We track quote volume...separated those who were hosted and those who were not hosted and then watch their quote volume year-over-year to see how that change differed for the hosted versus the non-hosted. And in certain situations we've seen some lift.”*
- *“In general we're going after the financial impact of the actual attendees that we know were at the event. But we have been doing some work with just the amount of impressions and that kind of stuff.”*

Social Media Metrics are Available but “Distracting Noise”

Social media metrics are seen only as a complement because of weak relationship to sales, reactive to differences in activation, and not being tied to purchase process for many customers

- *“We are looking at...correlations between the increased numbers of tweets or those kinds of things versus folks having the products and using it, or new account openings...But it’s...not exactly perfect science.”*
- *“There’s several metrics that we look at in terms of leading indicators or mid-funnel metrics and so one of them would be social engagement, but it’s...very responsive to what we put out there, right? So consumers aren’t specifically going to jump in and start talking about [category] on Facebook or Twitter without a springboard. So if we put content out there or we amplify something that we’re doing in the sponsorship space with a social post that’s targeted toward that prospect, yes, we definitely look at how many people liked and commented and shared and engaged. And if we have a video posted, did they complete the video and watch all 20 seconds or whatever. Yes, we definitely are looking at those, but they’re just one of many metrics that we look at.”*
- ***“As you can imagine, it is not a required path to purchase, right? You could...just visit [retailer], [sample product], and buy [product] without ever taking any action on social media** but it’s one of the things that our digital analytics team has wanted us to include in the surveys.”*

Barriers to Standardized Assessment Process

1. Not a priority until recently

“Has not been a priority focus for the organization to invest in resources or agency support to create process”

2. Diversity in types of sponsorships/objectives

“A lot of our programs are very different in terms of what they’re hoping to accomplish, because some of them are more transactional - literally about getting hand-raisers, you know, having an opportunity to get a list to follow up on, and then some are more brand-building with different audiences, where it’s more upper-funnel type things...last year I actually reframed a position within my organization to have more of a focus on how do we evaluate all of these programs”

3. Lack of defined strategy

“What’s our strategy? What’s our sponsorship strategy? You know, I think sponsorship’s just...influencers and celebrities just become very tactical, very quickly, across a variety different brands and there is not an overarching strategy across the company, and I think that right now, more than measurement itself”

4. Existing analytic methods not up to task

“We are working on it. However the challenge is that standard metrics are difficult to come by and marketing mix doesn't adequately measure sports marketing.”

Three Industry Experts' View



Terry Lefton
Editor-at-Large
Sports Business Journal



Sam Kennedy
President & CEO
Boston Red Sox/
Fenway Sports Management



Evan Greene
CMO
The Recording Academy



Experts' Views

- Some surprise at 37% (T. Lefton)
- Agreement that there is movement toward greater accountability (all)
- Sponsorship properties welcome metrics, but believe too rudimentary (all)
- Last touch attribution misses brand effect (all)
- Sponsorship properties ultimate metric is renewal (all)

Preliminary Findings/Observation

- Difference is ROO/ROI satisfaction levels
 - “soft” measures vs. hard data
 - Finance vs. Marketing comfort/performance
- Strong desire for best practices/benchmarks/guidance
- Eagerness to share/hear about specialized measurement providers
- Power of brand performance is not understood/assessed/applied

Next Steps

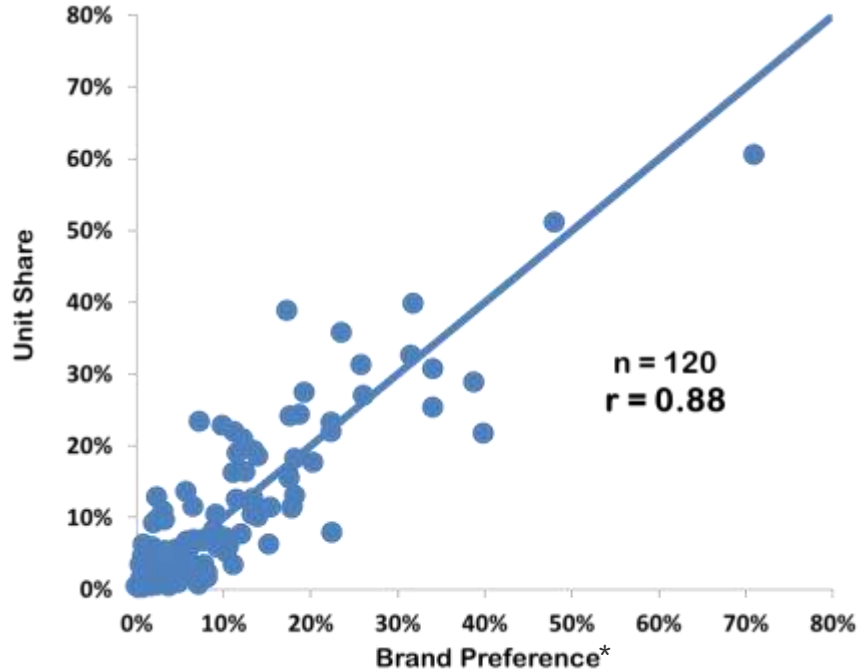
- Review of “Final Draft” at Forbes/MASB CMO gathering in New York on May 17
- ANA/MASB report issued later this month
- Challenge measurement community to assist with brand preference attribution for sponsorship
- Preliminary guidance / benchmarks / best practices discussed at the MASB Summer Summit in Boston on August 9 and 10



Appendix

Brand Preference Plays Pivotal Role in Financial Outcomes from Brand Marketing

Across All Twelve Categories



	Share Variance Explained
Brand Preference	80%
Awareness – Unaided	44%
Value	44%
Brand Loyalty	43%
Purchase Intent	26%
Awareness – Aided	26%
Brand Relevance	18%
Advocacy	13%

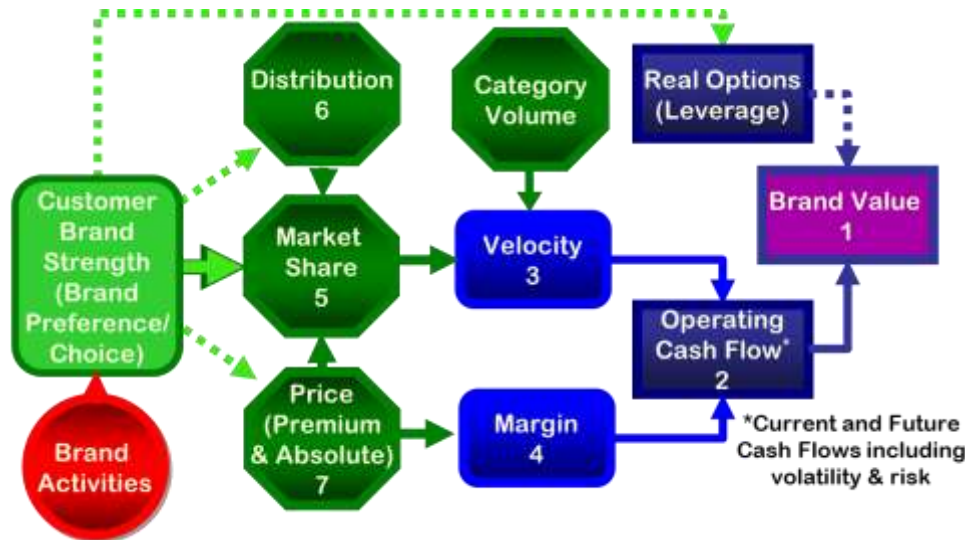
Source: MASB Brand Investment and Valuation, a New Empirically-Based Approach March 2016

*MSW-ARS Brand Preference



Brand Preference Applied to Sponsorship

- Only 57% reported using brand preference for sponsorship marketing
- Yet, 70% find rate it as extremely/very valuable
- Third party collections of brand preference for sponsorships is available
- Can aid in attribution – lifts from awareness/engagement with sponsorships
- Aligns sponsorships with other marketing activities

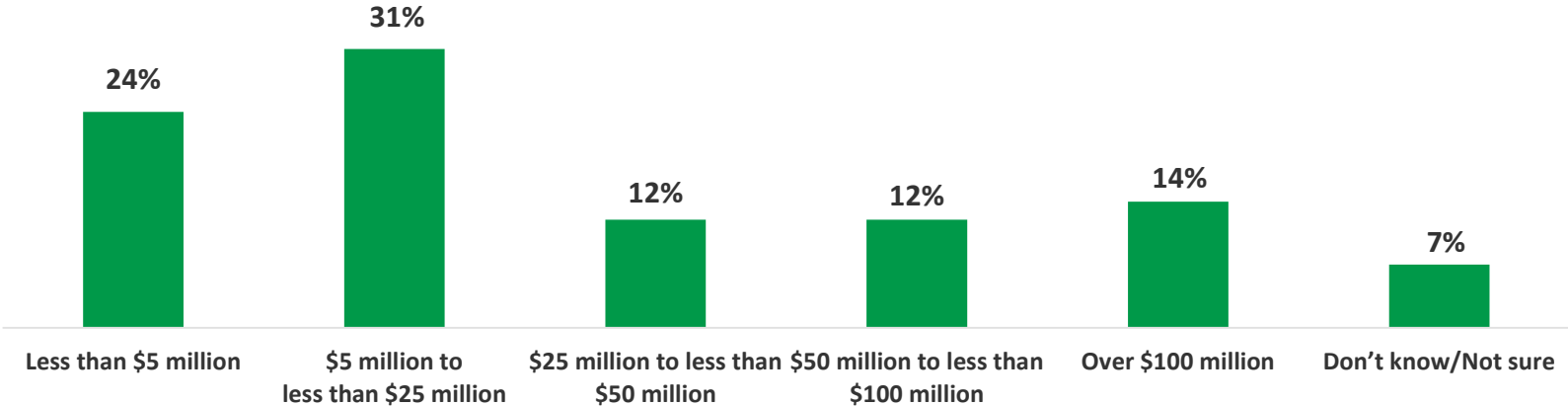


About the Respondents

- 61% are “senior marketers” (director-level and above)
39% are “junior marketers” (manager-level and below)
- 59% work in organizations with an annual U.S. media budget < \$100M; 41% of \$100M or more
- 39% are primarily B-to-B; 29% are primarily B-to-C;
32% are both B-to-B and B-to-C
- 61% have over 15 years of experience working in sponsorship/marketing/advertising

2017 U.S. Sponsorship Spend

Base: 42

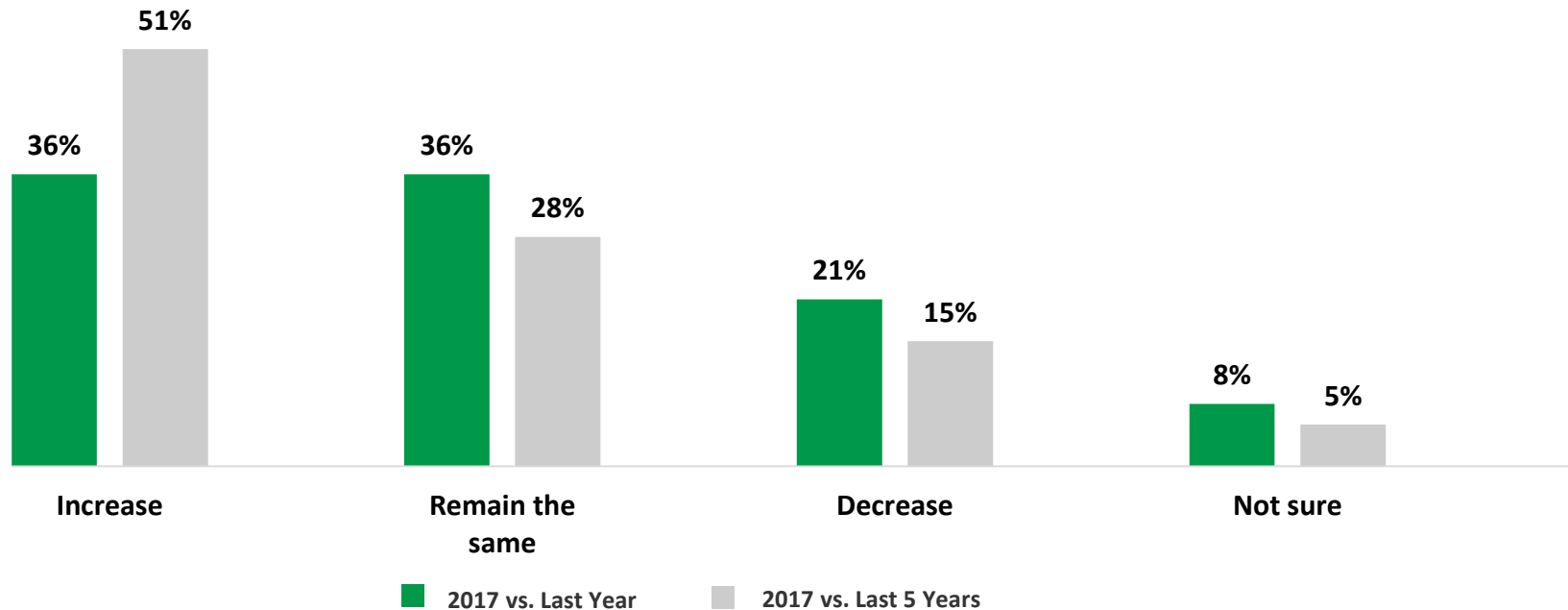


Which of the following best describes your organization's 2017 annual U.S. sponsorship spend?



Change in Sponsorship Spend

Base: 41



Did your organization's 2017 U.S. sponsorship spend increase, decrease, or remain the same in comparison to (a) the last year and (b) the last five years?

Note: Percentages may not add up to 100% due to rounding.