

MASB

Standards Project

Sponsorship Accountability Metrics

(SAM)

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**August 2018
Boston**



**Marketing Accountability Standards Board
of the Marketing Accountability Foundation**

SAM Project

Project	Sponsorship Accountability Metrics (Ebben, Meier)	Strategy Document 'What is Known' about Sponsorship Objectives, Measurement, Brand Fit*, and Return Relative to Other Marketing Tactics. Construct Road Map.
Issue Addressed	Lack of Identified Sponsorship Metrics That Tie to Brand & Business Outcomes	
Project Objective	Determine Sponsorship Contribution to Brand and Business	
Expected Outcome	'Road Map' for Brand Sponsorship Investment & Activation, based on Marketing Objectives	
When	2017/2018	

*Taking into account the brand, its category and product lifecycle.

SAM Milestones (2017 - 2018)



El Frame-Up 9/17

Leaders & Plan 10/17

Aspects & Hypotheses 12/17

Revised Industry Definition 1/18

Forbes Announcement 2/18

ANA Sponsored Survey 2/18

Winter Summit 2/18

ANA Sponsored Survey Report 7/17

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Definition of Sponsorship

Sponsorship refers to a cash or in-kind fee paid by a sponsor to a property or entity (e.g. a sports, entertainment, or non-profit event or organization) in return for access to the leverageable marketing resources associated with that property/entity*

Examples

- **USAA relationship with Wounded Warrior Project**
- **Bud Bowl – Budweiser created asset enabled by NFL media relationship**
- **Diet Coke relationship with Taylor Swift**
- **McDonalds (former) relationship with Olympics**
- **GE logo on Celtic jerseys**
- **Naming rights for stadiums - AT&T stadium in Dallas**
- **Red Bull Air Races and extreme sports events**
- **Movie such as Nissan Rogue with Star Wars**
- **Music tour/event sponsorship such as Coachella and SXSW**

Three aspects of sponsorship

- Value of the Intellectual property
- Contribution to impacting KPIs (including synergies or tradeoffs with other marketing assets)
- Business value of individual assets (sales, distributions, impressions)

Forbes-MASB Marketing Accountability Executive Forum (May 17, 2018)



ANA Advertising Financial Management Conference (May 2, 2018)



Extensive Report of Joint Survey Research



IMPROVING SPONSORSHIP ACCOUNTABILITY METRICS

JULY 2018

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Sponsorship Accountability Metrics Project

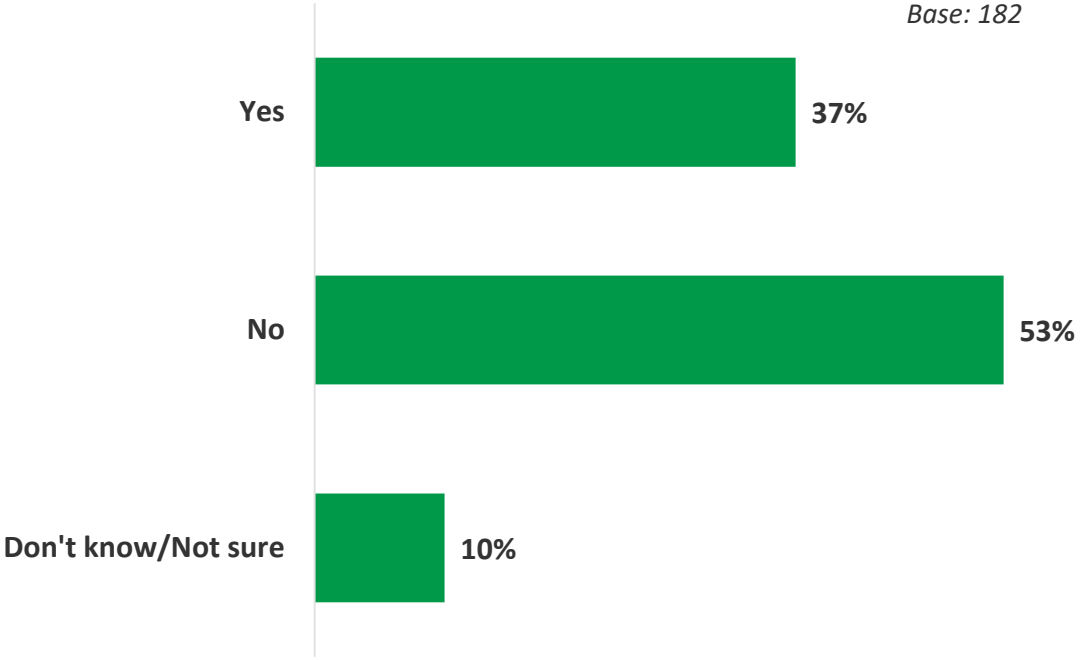
Conclusions Summary

Highlights the Ongoing Need for Advanced Sponsorship Measurement and Confirms Only Slight Progress Toward Goal.

Since 2010 Only Slight Progress Toward Goals...

- Having a standardized process for measuring return on sponsorships
- Satisfaction in measuring sponsorship ROI/ROO
- Top metrics used to measure sponsorship ROI/ROO
- Having a budget for sponsorship measurement
- Spending on sponsorship measurement as percentage of sponsorship rights
- Measurement by sponsorship properties

Standardized Process for Measuring Return on Sponsorships Lacking



2013: 46% “Yes” & 54% “No”

2010: 42% “Yes” & 58% “No”

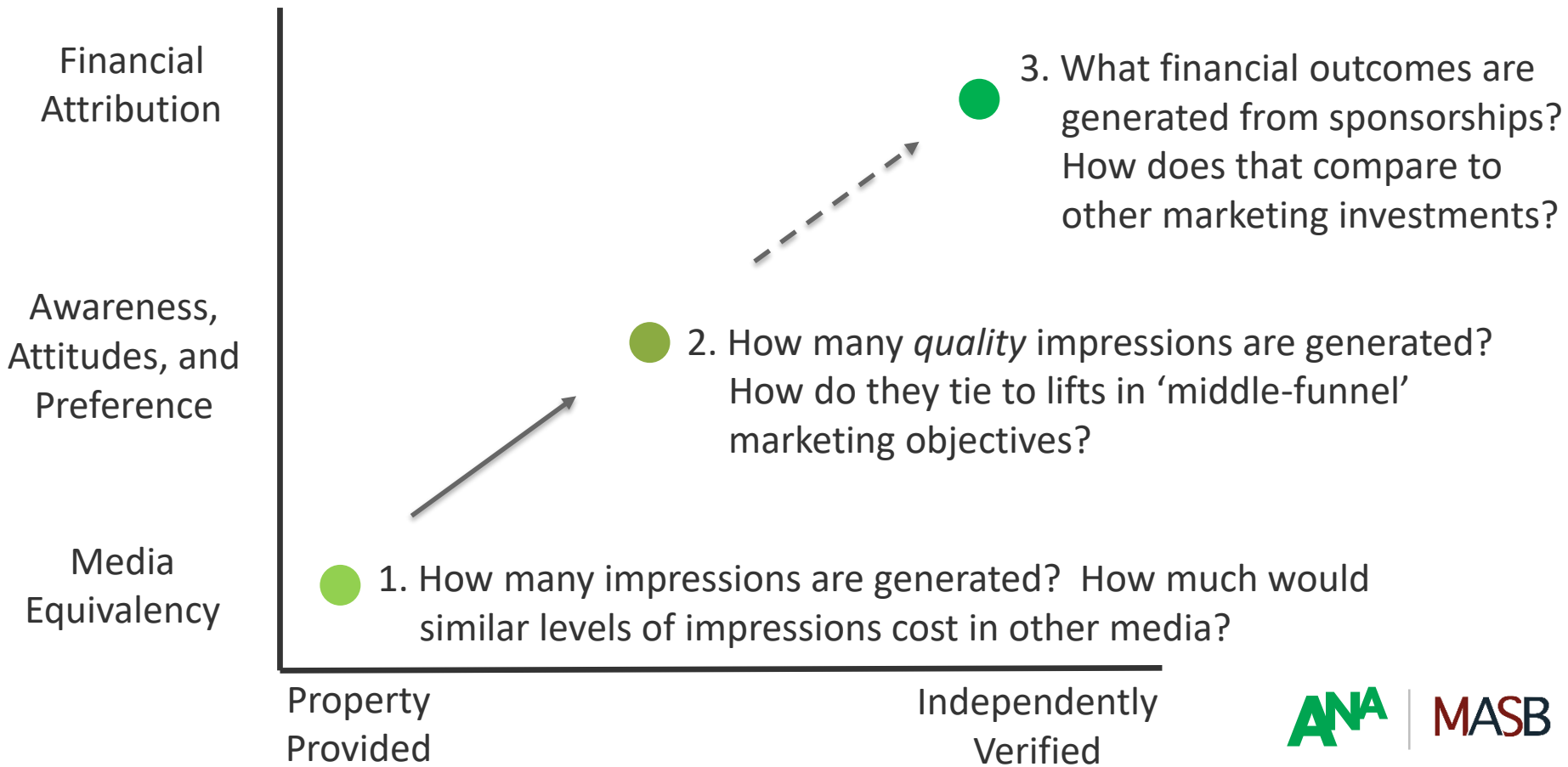
Note: DK/NS not asked

Over 60% do not have a standard process for measuring return on sponsorships including many well-known companies on the list of the biggest sponsorship spenders.

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



Sponsorship Accountability Has Three Distinct Phases, the Most Sophisticated of Which Is Financial Attribution



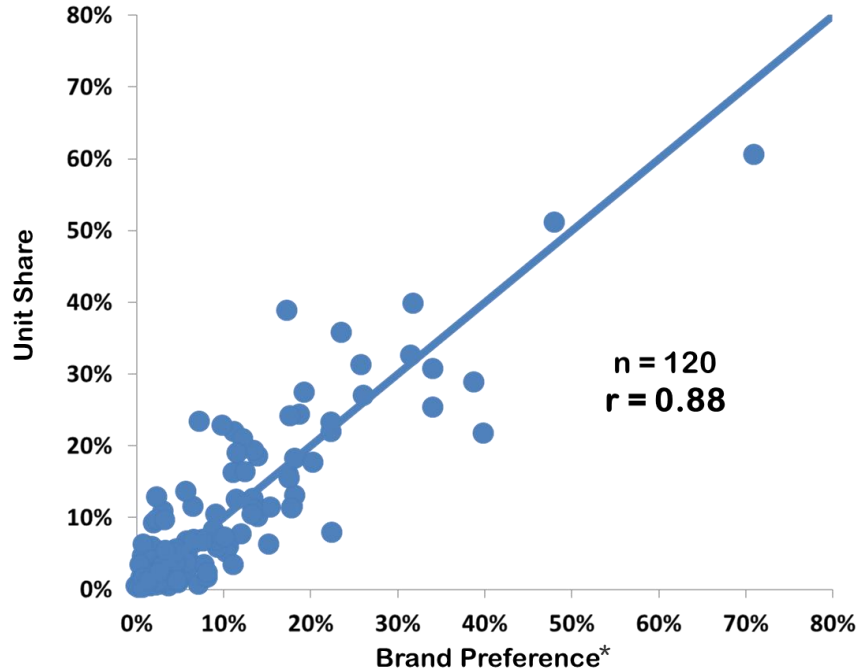
Brand Preference Should Be a Key Sponsorship Metric

	Used	Value
Awareness of brand	78%	71%
Awareness of company's/brand's sponsorship	73%	58%
Attitudes towards brand	71%	67%
Amount of total media exposure	69%	60%
Amount of social media exposure	63%	60%
Brand preference	57%	70%
Amount of TV exposure	53%	50%
Entertainment of key customers/prospects	51%	59%
Sentiment of social media exposure	45%	62%
Awareness of brand	78%	71%

Only 57% of survey respondents reported using brand preference but it was rated as one of the highest-valued metrics used to measure sponsorship return on objective

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

Social Media Metrics are Available, but “Distracting Noise”

- Social media exposure financial return and the amount of social media exposure (i.e., views, likes, shares) are metrics used by many marketers to measure sponsorships
- Notably, in all cases throughout the survey, the value of social media metrics is rated higher than the value of television metrics
- We did not find evidence of social media contributing to sustainable changes in attitudes or behaviors
- Marketers are advised to use social media metrics for sponsorship with caution, and be aware that such metrics can be “gamed” — acquiring fake likes/followers — and can be difficult to verify
- Social media metrics should be viewed only as a complement to other metrics because of their weak relationship to sales, being reactive to differences in activation, and not being tied to the purchase process for many customers

Sponsorship Accountability Data Now Reaching Highest Levels of Marketing Organization

A key finding of the qualitative discussions with survey respondents is that **sponsorship accountability is now reaching the highest levels of the marketing organization**, 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, and get another. **So it’s going to the highest level in the marketing area.**”
- “**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.”

There are key barriers to having a standardized assessment process for sponsorship

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. Variety of 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.”

Response to Report

Marketing sponsorships—measurement, impact assessment need improving

by Bulldog Reporter | Jul 19, 2018 | Marketing, Public Relations




MarketingDaily

RESEARCH

Sponsorship Accountability Needs Improvement, But FIFA World Cup Sponsorships Dominate

by Tanya Gazdik @TanyaGazdik, July 11, 2018



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Sponsorship Measurement Needs Improvement: ANA/MASB Study

New Report Says Assessment of Business Impact Also Lacking

Wire Contributor · Jul 10, 2018



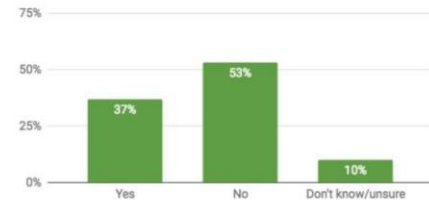
NEW YORK (July 10, 2018)
considerably over the past
sponsorship's business imp

ResearchIntelligencer

Most Marketers Have No Standard For Measuring 'Return' On Sponsorships

by Joe Mandese @mp.joemandese, July 11, 2018

Do you have a standardized process for measuring returns?



Source: Association of National Advertisers' & Marketing Accountability Standards Board's "Improving Sponsorship Accountability Metrics" report, July 2018. Derived from a survey of 182 member respondents in February 2018.

Media Coverage of Sponsorship Report (7/16)

Coverage to date includes Media Post and The Drum with further outreach continuing:

- <https://www.mediapost.com/publications/article/321991/sponsorship-accountability-needs-improvement-but.html>
- http://www.insideradio.com/free/progress-needed-for-sponsorship-measurement/article_19979de8-84d7-11e8-b083-efc3c4155039.html
- <http://www.thedrum.com/news/2018/07/10/ana-says-spend-sponsorship-has-increased-despite-poor-measurement-it>
- <https://www.broadcastingcable.com/news/ana-report-measurement-of-sponsorships-needs-improvement>
- <https://www.broadcastingcable.com/post-type-the-wire/sponsorship-measurement-needs-improvement-ana-masb-study>
- <http://hispanicad.com/agency/promotions-events/sponsorship-measurement-needs-improvement-study>
- <https://www.mediapost.com/publications/article/322062/data-is-everywhere-but-for-sponsorship-it-isn.html>

Sponsorship Practice: Four Key Dimensions

Brand Fit

Contractual Considerations &
Negotiations

Stewardship

Measurement

*A Comparison of Actions
that Suboptimize or
Improve Sponsorship
Return and Impact*

Brand Fit

Business
Objectives

Sponsorship
Alignment
Assessment

Business Objectives

“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...”



- Executive Preference
- FOMO
- Goals that Lack Specificity
- Multiple, Conflicting or Changing Objectives
 - Sometimes Set after the Deal is done or activity measures begin
- Thwart Competitor Access
- Lack of a Defined Strategy



- Supports a Specific Business Challenge
 - Examples:
 - Build Awareness in a Market where Sponsor plans distribution, but currently doesn't have a presence
 - Miller Coors need to reach Millennials with growing preference for Craft beers

Sponsorship Alignment Assessment

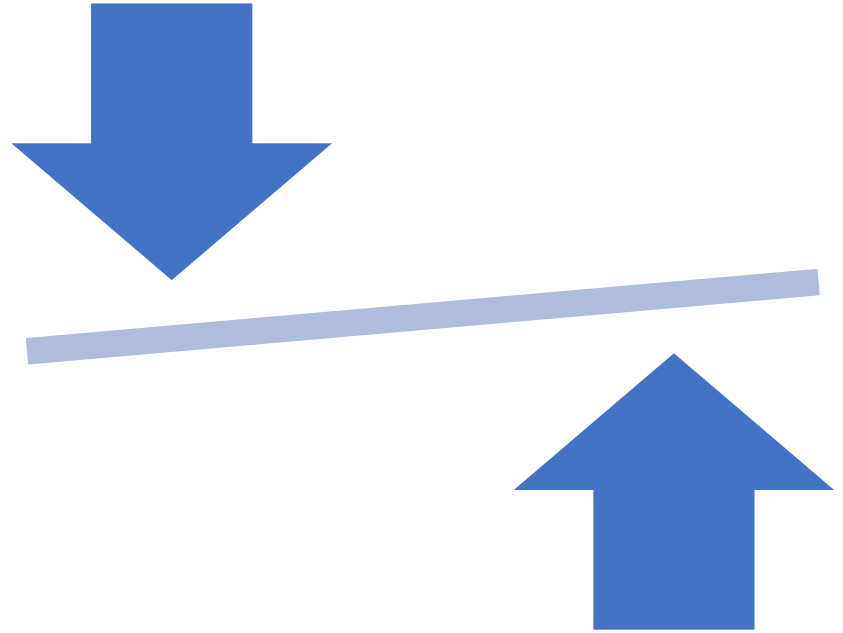


- Greater focus on audience size and popularity, than potential business growth/profitability
- Enamored with Popularity of the Sponsoring Entity instead of Brand Purpose
- Sponsorship is a one-off tactic, separate from other Marketing Initiatives



- Target Customers and Prospects represent a business opportunity for Sponsor
- Shared Values with Property
 - Particularly when a third party such as a Cause is involved
- Potential for Synergistic Imagery
- Ability to tell a bigger story; demonstrate value
- Seasonality in synch with Sponsor's Business
- Solid Market Coverage
- Generates Retailer Engagement
- Can be Integrated with other Marketing Activities

Contractual Considerations



Contractual Considerations

“The power is beginning to shift from what the rights holder wants to sell to what the brand needs to buy...”



- Multi-year contracts with fixed fees
- Standard Package Inclusions
- Assets included which have high likelihood of not being leveraged or not worth a premium
 - Examples: Exclusivity, tickets, personal appearances
- Limited control over entity timeliness & approvals (activation, audience access, creative, measurement)



- Incentive based contracts tied to performance
- Customized Package of Assets and Services
 - Includes elements to aid “Breakthru” in cluttered property
- Ranked prioritization of Assets aid negotiation pre-contract signing
 - Ranked performance of Assets post completion aids renewal decisions
- Ensure Fragmentation of Media Rights & Content does not create an opportunity for competitor; diffuse Sponsor’s benefit

Stewardship

Organizational Behavior
and Relationships

Business Case
Development

Activation

Organizational Behavior and Relationships

*"Its 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** of the folks that determine to continue, or stop, or start new ones..."*



- Indirect or limited relationship with Sponsoring entity
- Siloed Contracts, Budgets & Measurement
- Lack of Tools to track assets, business processes to review results
- Inappropriate behavior by leadership of either entity
 - Ex: Papa John's

Done
"To Them"
or
"For Them"



- Collaborative Working Relationship at Senior Levels between Property and Sponsor
 - Interim business updates on how sponsorship is performing to objectives
 - Parties work together on continuous improvement
- Cross-Functional Team with budget transparency, common objectives, tools to track assets and metrics
- Implementation of Measurement, Reporting Cadence to Senior Leaders & Business Processes

Done
"With Them"

Business Case Development

"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."



- Media equivalency is primary focus
 - Cost per Impression
 - Reach
 - Frequency
- Limited valuation of other assets or ROO measures
 - (Ex: What is a point of brand preference worth among the target audience?)



- Development of Proforma Results with Financial Return Estimates on total sponsorship
- Linkage of ROI and ROO Metrics
- Costs include Rights Fees, Media, Activation, Incremental Purchase Incentives, TV creative development, research and measurement
- Return estimates include the financial value of ROO measures, Direct Sales...
- Best & Worst Case Scenarios; Breakeven Analyses
- Non-sponsorship Alternatives are compared for both efficiency and effectiveness
- Business Case Assumptions become a component of measurement

Activation

"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..."

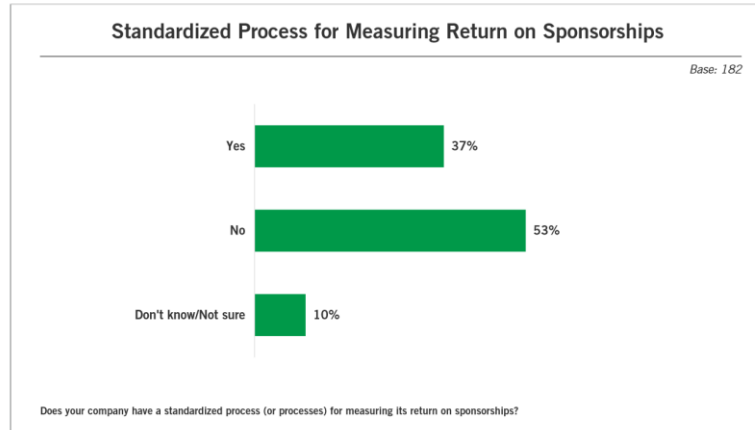


- Sponsorship Decision based on "Rights Fees" which provides access, though not business outcomes
- Lack of Activation budget estimates or commitment
- Activation "ROI" separate from Rights, Media
- Least expensive activation takes priority without testing appeal



- Activation Drives improved value
- Leverages Unique Messages and Capability of Sponsor (Acid Test)
- Breaks Thru Clutter of other Sponsors
- Budget for Activation Established when Sponsorship commitment is Made
- Pre-Testing of Activation Concepts to Optimize Cost/Potential Benefit
- While in progress, Test/Learn which components most efficiently deliver business outcomes
- Provide "flexibility" to capitalize on unforeseen circumstances (Ex: Olympic Torch Run)
- Active Social team while in Progress (ex: Tide Indy 500)
- Use Social & Digital to extend the length of sponsorship, decrease activation costs, create content as a means of engaging consumers

Measurement



“...despite the continued growth of sponsorship investment and the repeated sentiment from Marketers that there is a need for improved measurement and assessment of sponsorship’s business impact, there has been little progress toward this goal.”

Source: ANA/MASB Sponsorship Accountability Report, July 2018

Measurement

“That's something that we're also just getting into...They [attribution vender] are not just taking into consideration all of the different sponsorships that we have”



- Lack of Standardized Measurement Process
- Media Cost Equivalency, not linked to business outcomes
- Majority of Results reported involve Measures of Activity which may not be sustainable or translate to changes in attitudes and behaviors
 - Ex: Likes, Shares



- Measurement plan is based on Sponsorship Objectives, Business Case, KPI's.
 - Includes comparative benchmarks
 - Cost is part of Sponsorship
 - Occurs, pre, during and post
- Assistance from the Property is written into Sponsorship contract.
 - Ex: access to audience, third party providers, inclusion of specific questions, timing...
- Prior to contract signing, conduct primary research among fans to determine overlap with current customers, estimate incrementality and conversion potential
- Test and Control Cells aid measurement of Sponsorship in isolation
- Activation Concept Research
- Emerging interest in comparisons of differing sponsorships; guidelines for managing a portfolio of sponsorships

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*A Comparison of Actions
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Thank-you!



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