

Sponsorship Accountability

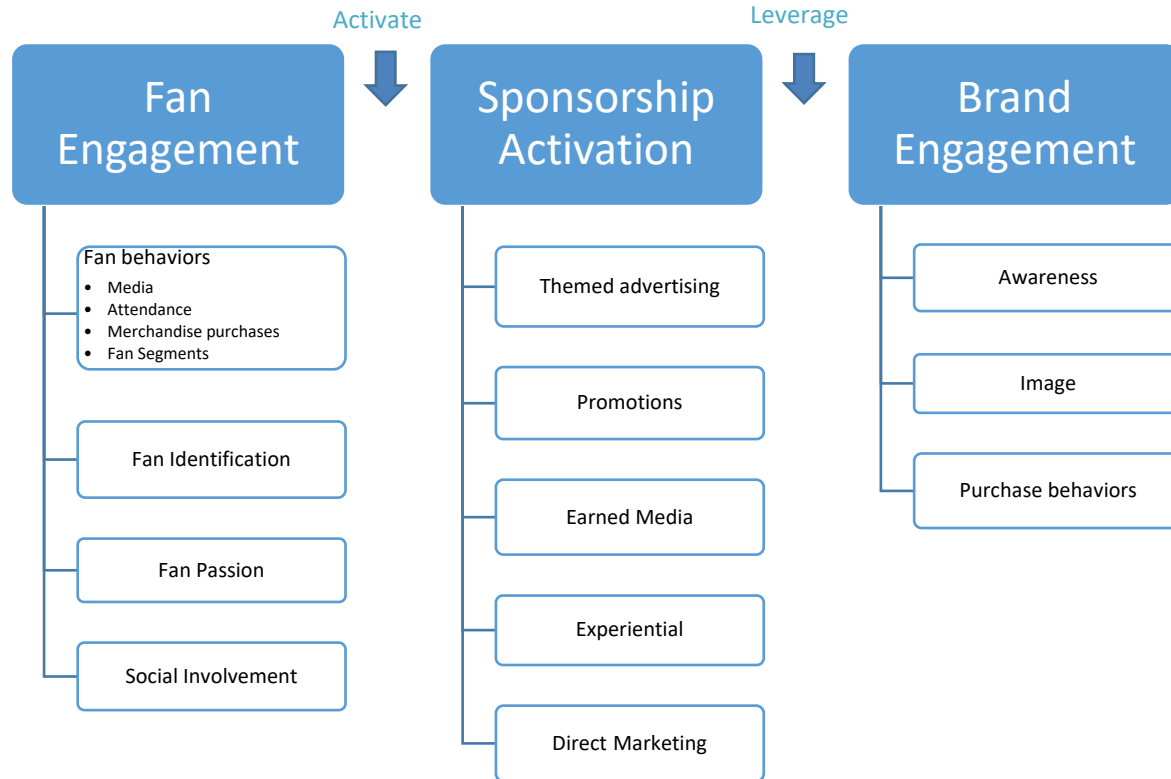
The Power of Synergy

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Main Takeaways

- Fan engagement is multi-dimensional; so are fans
- Time to take media 'value' off the table, and move past awareness as a unit of analysis
- Authenticity amplifies activation
- It's all about the activation—synergy across planks drives outcomes
- Build brands. Don't just chase sales.

Fundamental Approach to Sponsorship Measurement



Fan Engagement

Indianapolis Sports Fans

IU Football	.793				
IU Basketball	.803				
ND Football	.765				
ND Basketball	.777				
Roller Girls	.725				
Indians	.586				
Fuel	.806				
Indy Eleven	.774				
Colts		.735			
Pacers		.650			
Fever		.611			
Purdue Football			.923		
Purdue Basketball			.913		
Indy 500				.836	
Brickyard				.827	

% Variance 18% 16% 14% 13% 10%

Which sponsorships reach new fans?

Which reach the same fans with greater frequency?

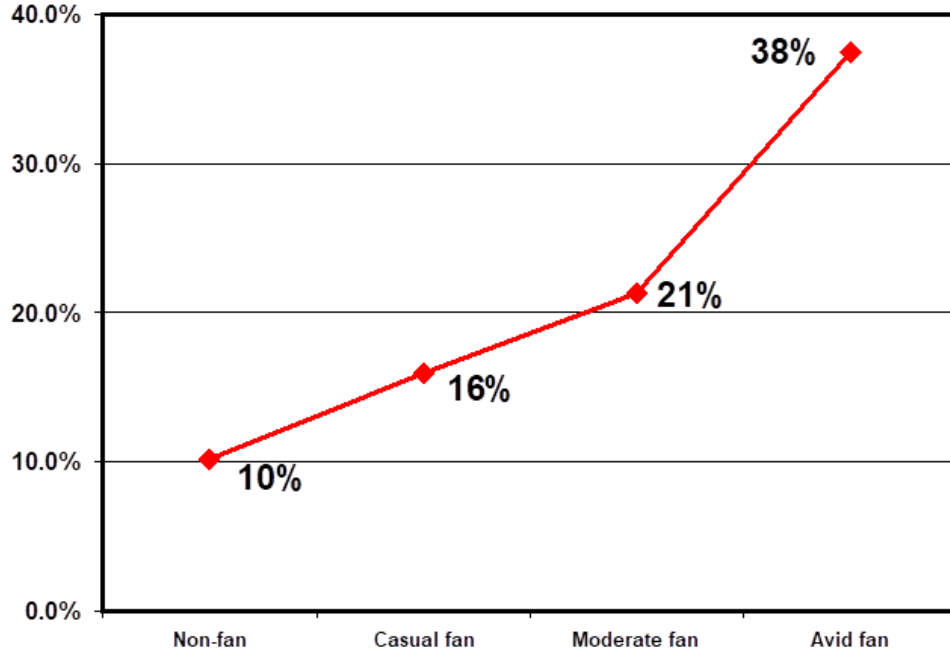
Sponsors need to understand how properties are related to maximize reach.

Measuring Fan Engagement

- Behaviors
 - Fan behaviors (media, attendance, etc.)
 - Heavy users are heavy users
 - Purchase behaviors, including volume
- Passion
 - Important predictor of sponsorship effectiveness, especially for emotions that aren't supported by behaviors
- Fan Identification
 - Psychological commitment predicts length of relationship.
 - Important because sponsorship build equity over time
- Social engagement
 - Media isn't social; people are.
 - Strongest predictor of fan behaviors.

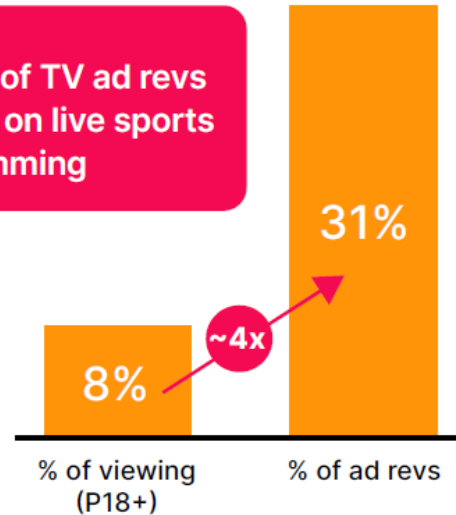
Engagement drives outcomes

Sports Fans like advertising more



Ad revs punch 4x above time spent in the U.S.

1/3 of TV ad revs depend on live sports programming



Source: Nielsen TV Data Q2'20-Q2'21, Nielsen AdIntel Q2'20-Q2'21, U.S.

Sponsorship is more than an integrated media buy

	Final Beta ^a	R-Squared
<i>Demographics</i>		.051***
Gender ^b	.12**	
Age	-.14***	
Education	-.09*	
Income	.03	
Race/ethnicity ^c	.10**	
<i>Cross media behaviors</i>	.12**	.132***
<i>Emotional engagement with sports</i>	.31***	.195***

^aBeta weights from final regression equation with all variables included

^bCoded as 1 = male, 2 = female

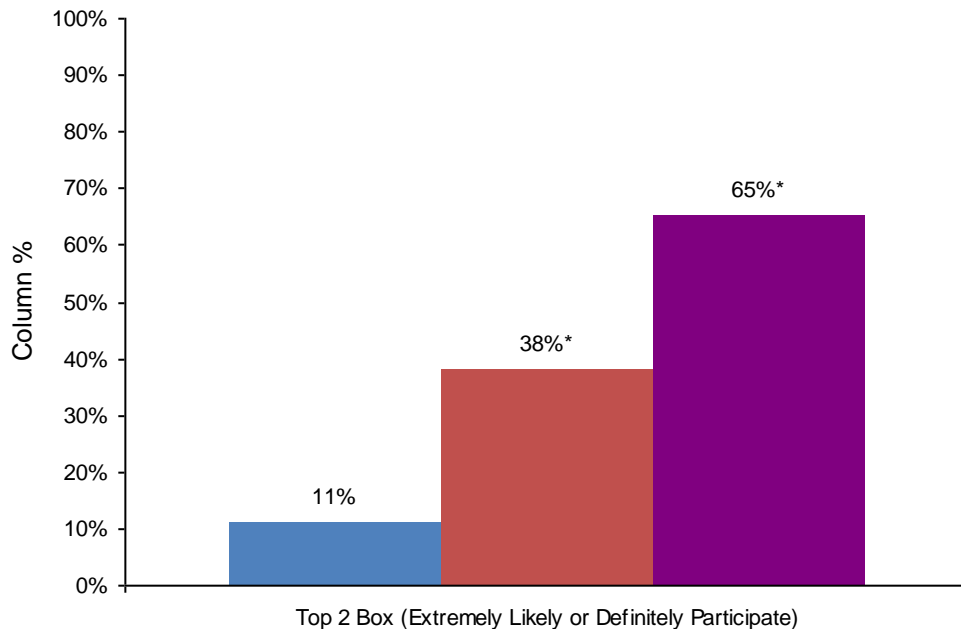
^cDummy variable coded as 1 = Nonwhite

* $p < .05$, ** $p < .01$, *** $p < .001$

Sponsorship is more than advertising

Highly engaged baseball fans are more likely to participate in sponsors' promotions

■ Lo Engagement ■ Mod. Engagement ■ Hi Engagement



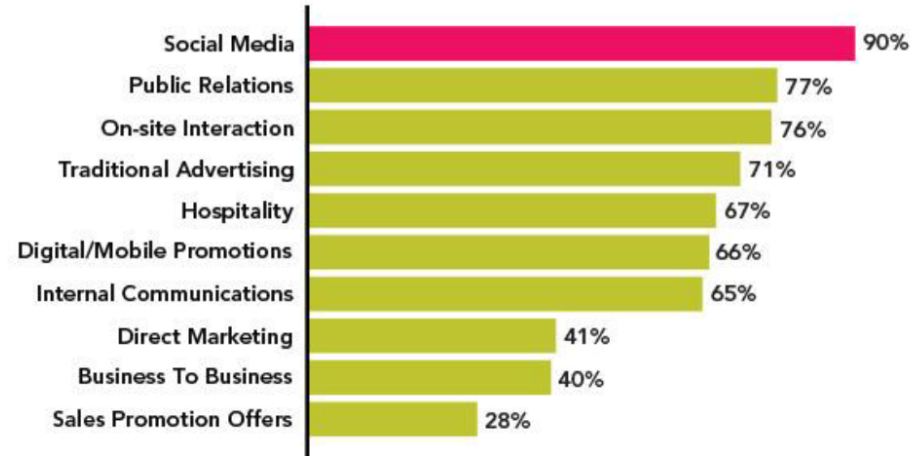
Source: SRS Baseball Sponsorship Study (n = 1000 baseball fans)

The Power of Synergy

Sponsorship entails multiple activation planks

- How do sponsors activate?
 - In what combination?
 - In what proportion?
- Which activations support which objectives?
 - Brand building
 - Sales activation
- Where does sponsorship work best?
 - Upper funnel
 - Lower funnel
 - Equal

WHAT CHANNELS DO YOU USE TO LEVERAGE YOUR SPONSORSHIPS?

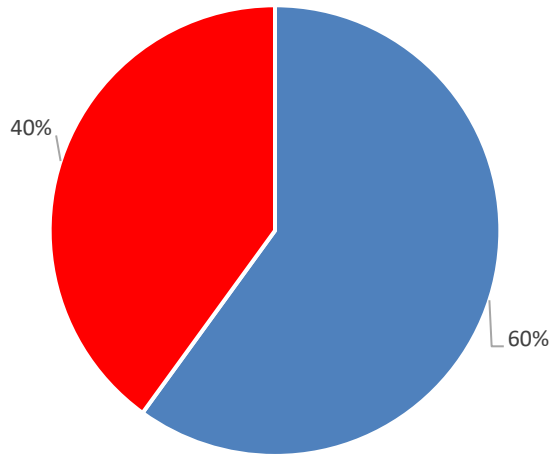


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

How to build brands: What marketers already know

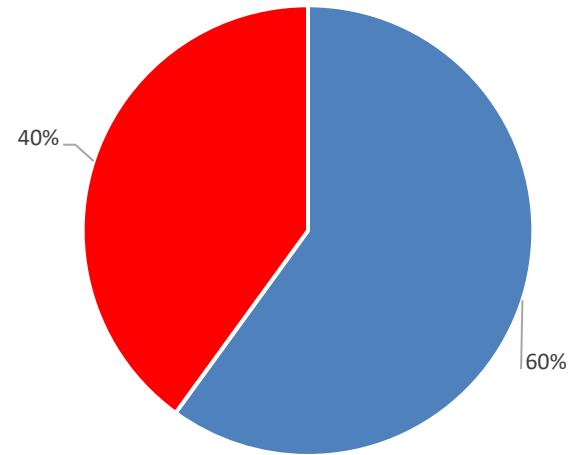
1984



■ "Other" ■ Advertising

Quelch et al. (1984)

2003



■ "Other" ■ Advertising

London Business School, Marketing Expenditure Trends 2003

BTL: “The more the merrier”

Increased Efficiency and Effectiveness

Table 47: Multi-channel campaigns are more efficient

	Channels used	
	Traditional advertising alone	Advertising plus other channels
Average SOM gain per 10% points excess SOV	1.1%	2.6%

Source: Binet and Fields, *Marketing in the Era of Accountability*

Table 48: Effectiveness rises with the number of BTL channels

	1	2	3	4+
Effectiveness success rate	55% (–)	65%	59%	80% (++)

Source: Binet and Fields, *Marketing in the Era of Accountability*

Full-Funnel Sponsorship-linked Campaigns

Sales promotion and Direct Marketing drive hard business effects (lower funnel) when combined with advertising.

Sponsorship and PR drive soft business effects (upper funnel) when combined with advertising.

However, sponsorship can provide a lift to marketing communications throughout the funnel.

FIGURE 4 Total effects – % showing very large hard business effect

	Advertising only	Advertising & web	Advertising & DM	Advertising & sales promotion	Advertising & sponsorship	Advertising & PR
Cases in the databank	51	161	90	82	57	120
Very large hard business effect	71%	71%	77%	84%	74%	70%

Source: Kate Cox, *Integrated Channel Planning: Effective Integration*

FIGURE 5 Total effects – % showing very large soft business effect

	Advertising only	Advertising & web	Advertising & DM	Advertising & sales promotion	Advertising & sponsorship	Advertising & PR
Cases in the databank	51	161	90	82	57	120
Very large soft effect	57%	65%	61%	68%	72%	70%

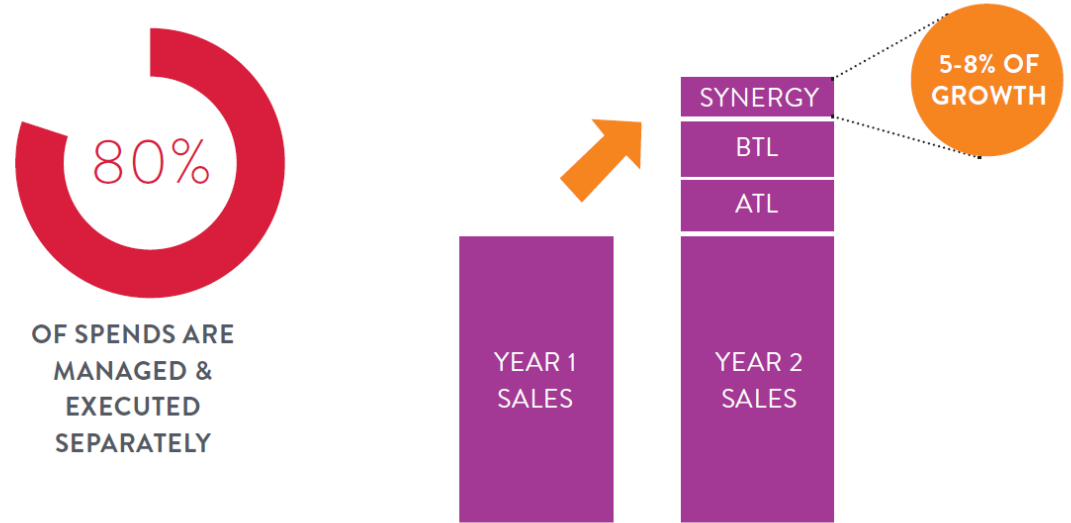
Source: Kate Cox, *Integrated Channel Planning: Effective Integration*

Integration works but most brands don't do it

A Nielsen study in India found 5-8% growth from simply coordinating the timing between paid advertising and in-store promotions. However, only 20% of spends were integrated.

More recently, a System1 analysis of their database found only 5% of ads integrated sponsorship IP and 12.5% were sports-themed, despite a substantial increase in effectiveness for ads using sponsorship assets.

Sponsorship has gained a focus on experiential and social because it's ownable by the vertical. Access to media budgets remains a challenge.



Source: Bhalla and Goel (2014) “Seven steps to unlocking marketing effectiveness”

Media “Value”

Media “Value”

Advertising equivalencies as a method of evaluating sponsorship have been questioned since at least 1984 (Hastings, “Sponsorship works differently from advertising”).

AMEC called for a ban on using ad equivalencies to evaluate earned media in 2012

Media impressions are rigorously measured. Advertising equivalencies are accurate. Media “value” is simply made up.

Evaluation of sponsorship-linked marketing can benefit by comparison to advertising. However, comparison of sponsorship-linked marketing to advertising for valuation purposes is inappropriate. When sponsors say they received 100,000 impressions for \$10,000 in sponsorship where by comparison “the same” 100,000 impression would have cost \$100,000 in the media, they are really saying, “We bought 100,000 oranges for \$10,000 and we would like to compare it to the 100,000 apples that we did not buy for \$100,000.”

Cornwell, 1995

Signage v. No Signage

Maxwell and Lough compared sponsorship identification for sponsors in an arena without signage, and one with signage.

Average identification rates were less than 2 percentage points higher for sponsors in the signage arena.

Table 1.
Percentage of Spectators Correctly Identifying Official Sponsors in Arena without Signage (N = 351)

Official Sponsor	% of Spectators Correctly Identified
Chick-Fil-A	79.13
Varsity Shop	67.48
Boling Laser Center	63.59
SB Orthopedic	62.62
NDFCU	49.51
Meijer	47.82
Papa John's	45.39
Papa Vino's	41.26
Between the Buns	39.81
Coke	28.40
Allegiant Air	26.46
Chevy	25.00
St. Joe Regional	22.33

Maxwell and Lough, 2009

Table 2.
Percentage of Spectators Correctly Identifying Official Sponsors in Arena with Signage (N = 373)

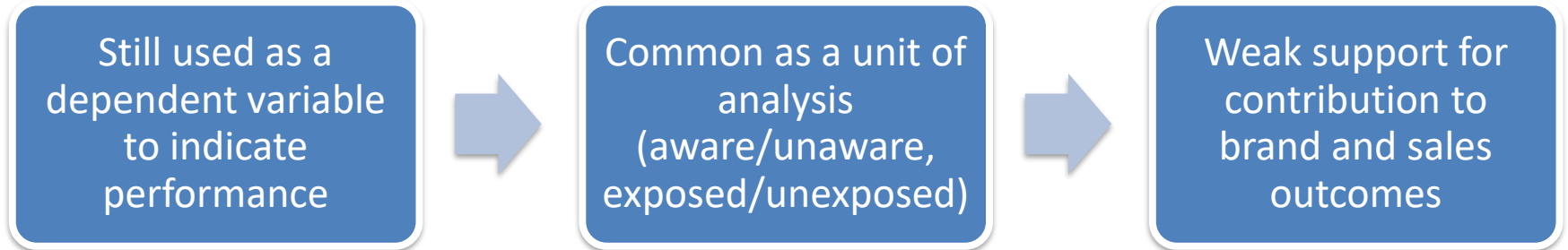
Official Sponsor	% of Spectators Correctly Identified
Subway	68.26
Star Tribune	57.78
Papa John's	48.50
MN Lynx	45.51
Fox Sports	42.22
Holiday Superstores	41.32
Guidant	41.32
Coke	33.83
Leaning Tower of Pizza	33.23
Roseville Visitor Center	32.93
McDonalds	32.34
Chipotle	29.04
Pizza Hut	29.04
MN State Lotto	28.14
Verizon	25.15

So, why do I need signage?

- Good question
- Synergy with other activations
 - Broadcast advertising
 - On-site experiential
 - Point-of-sale
 - Digital promotions

Sponsorship Awareness

Sponsorship Awareness



Exposure and Awareness are weak predictors of brand outcomes

Exposure

Awareness

Figure 1. Brand Image by Media Exposure

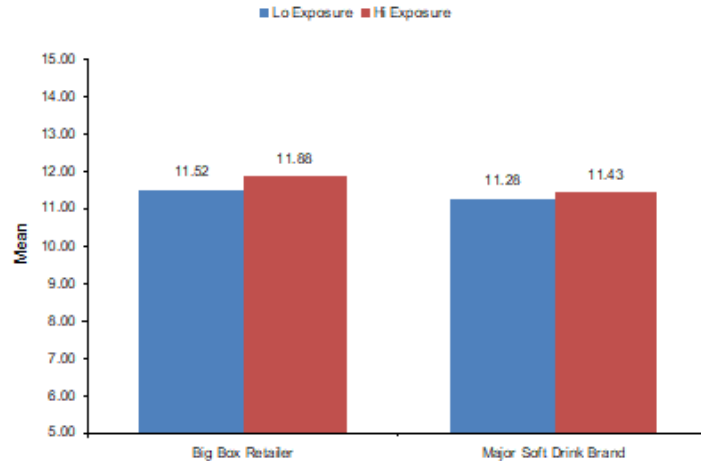
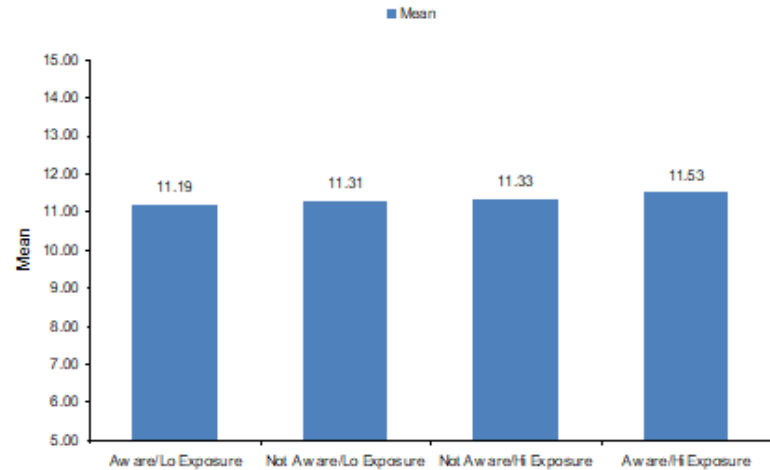
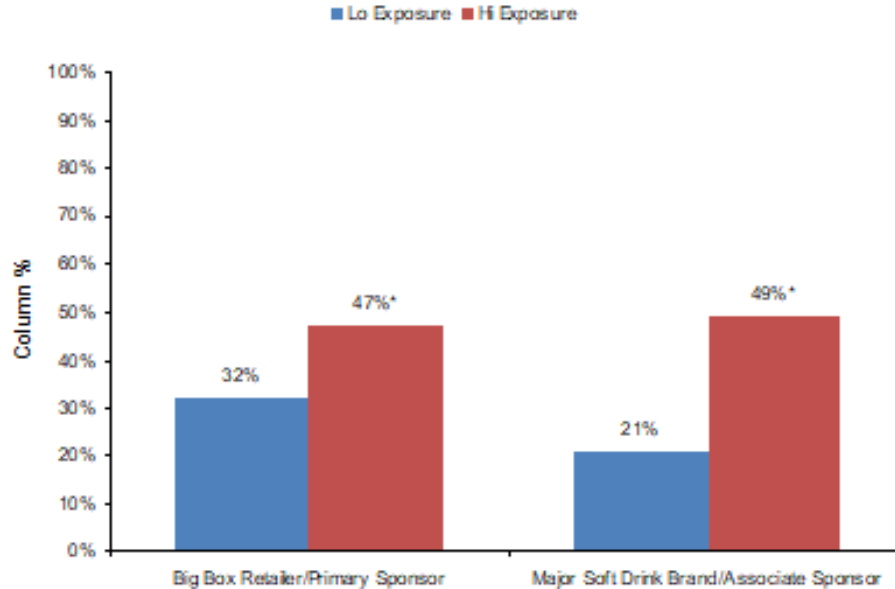


Figure 2. Brand Image by Awareness and Media Exposure
Major Soft Drink Brand



Exposure Linked to Awareness

Figure 5. Sponsorship Awareness by Media Exposure



Awareness is a Catalyst for Activation*

Advertising Engagement

Promotional Engagement

Figure 6. Advertising Engagement by Awareness
Big Box Retailer

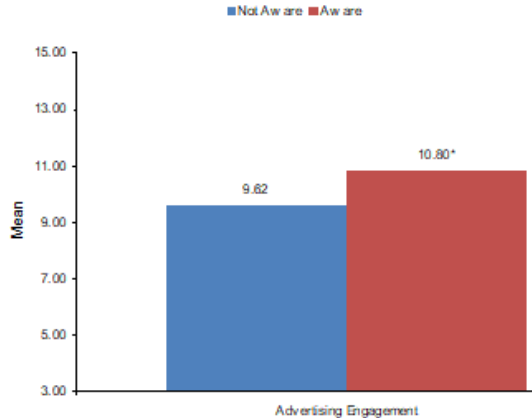
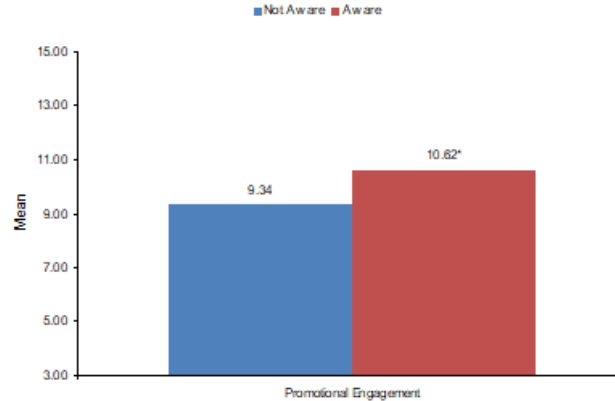


Figure 7. Promotional Engagement by Awareness
Major Soft Drink Brand



*Works for exposure, too

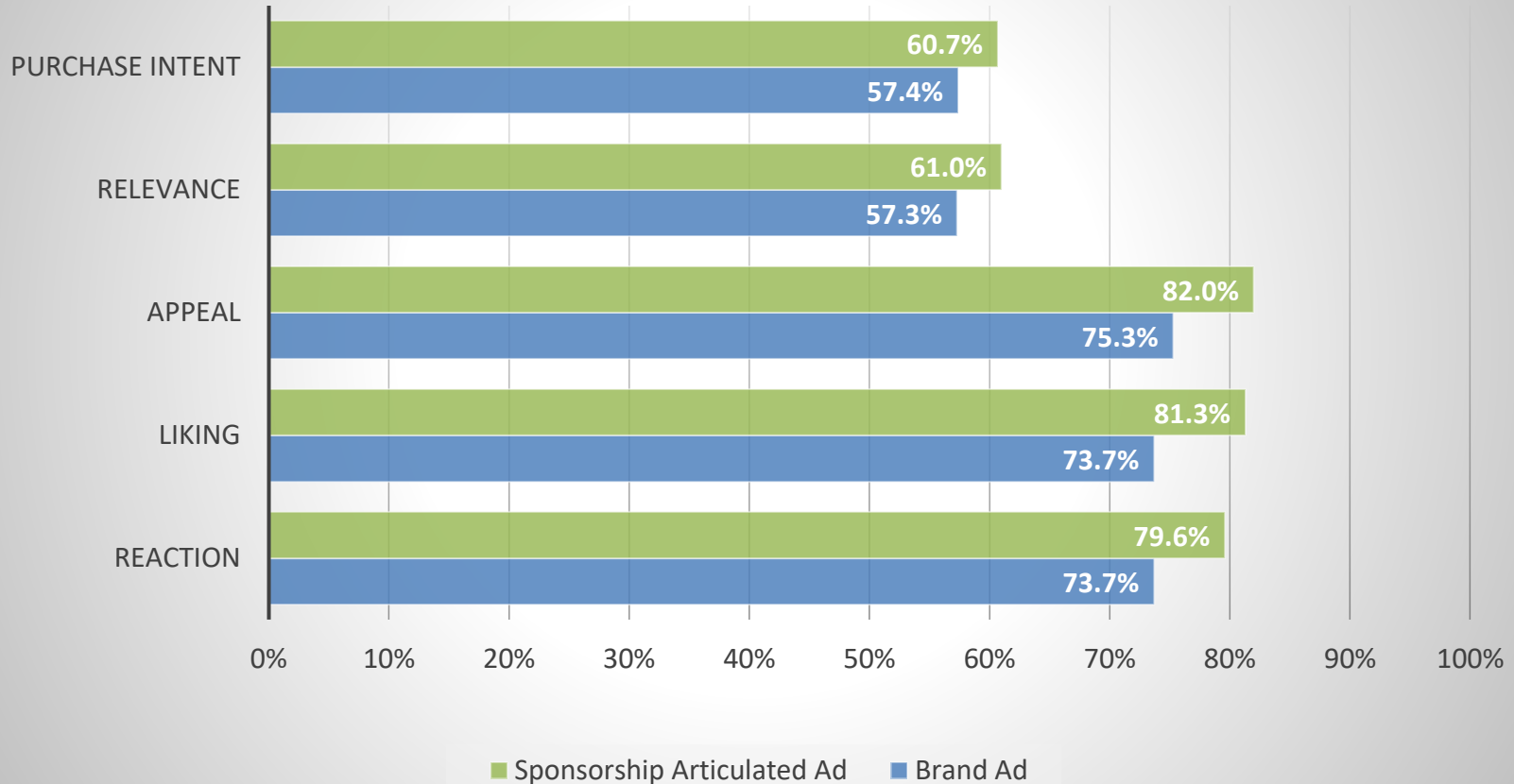
Activation Synergy

What's the "lift" from IP rights?



What's the value of a brand to other brands?

Sponsorship IP Rights' "Lift" to Advertising



1. Authenticity trumps awareness
2. Awareness is mediated by the effects of other sponsorship-linked marketing communications
3. $a + b > 2a$ or $2b$

Sponsorship Ad				
Age	-.215***	-.093	-.085	-.024
Gender	-.072	.052	.046	.016
Drink beer	.320**	.320**	.274***	.265***
Fan Identification		.199*	.171*	.061
Fan Community		.192*	.073	.074
Fan Behaviors		.202**	.093	.003
Sponsorship Authenticity			.466***	.222***
Sponsorship Awareness			.114*	.035
Soccer-related Social Media				.199**
Soccer-related Promotions				.270***
F Change	18.367***	41.548***	46.224***	29.281***
Adj R Squared	.148	.396	.539	.614



1. Sponsorship makes everything you do more effective
2. Don't commoditize IP rights
3. Synergy across marketing communications

	Brand Ad			
Age	-.211***	-.047	-.022	.056
Gender	-.063	.062	.097	.057
Drink beer	.150**	.163**	.146**	.146***
Fan Identification		.207**	.206**	.059
Fan Community		.088	-.029	-.007
Fan Behaviors		.292***	.201**	-.024
Sponsorship Awareness			.227***	.033
Sponsorship Authenticity			.168**	.043
Soccer-related Social Media				.399***
Soccer-related Promotions				.310***
F Change	8.163***	32.174***	19.685***	45.892***
Adj R Squared	.067	.291	.371	.519



Authenticity Amplifies Activation

Advertising Engagement – Big Box Primary NASCAR Sponsor

Media Consumption	.303***	.266***	.129**
Fan Identification	.321***	.334***	.219***
Sponsorship Awareness		.178**	.093*
Sponsorship Authenticity			.574***
F-change	47.537***	10.892**	161.177***
Adj R-squared	.270	.298	.573

Promotion Engagement – Soft Drink Associate NASCAR Sponsor

Media Consumption	.199**	.164*	.063
Fan Identification	.365***	.360***	.234***
Sponsorship Awareness		.112	.056
Sponsorship Authenticity			.477***
F-change	38.942***	3.676	77.510***
Adj R-squared	.234	.242	.422

Activation Drives Brand

Promotional Engagement drives brand image, even when controlling for Exposure and Awareness

Figure 3. Brand Image by Awareness/Advertising Engagement
Big Box Retailer

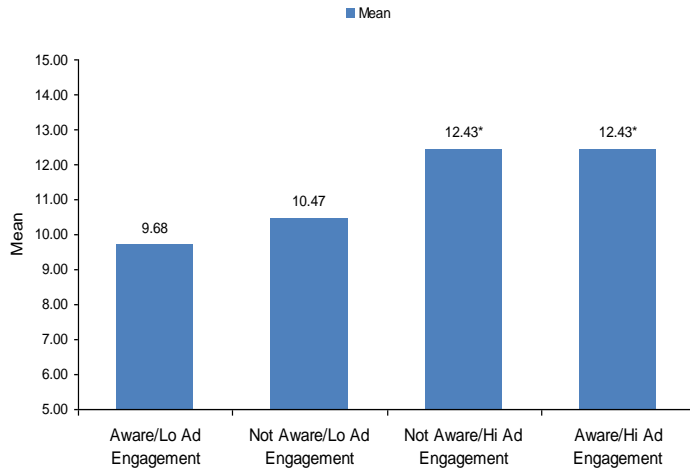
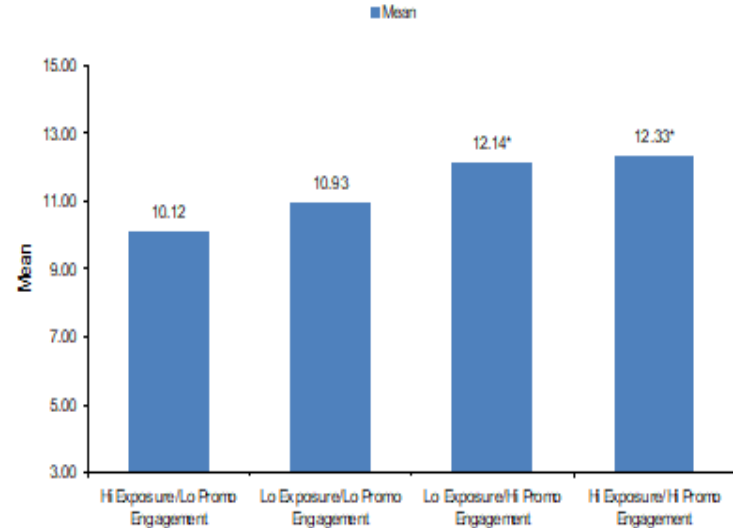


Figure 4. Brand Image by Exposure/Promotional Engagement
Major Soft Drink Brand



*Works for Experiential, too

Activation Drives Brand

Effective activations are the strongest predictors of sponsor brand effects.

Fan engagement is a weak predictor of brand—there's too much that needs to happen in between.

Authenticity can be built with long-term, consistent activation.

Creative matters. Quality activations are strong predictors of sponsorship outcomes.

Beer Brand Image				
Age	.039	.118	.116*	.165**
Gender	-.159**	-.090	-.095	-.121*
Drink Beer	.307***	.305***	.278***	.122*
Fan Community		.126	.047	.001
Fan ID		.049	.028	-.069
Fan Behaviors		.154*	.077	.024
Authenticity			.336***	.127*
Awareness			.012	-.052
Sponsorship Ad Attitudes				.566***

Brand Engagement

Brand/Activation Upper/Lower Funnel

For us, more than ever, it's specifically about how can we sell more beer.

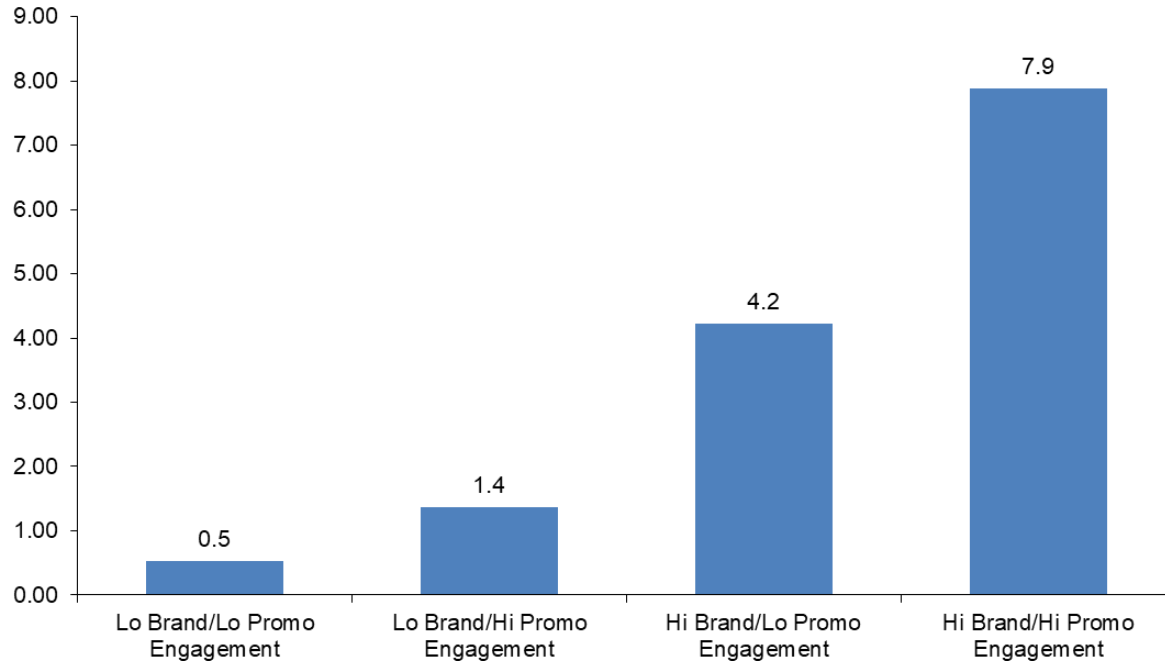
Anheuser Busch VP Media, Sponsorship & Activation

Sponsorship is best when you use it to drive passion and commitment to your brand.

Former MillerCoors Sr. Director, Sports and Entertainment
Marketing

Brand Engagement Drives Product Sales

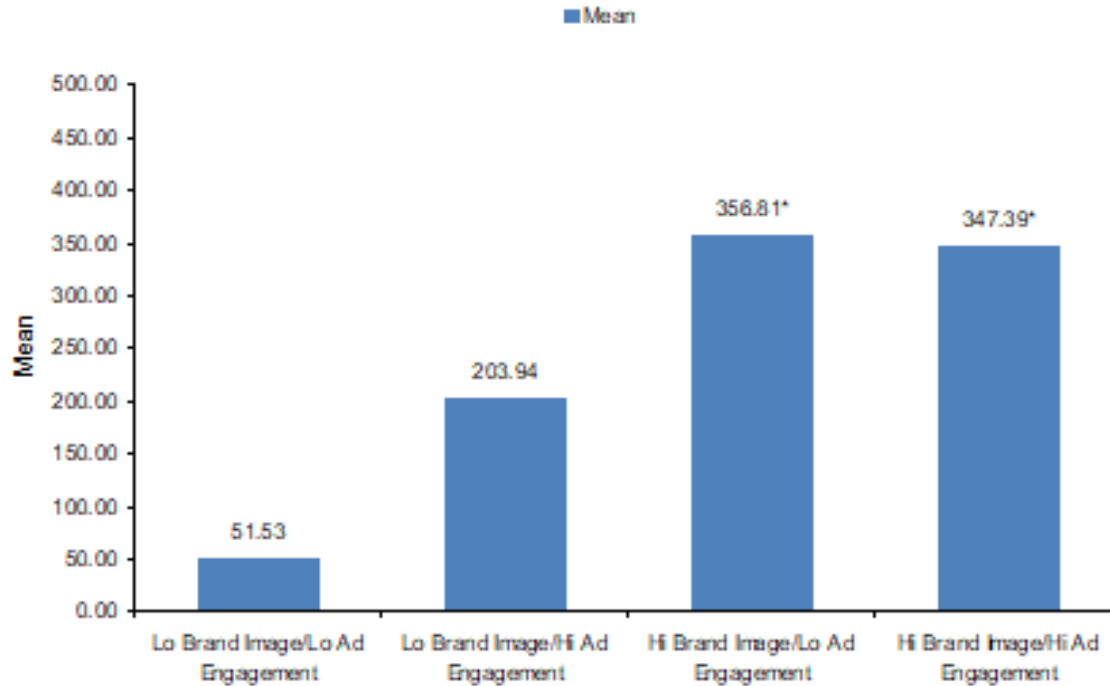
Brand engagement drives weekly consumption for major soft drink brand, accelerated by sponsorship-linked promotions



Source: SRS NASCAR Sponsorship Study, n = 1000 NASCAR fans

Brand Engagement Drives Product Sales

Figure 11. Annual Sales by Brand Image and Advertising Engagement
Big Box Retailer



Client Entertainment and Corporate Hospitality

B2B Sponsorship Objectives

- Neglected in sponsorship measurement, despite its prevalence
- Measured by the total book of business represented by guests (i.e., ‘potential’ revenue)
- Highly susceptible to cuts in a down economy

Corporate Hospitality ROI



- **Fan Engagement.** How is a sports event different from dinner at a steakhouse? Who gets invited?
- **Event Experience.** Amenities are important but don't drive value in B2B sponsorships. Event experience will be predicted by fan engagement.
- **Relationship Quality.** The most commonly state objective for corporate hospitality programs. Like brand on the B2C side, it should be measured and tracked.
- **Measure across the sales pipeline.** B2B sales cycles can be long, and there are other factors in sales (e.g, price, product, economic conditions, etc.).
- **Sales.** Identify the relative strength of predictors to sales.

Establish Incrementality

Corporate Ticket ROI Calculator						
NFL Suite -- 20 prospects plus 4 staff for 10 games						
Financial Services Company						
	Average Account	Pipeline	Conversion Rate	Entertained Accounts	Entertained Conversion Rate	New Pipeline
Lead	\$250,000	200		\$250,000		200
Meeting		30	15%		30%	60
Proposal submitted		10	33%		33%	20
Closed		2	25%		25%	5
Total Revenue		618,750			Entertained Revenue	1,237,500
		Incremental Revenue		\$618,750		
		Cost		\$150,000		
		ROI		4.1		

Going Forward

What's next?



Move past media equivalencies



Amplification studies across activation planks



Include sponsorship and sponsorship-linked marketing communications in Marketing Mix Models



Field Experiments

Social media contests/promotions

Measure lift from IP/sponsorship