

KANTAR

Sponsorship Effectiveness & ROI

MASB Fall Summit 2022

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SPONSORSHIPS...

CREATE DYNAMIC PARTNERSHIPS TO DRIVE ONGOING ENGAGEMENT WITH CUSTOMERS

DRIVE CONNECTION WITH CONSUMERS THAT HELP BUILD AND SHIFT BRAND PERCEPTIONS

ARE A STRONG PLATFORM FOR RECRUITMENT AND TO DRIVE CONSUMPTION/USAGE & SALES

Strategic fit and consistency are key to successful sports and event sponsorship

Long term sponsorship in a compelling way to a relevant group (e.g. 'sports interested') builds brand equity – but it takes time, effort and consistency! It's a question of brand fit. The most appropriate sponsorships are the most effective, therefore it's crucial to find the perfect partner.

'Better impression of brand'

Appropriateness of sponsorship

Sponsorship alone is not enough – activation is key

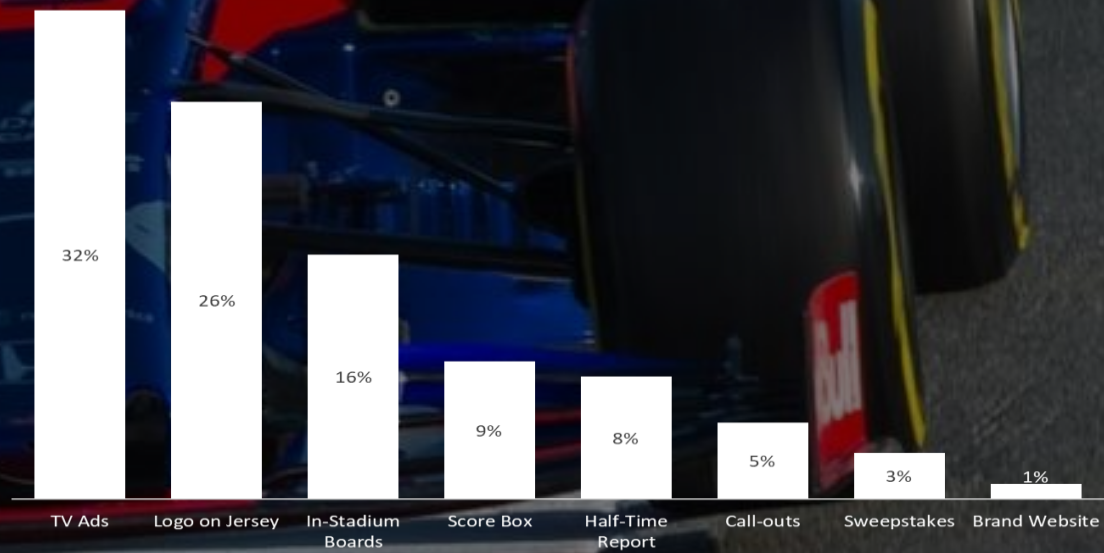
Activation is critical to successful sponsorships.

As a rule of thumb,

a minimum of 50% on top of the sponsorship fee is required

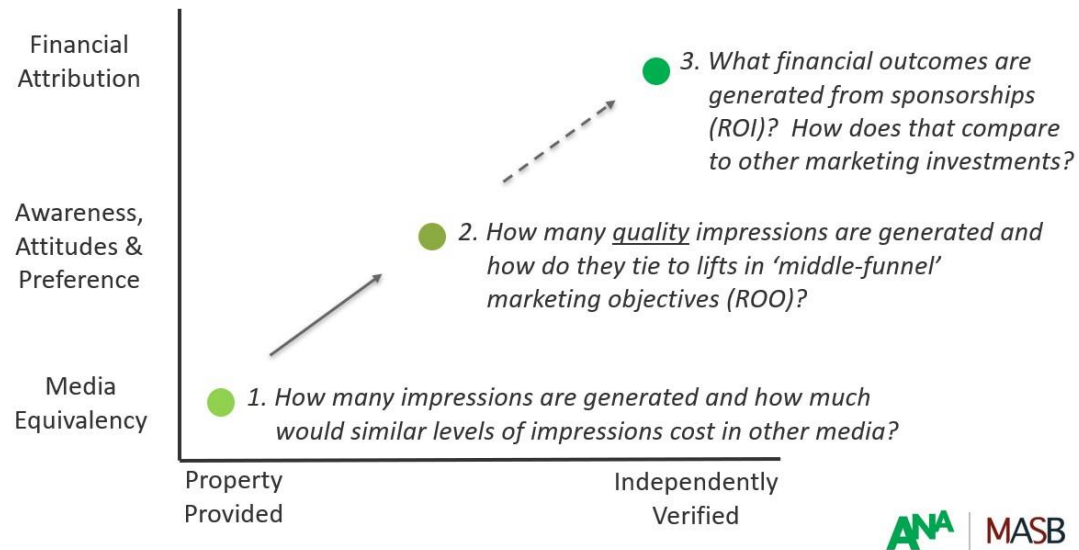
Activities can range from simple awareness building advertising, through to an integrated marketing plan built around the core sponsorship itself.

Sponsorship Asset Contribution | Brand X



Robust evaluation of sponsorship's effect is increasingly important as it almost always represents a longer-term investment than a brand marketing campaign

Sponsorship Accountability Is Moving Toward Financial Outcomes

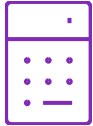


Understanding/Quantifying a sponsorship program's effectiveness over time helps inform strategic decisions leading to optimization, renewal or termination of a partnership

“Sponsorship is the area we spend most of our money on yet know the least about “

Kantar's Sponsorship Measurement Solutions

Traditional Measurement Tools



Sponsorship Valuation

Determine the value of the sponsorship inventory

- Tangible and intangible properties and assets
- Based on Brand Exposure metrics



Sponsorship Tracking

Regular monitoring of the assets of the sponsorship

Execution

- GRPs, Impressions
- In-Store/In-Venue activation
- Brand Exposure

KPIs

- Brand
- Engagement
- Consumption/ Usage
- Sales / Transactions

Return on Investment



Sponsorship Effectiveness

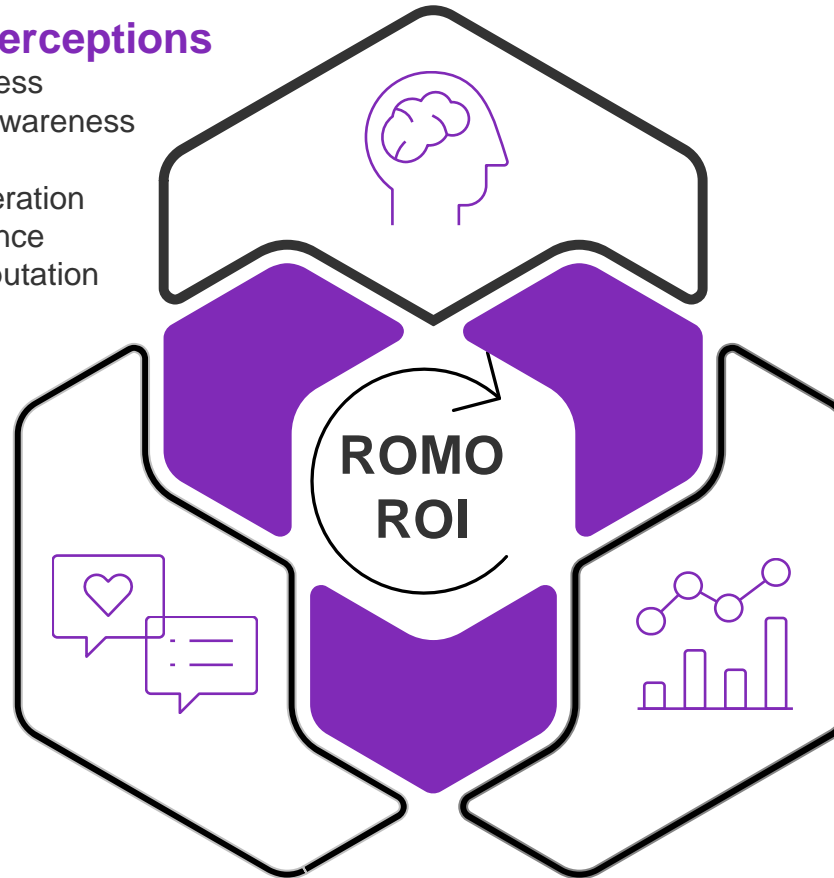
Assessment of the overall effectiveness of the sponsorship

- **Incremental \$ value driven by the sponsorship program**
- **Sponsorship ROI**
- Uplift on Brand Building and Engagement metrics / ROMO
- **Asset effectiveness (Incremental \$, ROI and ROMO)**
- Enable Negotiation & Activation

Kantar's Sponsorship Effectiveness Framework quantifies the impact of a sponsorship program on its core objectives...

Impact on Perceptions

- Brand Awareness
- Sponsorship Awareness
- Brand Image
- Brand Consideration
- Brand Preference
- Corporate Reputation



Impact on Revenue

- Sponsorship ROI
- Incremental sales / transactions driven by the sponsorship
- Impact on penetration / buy rate / incidence
- Sales uplifts due to in-store / in-venue activations

Impact on Engagement

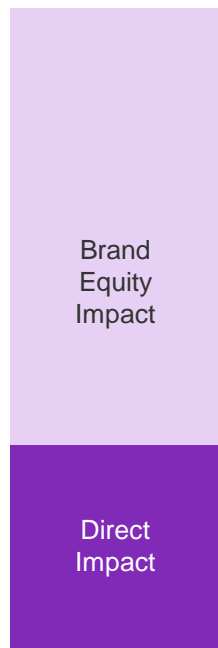
- Is the sponsorship campaign making fans interact more with the brand and the event?
- Consumer Interest (organic search)
- Are fans / consumers participating through social media?

The full value generated by a sponsorship is a combination of the immediate effects and the longer-term impact on brand perceptions and engagement amongst fans

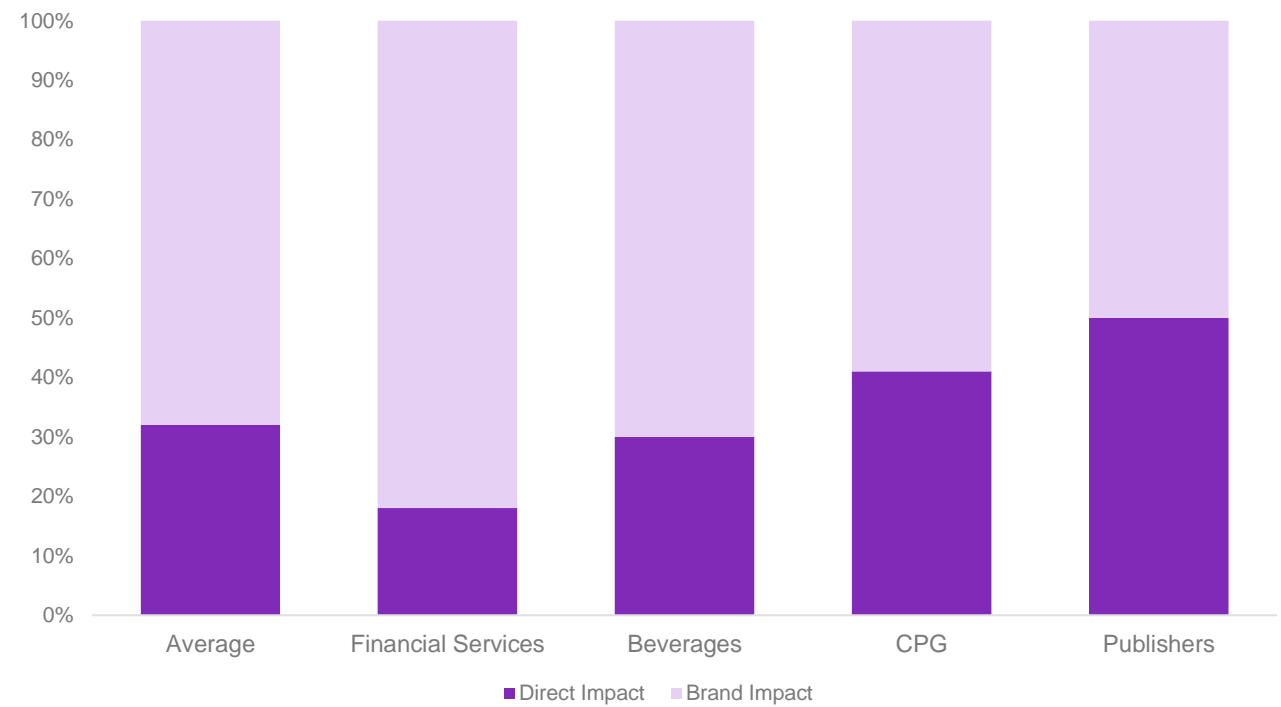
Evidence proves sponsorships can create awareness, promote brand associations and allow deeper consumer engagement that drive long-term effects on brands' consumption/usage.

These long-term effects from sponsorship programs are greater than the direct or immediate effects

Total Revenue Generated by the Sponsorship



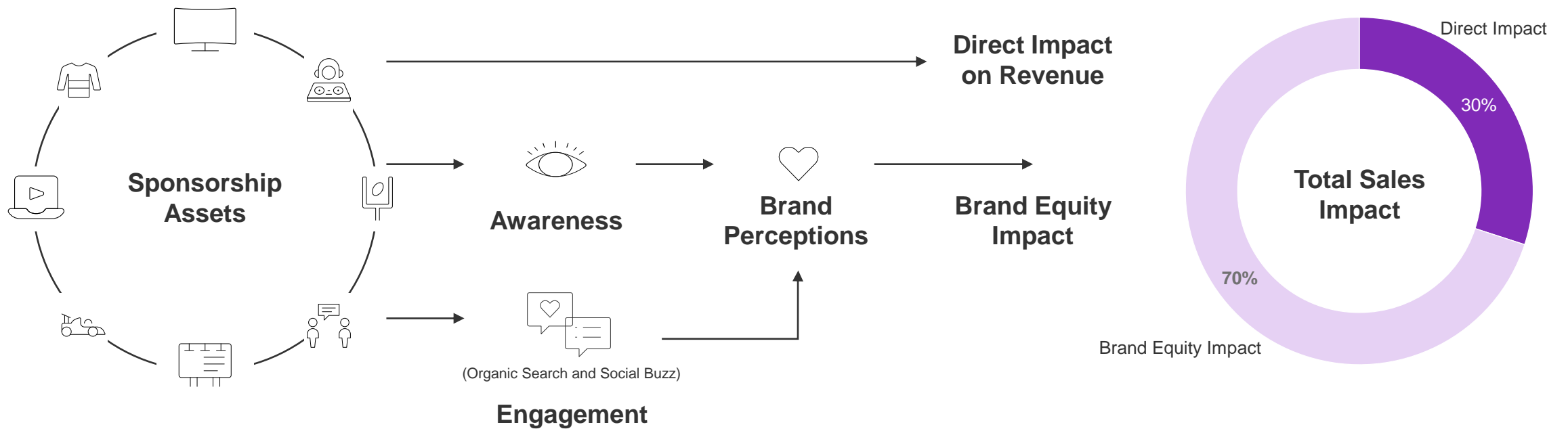
Total Sponsorship ROI



Source: Kantar's Sponsorship ROI normative database

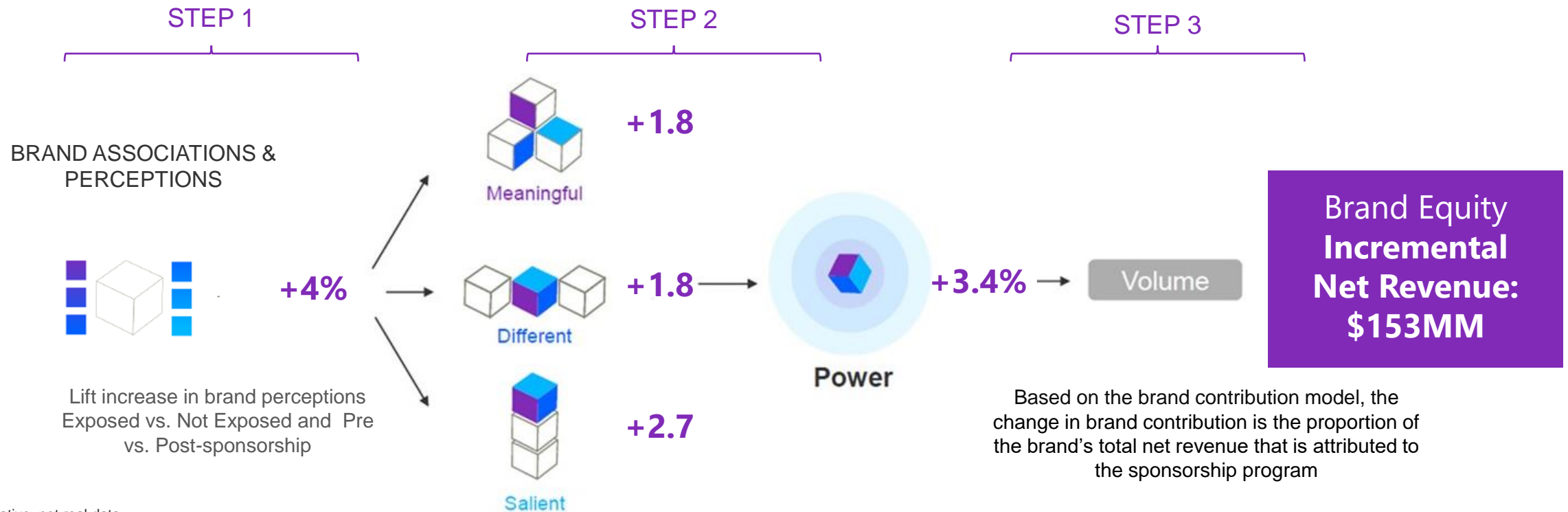
The effects of a sponsorship program are assessed from two lenses

- **Direct Impact** – Incremental revenue directly driven by the different assets activated in the sponsorship (based on econometric modelling)
- **Brand Equity Impact** – Indirect long-term effects of the sponsorship assets on a brand's revenue through changes in brand perceptions



Brand Equity Impact is calculated by leveraging Kantar's BrandZ™ valuation methodology

BrandZ™ valuations isolate the value generated by the strength of the brand alone in the minds of consumers. The **Brand Contribution** model quantifies the proportion of a brand's financial value that is driven by its equity, i.e. the ability of the brand to drive revenue by predisposing consumer to choose the brand over others or pay more for it, based purely on perceptions.



Illustrative, not real data

Super Bowl LIV – Auto Brand

‘Creative X’ | :60 | 2nd Quarter

ROI

2.03

Impact on Revenue

- 1.16% increase
- Investment \$11.2M

Ad Recall Ranking

16 (Ad Recall 32%)

| | Impact on Brand Perceptions | | Drivers of Impact | | | | | |
|------------------|-----------------------------|-----|-------------------|-------|--------|------|-------------|-------|
| Awareness | +16% | 96% | 18-34 | +25% | Female | +20% | Casual Fans | +23% |
| Affinity | +35% | 31% | 35-54 | +67% | Female | +45% | Avid Fans | +48% |
| Unique & Dynamic | +13% | 27% | 35-54 | +63% | Female | +45% | Avid Fans | +25% |
| Consideration | +59% | 35% | 35-54 | +100% | Male | +79% | Casual Fans | +108% |

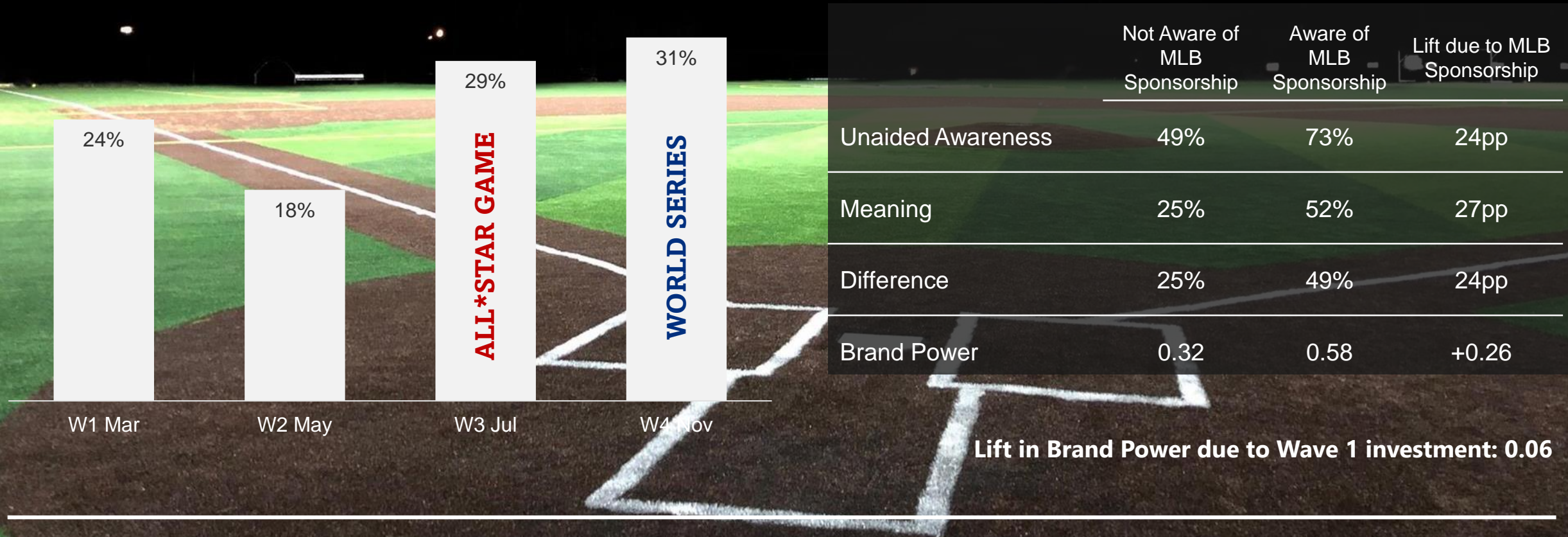
Brand Equity: **+3.20** percent points



Significant at 90% confidence level

Major Telco brand: MLB Sponsorship Awareness builds as the season progresses, by mid-season was at 29% and after the World Series it peaked at 31%

Brand X | Sponsorship Unaided Awareness



Estimated 2.6% lift in total revenue generated through the MLB sponsorship

Gross Margin ROI: \$3.1

Est. Sponsorship Investment \$120MM

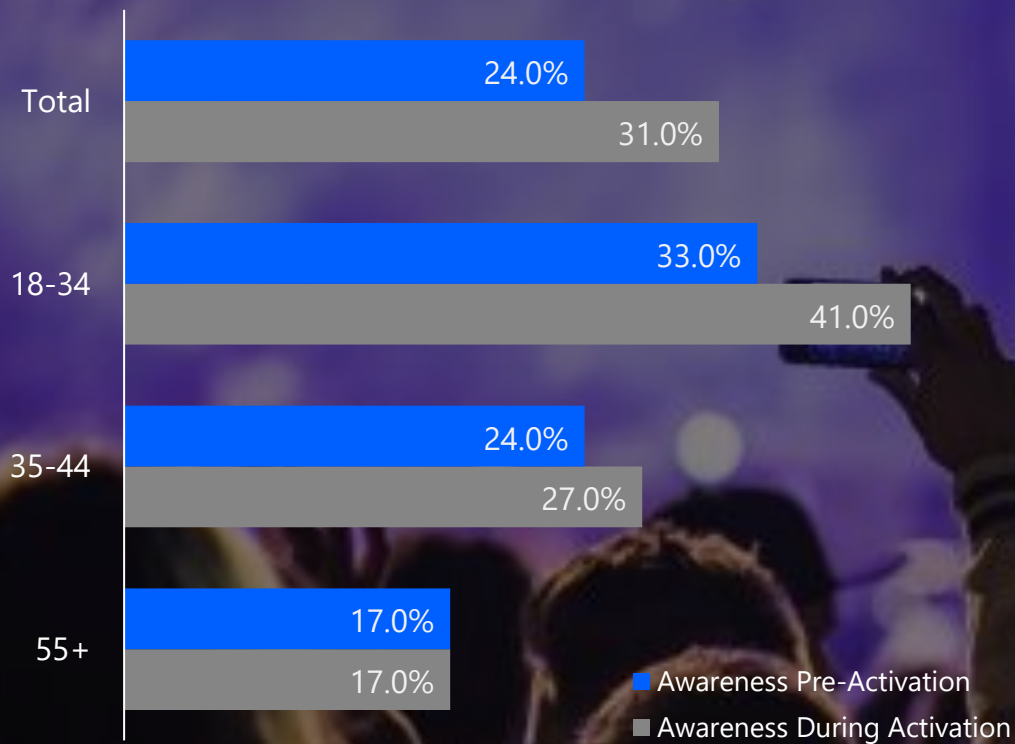


Incremental Revenue Lift
driven by MLB Sponsorship

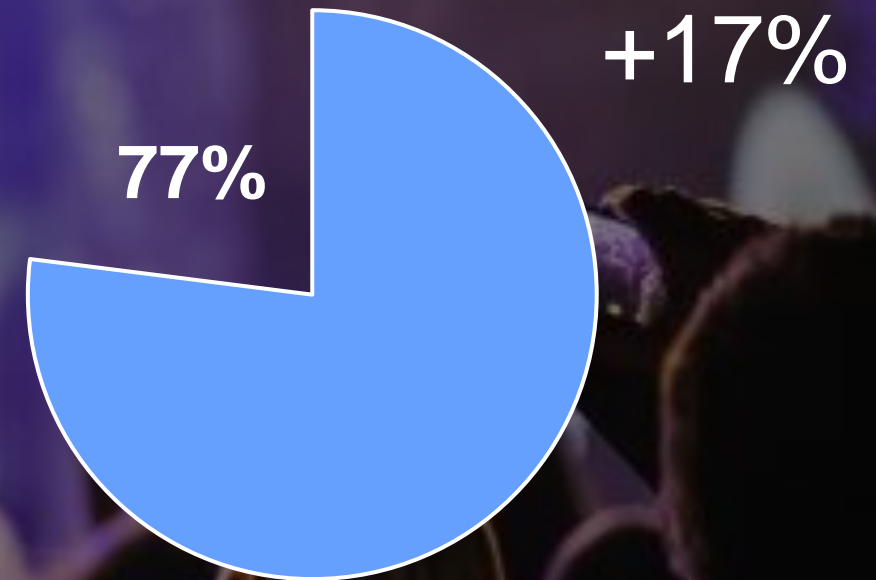
Adjusted for fans already aware of the sponsorship from previous season (newly aware)
MLB Avid fans 24%
MLB Casual fans 17%

Global Rewards Program Brand Awareness and Consideration increased due to the concert program, specially amongst the younger generations (ages 18 – 34)

Brand X | Awareness Concert Sponsorship
(% aware in each segment)



Brand X | Consideration



Fans that attended the event saw all key brand perceptions increase double digits vs. those that didn't attend the event

Brand X | Increase in Brand Perceptions Attended vs. Did not Attend | Total Respondents



Attended the Event

74%

Affinity



29%

Dynamic



70%

Unique



74%

Value

The event had a very positive impact on brand perceptions and drove a significant increase in Brand Power (+7.4pp), this impact translates as incremental revenue for the brand from consumers that attended the concert

Brand X | Increase in Brand Power
Attended vs. Not Attended (percent points)

+7.4pp

Brand Power is a key component of brand equity, it measures the revenue growth potential of a brand



Brand X | Concert Sponsorship
Impact on Annual Spend & ROI

Change in Brand Power +7.4pp

Lift on Revenue (Brand Contribution) +4.8%

Incremental Annual Revenue \$674K

Execution Costs \$241K

Event ROI \$2.80

Financial Services Brand Sponsorship Effectiveness Measurement



Objective: To quantify the impact on key brand perceptions and potential annual revenue driven by the different sponsorship programs activated throughout the year



Sponsorship Programs Performance: How well did the different sponsorship programs perform overall?

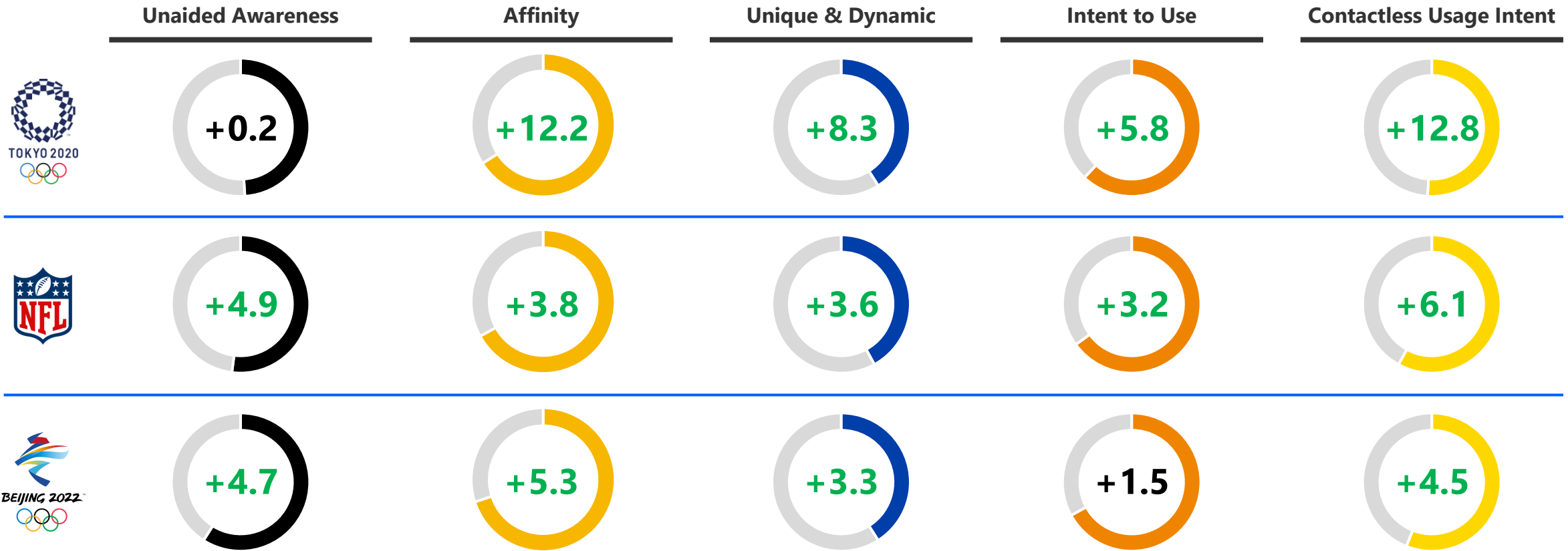
Sponsorship Impact on Brand and Business: How do these sponsorship programs impact key brand metrics and how does that brand impact translate to business metrics – expected net revenue and its return on investment?

Asset Impact: Which are the assets that drive the each of these sponsorships' brand impact for cardholders & non-cardholders?

Impact on GenZ and Younger Millennials: What is the impact of these sponsorship programs on the younger consumer groups (18-34)

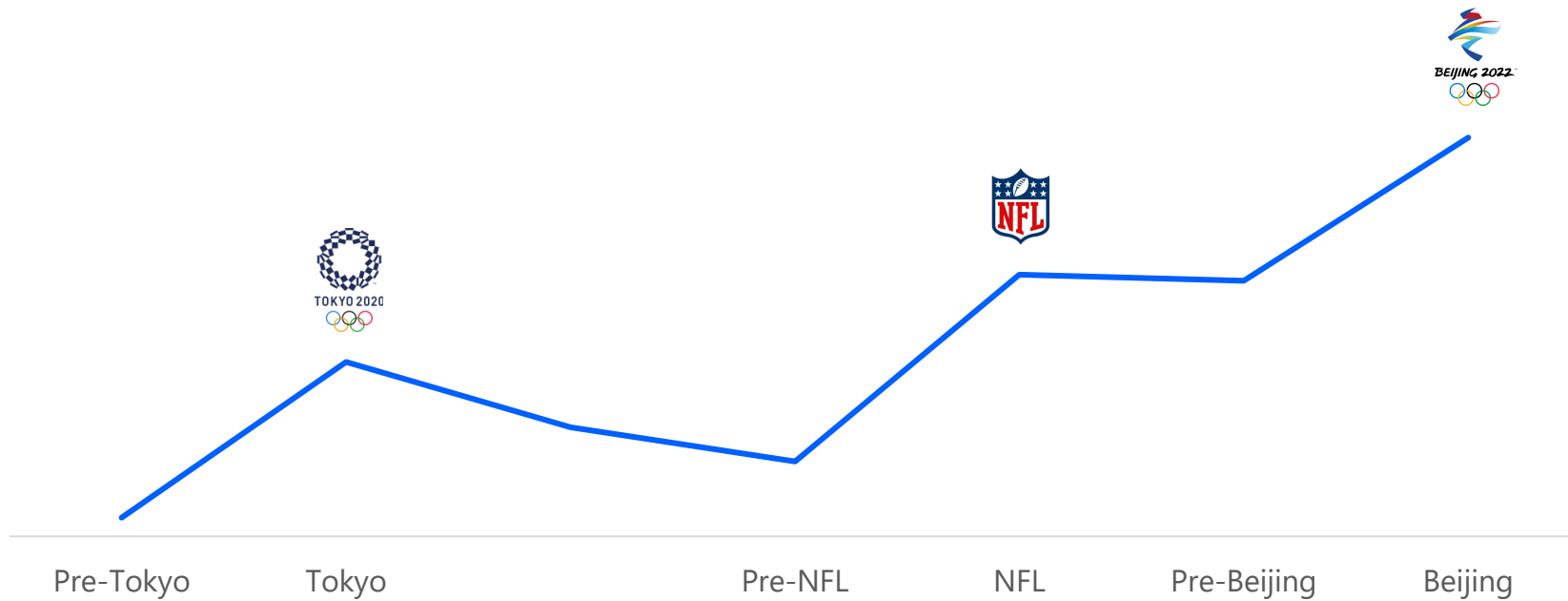
The three sponsorship programs drove positive impacts on different key brand metrics. The Tokyo Olympics sponsorship was the most effective across the board

Increase in Brand Perceptions Pre vs. Post – Among Total



Continuous execution of the sponsorship programs (Tokyo, NFL, Beijing) was key to build brand impact on top of the previous activation maximizing their impact.

Brand X Brand Power – Sponsorship Programs



The three sponsorship programs combined significantly increased Brand X's Brand Power

Consistent messaging through the Tokyo Olympics, the 2021 NFL, and the Beijing Winter Olympics sponsorship programs was key to the effectiveness of these activations

The sponsorship programs evaluated had strong ROIs and were very effective at driving brand perceptions and equity as well as incremental net revenue for Brand X

Brand X | US Sponsorship Impact on Brand and ROI



Brand Impact
(Brand Power)

+10.0%

+7.1%

+7.9%

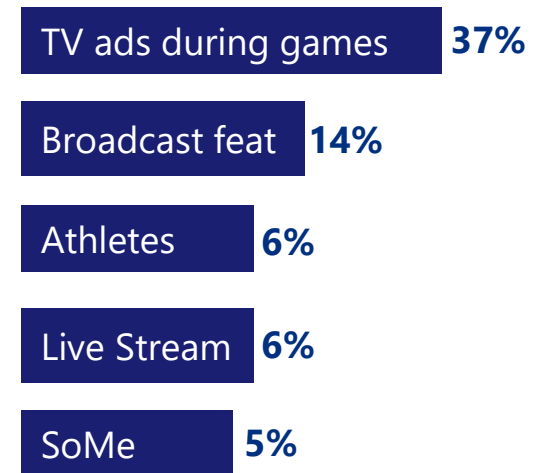
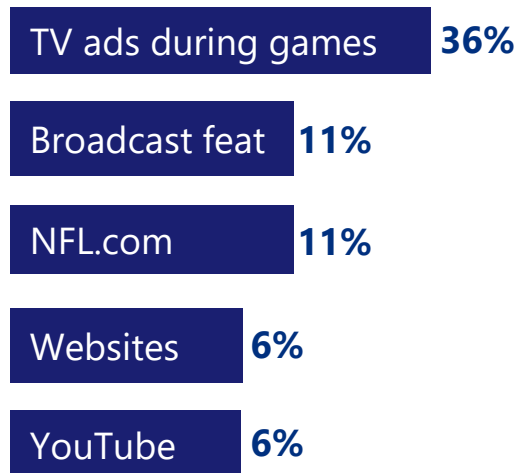
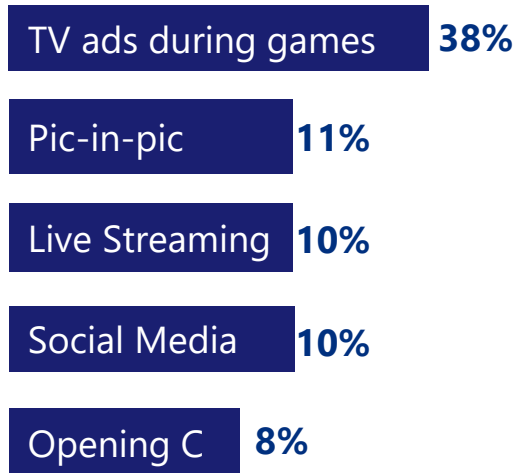
Sponsorship ROI

\$3.0

\$2.7

\$2.2

Broadcasting assets (TV ads, call-outs, picture-in-picture, etc.) are the main drivers of the impact of the different Brand X sponsorship programs; Live streaming and social media platforms are also key for Olympics programs



Key takeaways...

Sponsorships can and do affect brand value

Sponsorship long-term effects are greater

Sponsorship alone is not enough – activation is key

Understanding and quantifying the impact and ROI of sponsorship programs enable brands to improve and optimize their activations

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