



MASB Sponsorship Accountability Metrics Project
Findings on Joint Industry Survey

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Sponsorship Accountability Issue Identified in Forbes-MASB Marketing Accountability Executive Forum (December 2017)



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*

*Marketing-Dictionary.org

Examples

Venue naming rights – State Farm: Glendale, Atlanta; Fiserv: Milwaukee

Music tour/event sponsorship such as Coachella and SXSW

American Express Small Business Saturday

USAA w/ Wounded Warrior Project; Komen Race for the Cure Sponsors

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

Red Bull Air Races and extreme sports events

Movies such as Nissan Rogue with Star Wars

Extensive Report of Joint Survey Research



IMPROVING SPONSORSHIP ACCOUNTABILITY METRICS

JULY 2018

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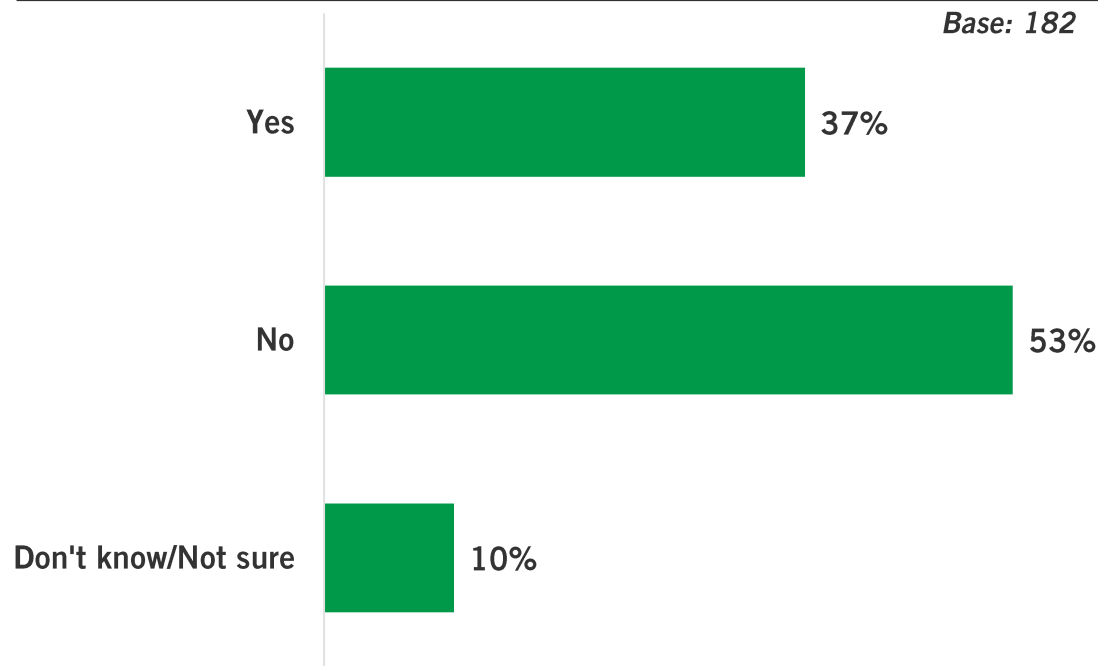
- **Dollars are substantial and growing**
 - 23.1 Billion NA (2017, ESP)
 - 62.7 Billion Global (2017, ESP)
 - Cause Sponsorship Over 2 Billion NA (2017, ESP)
- **Length of commitment offers 3+ years**
- **Historically sponsorships are “a little less measurable” (Denise Karkos, Accountable CMO)**

- **Starting point – two previous ANA surveys (2010 & 2013)**
- **Conducted new survey with similar questions**
- **Followed up with qualitative**
- **Used as beginning step for ‘roadmap’ on how to address**

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**

Over **60%** of Companies **Do Not Have** a Standardized Process for Measuring Return on Sponsorship Investments



This is out of companies with sponsorship activity 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?

Reported 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.”

Sponsorship Accountability Has Three Distinct Phases

1st Is **Media Equivalency** Which Solely Looks at **Quantity of Impressions** - Not Quality

Media
Equivalency



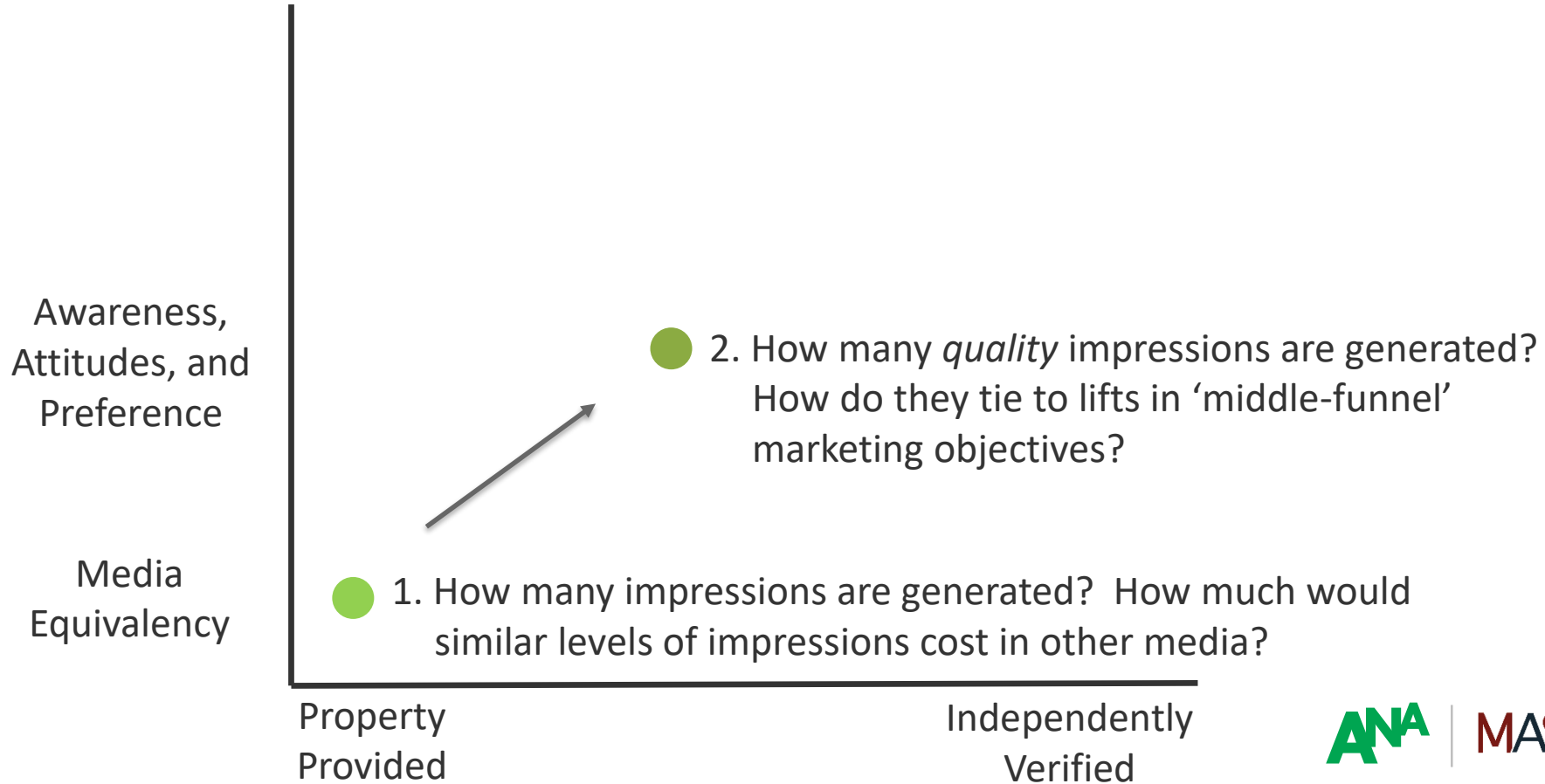
1. How many impressions are generated? How much would similar levels of impressions cost in other media?

Property
Provided

Independently
Verified

Sponsorship Accountability Has Three Distinct Phases

2nd Is **Measuring Quality** via Brand Awareness, Attitude & Preference Shifts



Brand Preference Should Be a Key Sponsorship Metric – Underutilized at 57%

	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%

- Three quarters of survey respondents reported using Awareness – it is the basic starting point for understanding sponsorship impact on brand
- Attitudes towards brand next in popularity as they often tie to specific campaign objectives
- Brand preference is highly valued for best tie to sales, but underutilized

18 months of Continuous Tracking

12 diverse categories, 120 brands

- Product prices from 30¢ to \$35K
- Few competing brands to highly fragmented
- Weekly purchase cycles to years
- Spontaneous purchase vs. deliberative with influencers

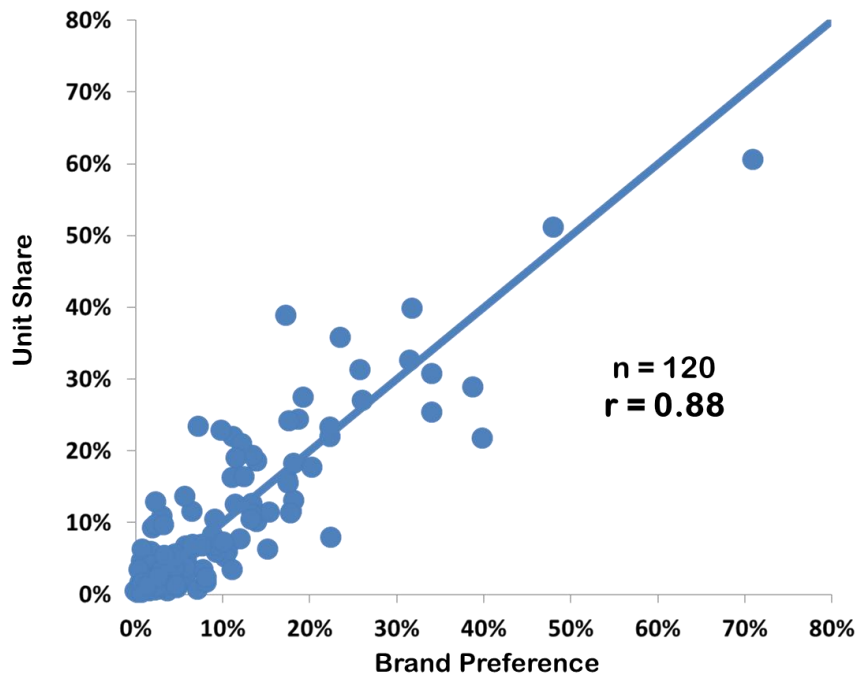
Financial and brand strength metrics

- Unit Share, Price, Distribution
- Awareness, Attitudes, and Brand Preference

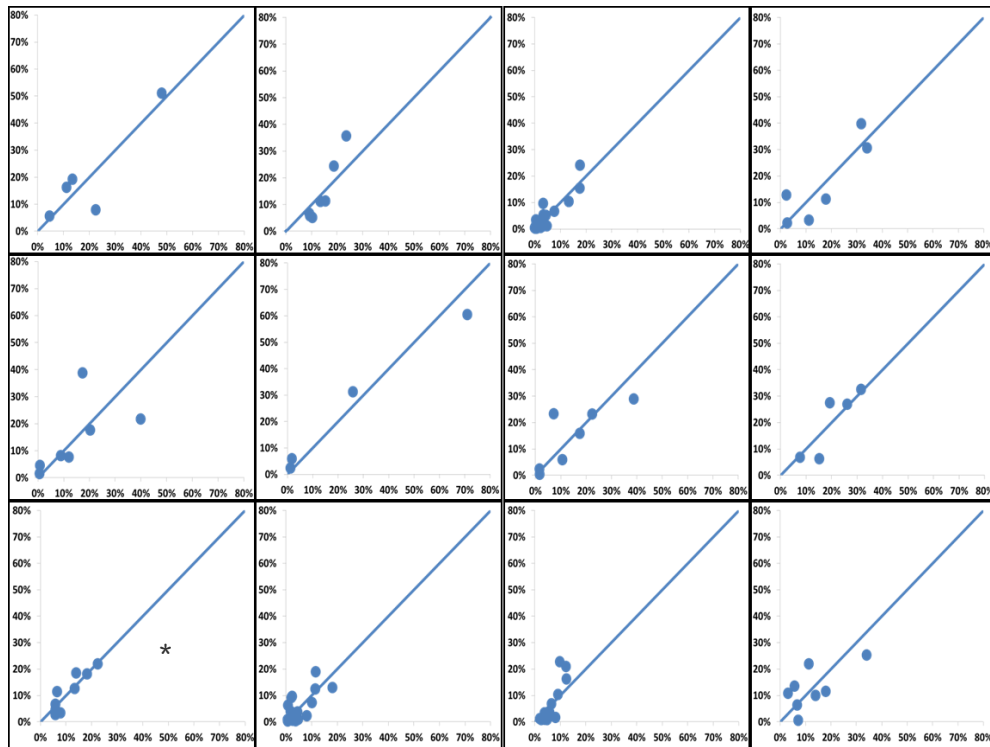
Robust samples (e.g. n=7,200 consumers for preference)

Brand Preference Plays Pivotal Role in Financial Outcomes from Brand Marketing

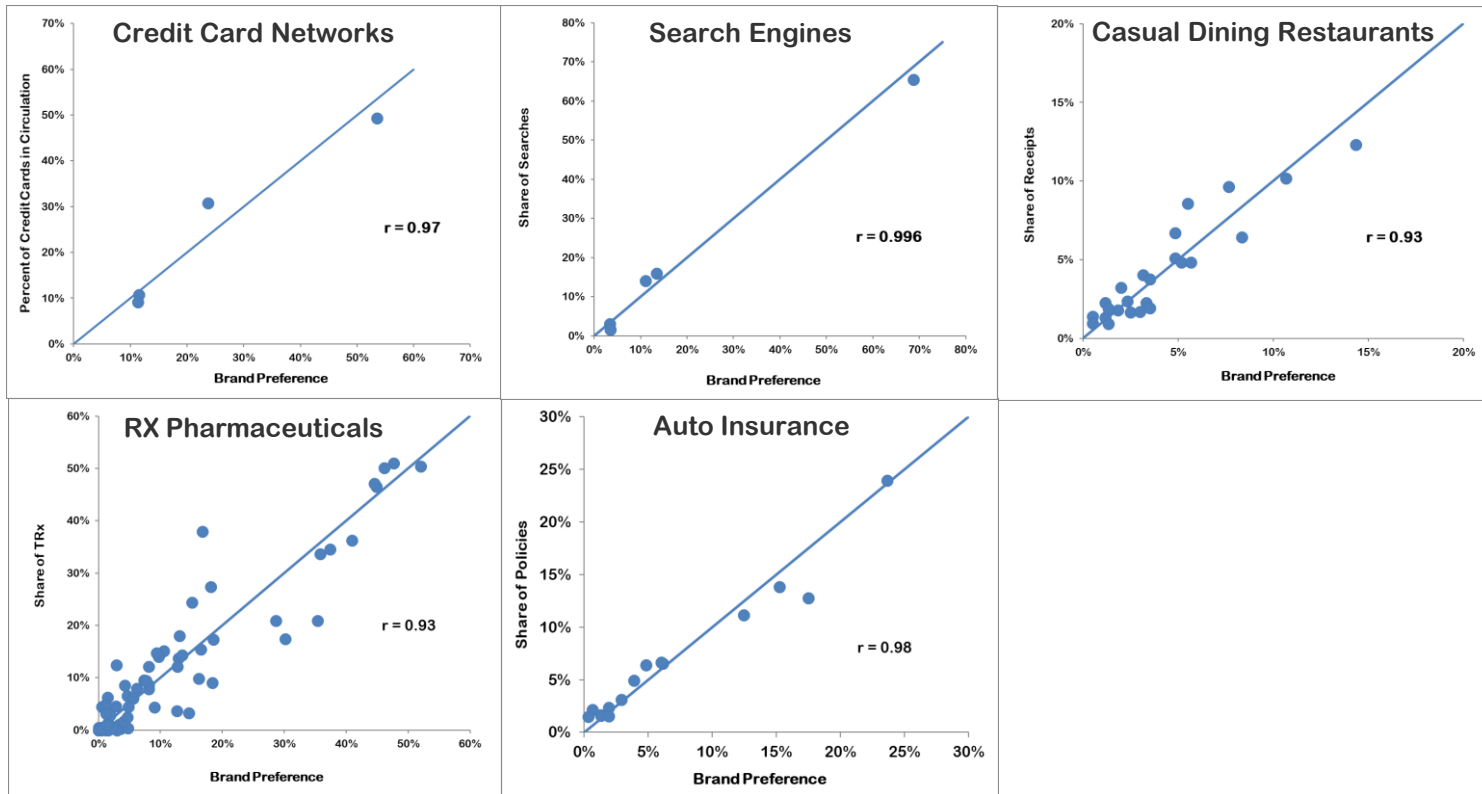
Across All Twelve Categories



Within Each Category



These Relationships Continue to be Validated in Additional Categories



Source: MSW•ARS Research *MASB's Game Changing Brand Investment and Valuation Project – Part IV* Nov. 2015



This Capability is Unique to Brand Preference, Provides Link from Marketing to Finance

	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%

- Of over 40 marketing measures examined, 7 showed substantive, consistent relationships
- Of these, brand preference not only showed strongest relation to share but also was shown to capture variance of other metrics – acting as a ‘cornerstone’ measure

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

*MSW-ARS Brand Preference

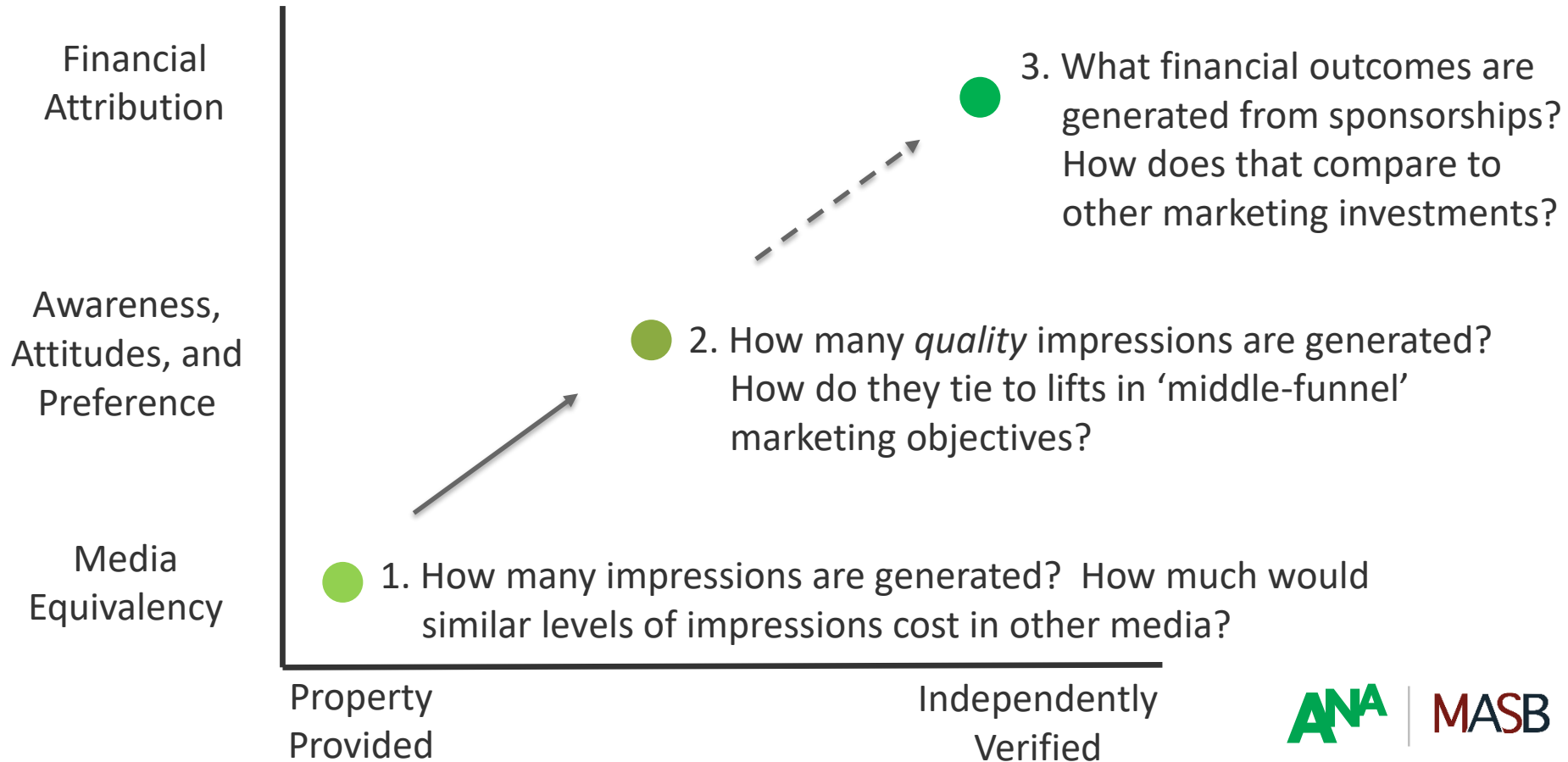


Note: Social Media Metrics are Available, but Reported as “Distracting Noise”

- **Social media exposure financial return and the amount of social media exposure (i.e., views, likes, shares) are metrics used by some marketers to measure sponsorships**
- **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**

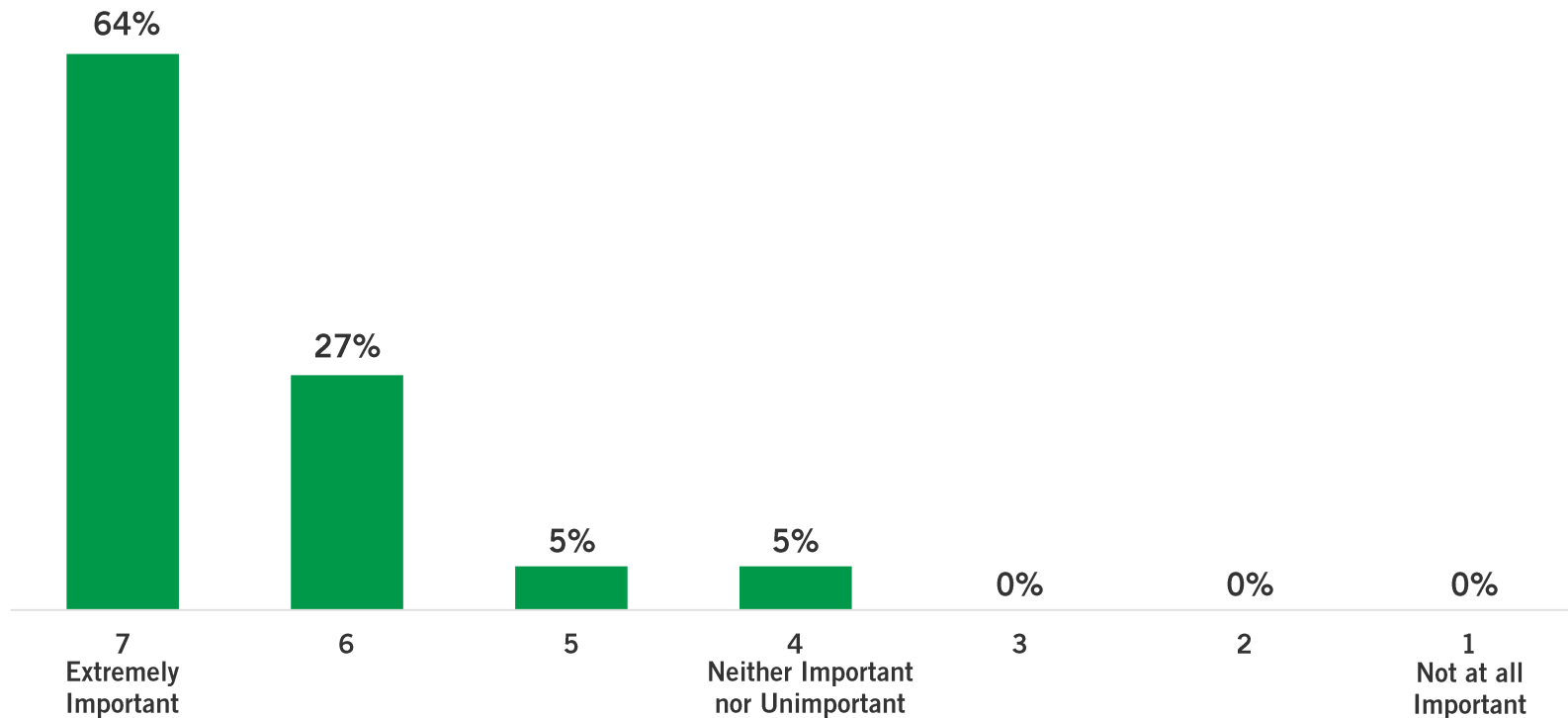
Sponsorship Accountability Has Three Distinct Phases

3rd Is **Measuring Financial Outcomes** Including vs. Other Marketing Investments



Performance Relative to Other Marketing Expenditures is “Extremely Important”

Base: 44



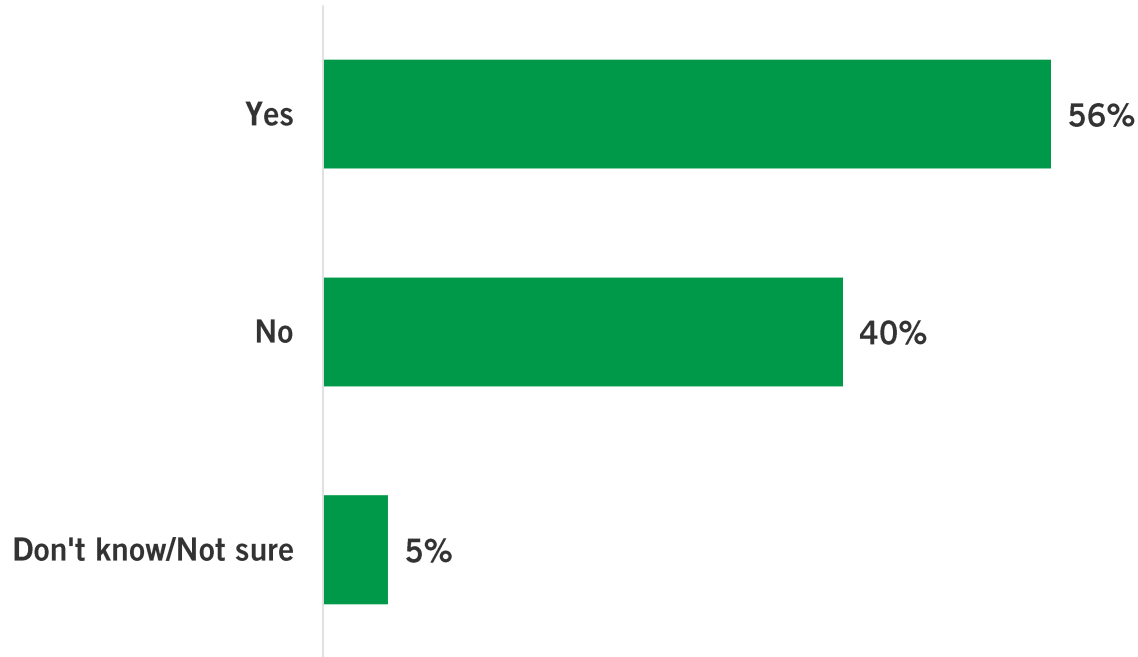
How important is it for your sponsorship measures to allow you to understand performance relative to other marketing expenditures?

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

Attribution Is a Challenge for Even Most Sophisticated

Only 56% Even Try to Isolate 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.

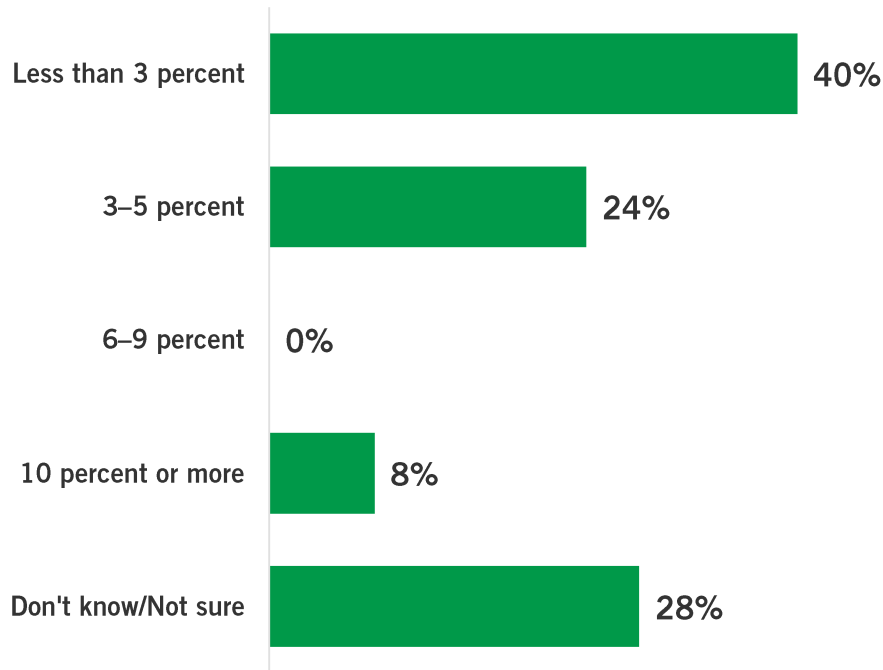
Yet, Sponsorship Accountability Data Is Now Reaching Highest Levels of Marketing Organization

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.”

Spending on Sponsorship Measurement as a Percentage of Sponsorship Rights Is Woefully Low and Hinders Resolving This Shortfall in Capabilities

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*

Measurement funding should be included as part of initial agreement of any sponsorship deal....

- Please email tony@themasb.org with 'Yea' or 'Nay'

Essential Roadmap Topics

- Objectives/measurements: support specific business challenge (e.g. maintaining awareness/preference in market to defend against potential new competitor)
- Brand Fit: Audience, Shared Values with Property, Synergistic Imagery, Ability to tell a bigger story, In Synch Seasonality, Retail Integration, Campaign Synergy
- Contract Structure: performance based incentives, customized package of assets and services, no fragmentation of rights/content that allows competitors to diffuse; renegotiation window timing
- Collaborative Working Relationship: senior levels between property and sponsor
- Activation: drives improved value, leverages unique messages

No Marketing Discussions are More Lively Than Those for Brand Sponsorships

Two Examples from the Last Week

State Farm “Names” Atlanta Hawks and Arizona Cardinals Venues



Colin Kaepernick included in Nike *Just Do It* celebration



Thank-you!