



## IEG SPONSORSHIP REPORT

THE LATEST ON SPORTS, ARTS, CAUSE AND ENTERTAINMENT MARKETING



### Survey Finds Sponsors Looking For Slightly Different Benefits And Services From Properties

*Sponsors seek more tangible benefits, rely heavily on marketing agencies and are getting slightly better at measurement.*

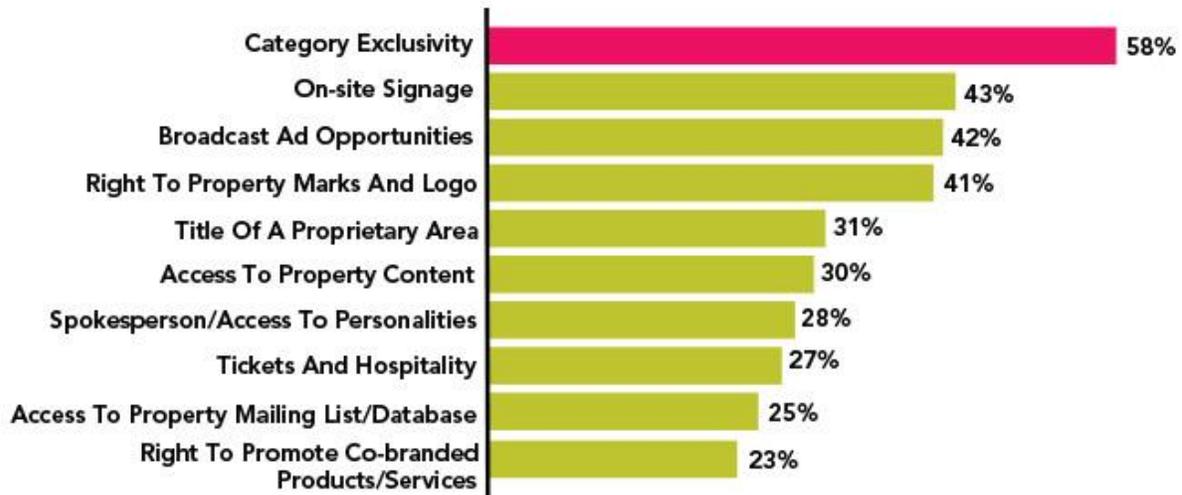
March 31, 2014

According to the 14th annual IEG/Performance Research Sponsorship Decision-makers Survey, brand marketers say they are no longer as interested in receiving identification on sponsored properties' media buys and collateral materials, with both of those benefits no longer among the ten most valuable.



Reflecting a desire for benefits that deliver more than just visibility, sponsors are instead prioritizing connections to personalities and talent associated with properties, as well as access to sponsored organizations' databases and mailing lists. The latter returned to the top ten, while the former cracked the list for the first time in the survey's history.

### HOW VALUABLE ARE THE FOLLOWING BENEFITS TO YOU?



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*Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable*

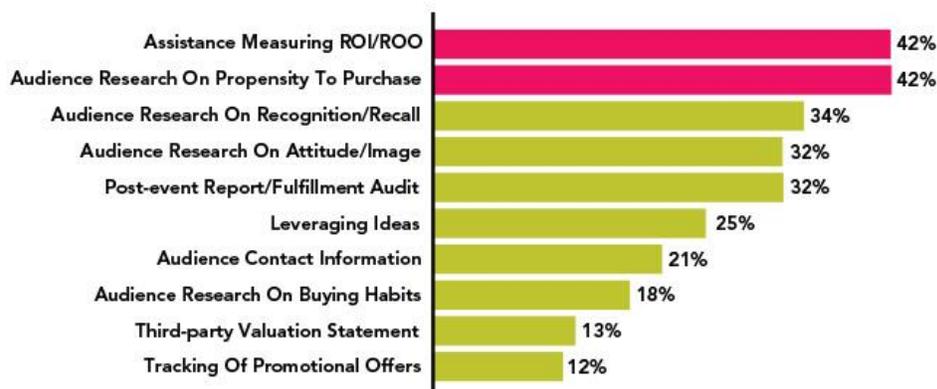
*Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey*

Sponsors are also making it clear that help with determining the impact of their partnerships is a top priority. Assistance in measuring ROI and/or ROO topped the list of valuable services provided by properties in this year's survey. In 2013, sponsors said it was the fourth most valuable service.

Also increasing in importance: rightsholder-provided research on whether audiences recognize and recall sponsors.

Conversely, sponsorship fulfillment reports fell to only the fourth most valuable service. Since best practices for producing such reports include reporting the type of metrics and research that sponsors say is critical, the conclusion here is that the majority of properties must not be following such practices, instead producing reports that sponsors don't find useful.

### HOW VALUABLE ARE THE FOLLOWING PROPERTY-PROVIDED SERVICES?



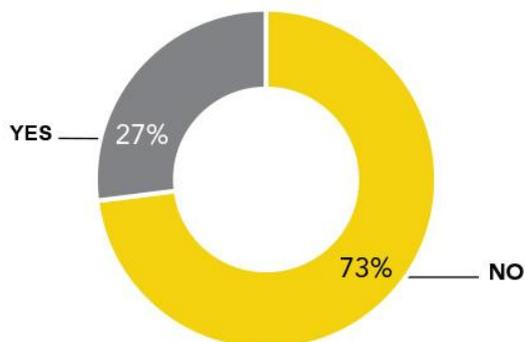
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Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable

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

Despite the fact that measurement help is now the top service sponsors want from rightsholders, their partners are not very good at delivering it, according to respondents. Nearly three-quarters of sponsors said properties did not meet their expectations in helping measure ROI or ROO.

### DO PROPERTIES MEET YOUR EXPECTATIONS IN HELPING YOU MEASURE YOUR RETURN ON INVESTMENT/OBJECTIVES?



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

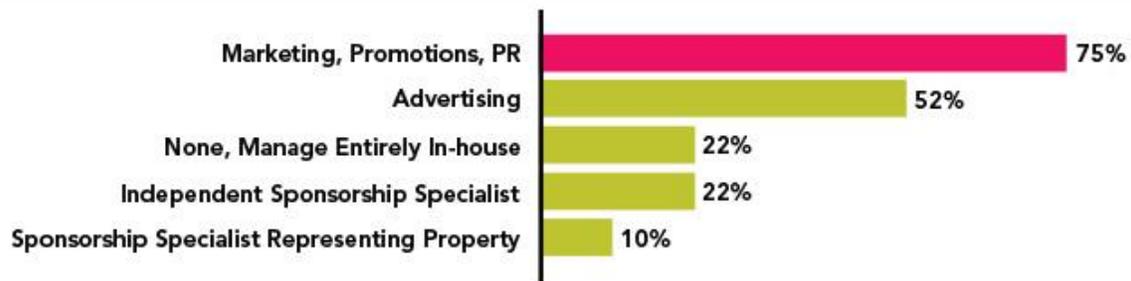
Sponsors remain reliant on agency support, with the number of sponsors who manage execution and activation completely in-house setting a new low in the survey's history, dropping to 22 percent, one point below last year's level.

However, the 2014 survey saw a notable change in which agency type is providing those services. In 2013, 63 percent of sponsors said they used advertising or media buying agencies, while 60 percent used marketing/promotion/PR agencies for sponsorship support—with many clearly using both.

In 2014, 75 percent of sponsors say they rely on marketing/promotion and PR agencies, while only 52 percent report using ad or media agencies.

In addition, the survey for the first time asked sponsors who used multiple types of agencies to note the type that they relied on most. More than half, 55 percent, selected marketing/promotion/PR agencies versus just 14 percent who said ad or media agencies.

### WHICH TYPES OF AGENCIES DO YOU USE TO SUPPORT YOUR SPONSORSHIPS?



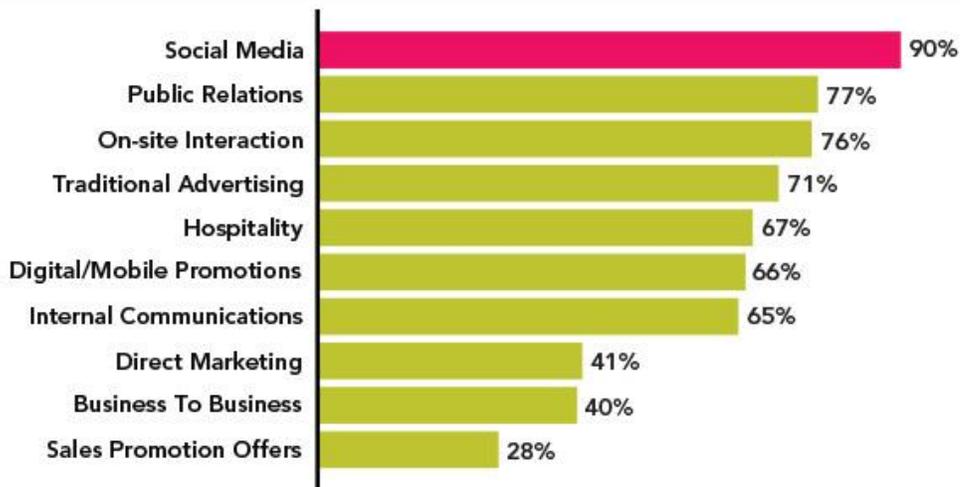
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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

For the first time in the survey's history, social media claimed the number one spot among marketing communications channels used to activate sponsorship, with nine out of 10 sponsors including it in their leveraging mix. Social media took the top spot from public relations, which saw significantly less sponsors—77 percent in 2014 versus 89 percent in 2013—using it.

On-site interaction moved up to the number three spot from number eight, with 76 percent of sponsors activating at events and venues this year compared to 51 percent last year. On the flip side, internal communications were less popular in 2014, with only 65 percent of sponsors reporting the practice as a leveraging tool compared to 86 percent in 2013 when it was number three.

## WHAT CHANNELS DO YOU USE TO LEVERAGE YOUR SPONSORSHIPS?

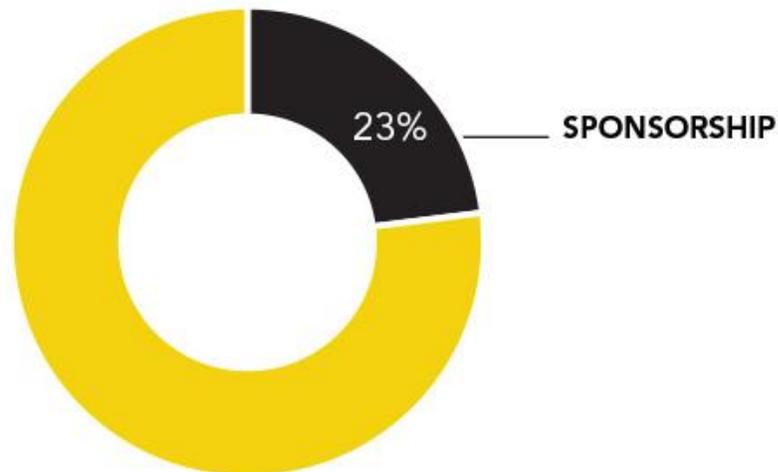


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Survey respondents allocated an average of 23 percent of their overall marketing/advertising/promotion budgets to sponsorship, the second highest average in the survey's 14 years. Over the past 10 years, sponsorship's share has bounced between a low of 16 percent in 2004 to a high of 25 percent in 2010.

## WHAT PORTION OF YOUR MARKETING BUDGET IS SPENT ON SPONSORSHIP RIGHTS FEES?



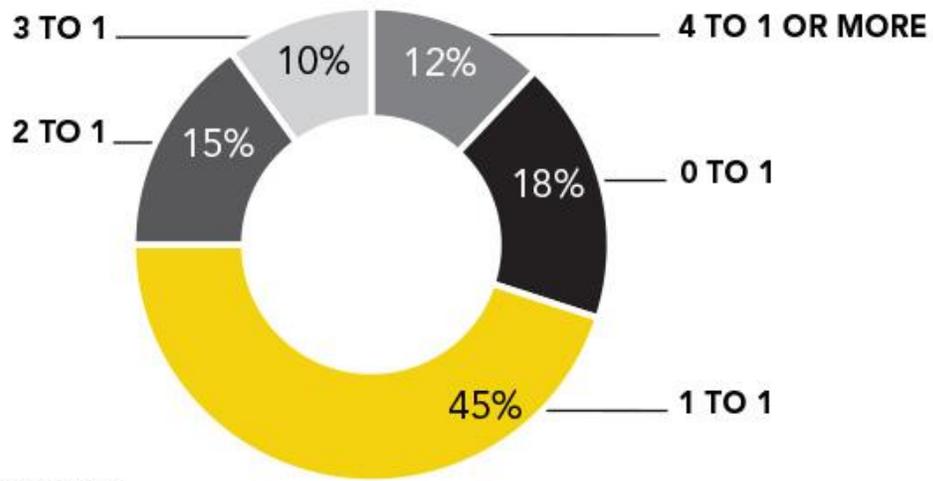
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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Another survey data point that has fluctuated over the years is the ratio of activation spending to spending on rights fees. For 2014, sponsors report spending an average of \$1.70 on leveraging for every \$1 spent on rights fees, up from \$1.50 in 2013.

## WHAT IS YOUR COMPANY'S TYPICAL PROMOTIONAL SPENDING RATIO?

**AVERAGE IS 1.7 TO 1**

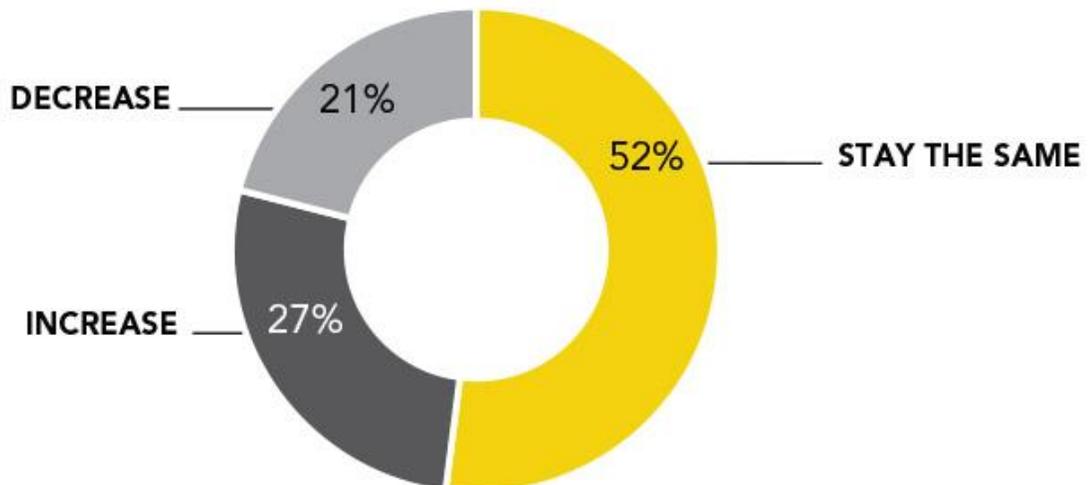


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Only 27 percent of sponsors say their spending will increase this year over last, with 21 percent cutting spending and 52 percent keeping their budgets at 2013 levels.

## HOW WILL YOUR 2014 SPONSORSHIP SPENDING COMPARE TO 2013?



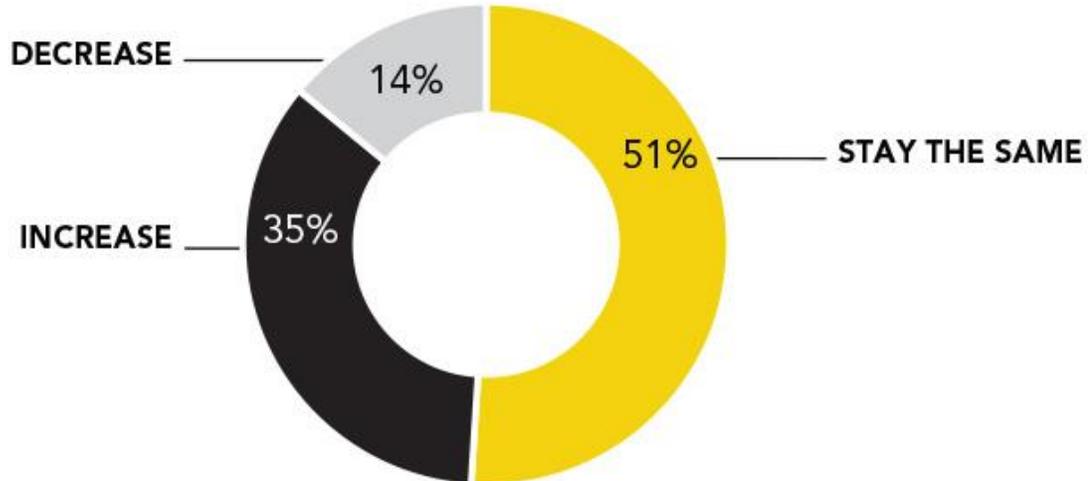
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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

The outlook is slightly more positive for activation spending, with more than a third of sponsors—35 percent—upping the amount they will direct toward activation, while 14 percent are lowering their activation budgets and 51 percent are keeping spending on par with 2013.

## HOW WILL YOUR 2014 LEVERAGING AND ACTIVATION SPENDING COMPARE TO 2013?

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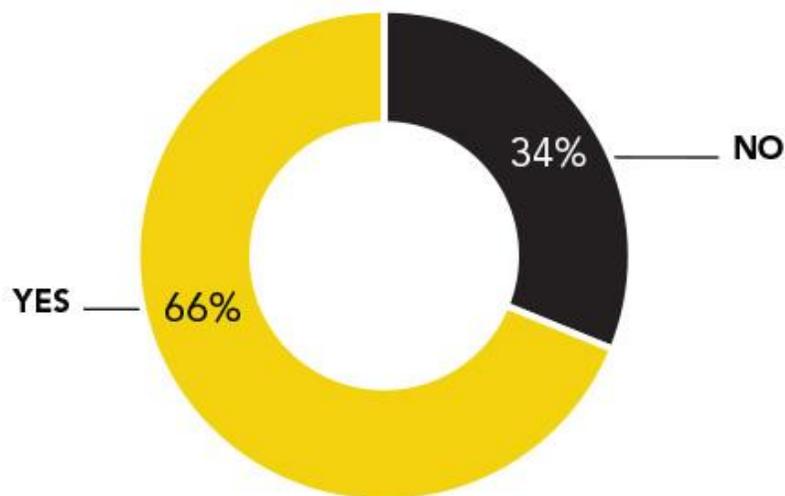
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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

The majority of sponsors are in the market for new partnerships, but fewer sponsors are considering first-time deals this year than last. Only 63 percent say they are considering new relationships versus 75 percent in 2013.

## IS YOUR COMPANY CONSIDERING NEW SPONSORSHIPS IN 2014?

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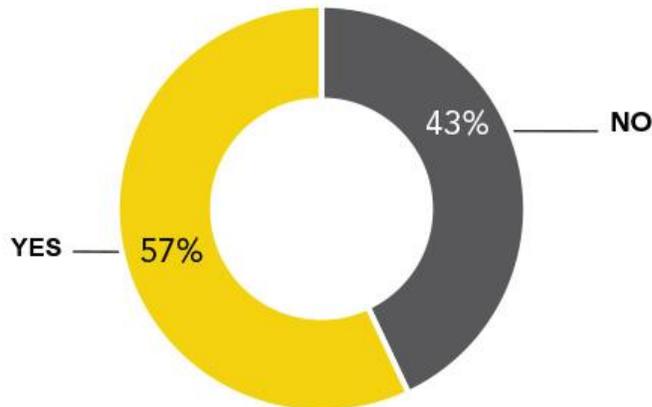


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Sponsors are seemingly much more dissatisfied with at least one of their partners this year. A majority of survey respondents—57 percent—are looking to drop out of a current sponsorship, compared to only 41 percent of sponsors in 2013.

## IS YOUR COMPANY SEEKING TO DROP OUT OF ANY CURRENT SPONSORSHIPS?



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

In terms of the most important objectives, there was a little movement among the top 10, with using sponsorship to increase sales/trial or usage of products jumping from number nine to number four, with nearly half of sponsors rating it a 9 or 10 on a 10-point scale.

Moving in the opposite direction was “showcase community/social responsibility,” which dropped from number four to number seven, as only 26 percent of sponsors gave it a 9 or 10.

Survey participants were given a new option among possible objectives in this year’s study: “Access content to use in paid, owned and earned media.” It ranked ninth.

## HOW IMPORTANT ARE THESE OBJECTIVES WHEN EVALUATING PROPERTIES?



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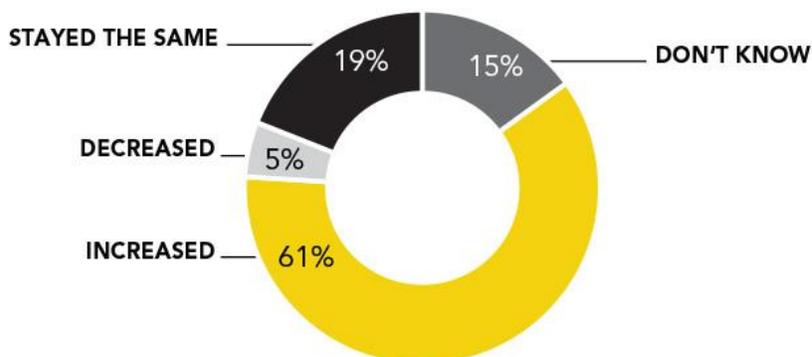
Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable

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

The survey had some good news to report on the sponsorship measurement front. Although it continues to show a limited amount of dedicated spending on evaluating the success of partnerships, there were two bright spots.

First, the number of sponsors who replied that they could not say whether, in general, their ROI and/or ROO from sponsorship was increasing, decreasing or staying the same dropped to 15 percent from 26 percent.

### **HAS YOUR ROI INCREASED, DECREASED OR STAYED THE SAME?**

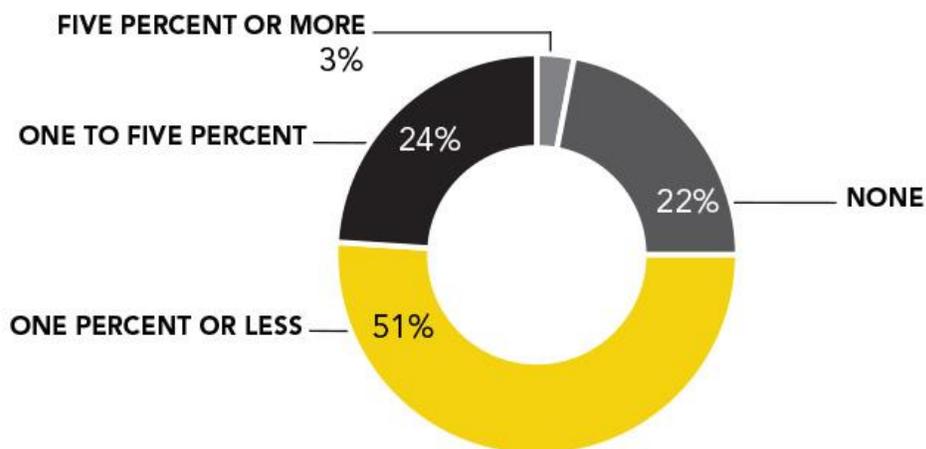


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Second, although the amounts allocated to evaluation are still low—with only 27 percent of sponsors spending more than one percent of a sponsorship’s total budget on measurement—significantly fewer sponsors report that they spend nothing at all. Although still high at 22 percent, the figure is at least down from 27 percent in 2013.

### **WHAT PERCENTAGE OF A SPONSORSHIP’S BUDGET IS SPENT ON MEASURING RETURN?**



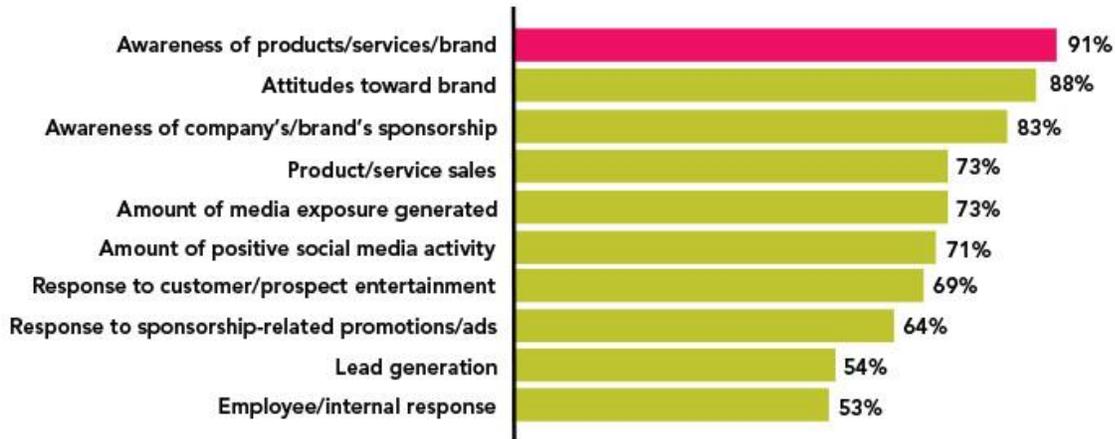
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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

Regarding which metrics were most important to sponsors, there was little change among the top ten. Awareness of products/services/brands and attitudes toward the brand each moved up one spot to number one and number two, respectively—replacing the former number one: awareness of the company or brand’s sponsorship.

The survey included a new option for respondents among metrics: “Amount of positive social media activity.” It joined the top ten at number six.

## HOW VALUABLE ARE THESE METRICS IN EVALUATING SPONSORSHIPS?

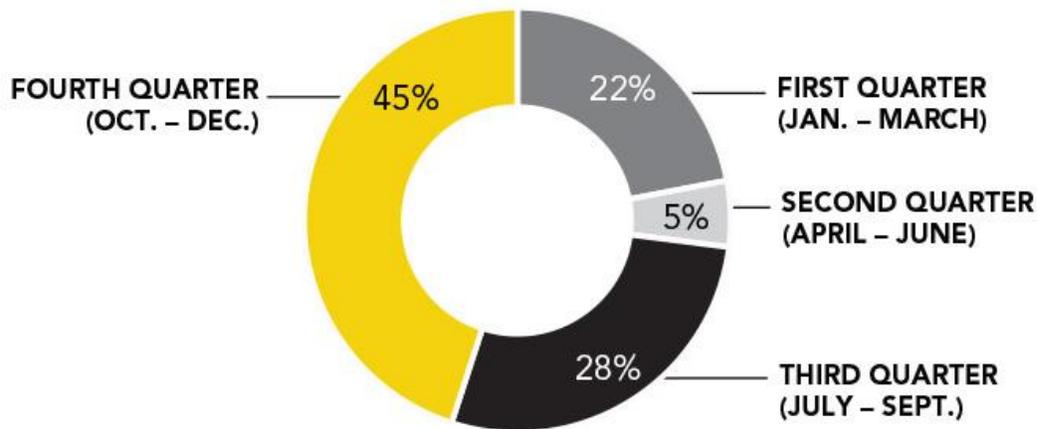


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Source: IEG/Performance Research 2014 Sponsorship Decision-Makers Survey

## WHEN DOES YOUR COMPANY DETERMINE ITS SPONSORSHIP BUDGET?



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

The survey was conducted online earlier this month and received 115 responses.

Sources

Performance Research, Tel: 401/848-0111

## ABOUT IEG

IEG leads the way in sponsorship solutions. With over 30 years providing insights, evaluation, and guidance, our teams bring unparalleled perspective and proven methodology to every challenge.

We partner with top brands and properties to create fresh strategies, evaluate opportunities and maximize results. Our clients redefine what's possible, exceed expectations and achieve lasting impact.

A unit of WPP's GroupM, IEG is connected to specialty sibling communications companies in media, digital and activation. GroupM is the leading global media investment management operation that also serves as parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare.

For more information about IEG and the sponsorship industry, please visit [www.sponsorship.com](http://www.sponsorship.com) or call 800/834-4850 (outside the U.S. and Canada, 312/944-1727)

## ABOUT PERFORMANCE RESEARCH

As the world leader in consumer-based sponsorship evaluation, we believe the key to sponsorship research is to see yourself as others see you.

Since 1985, Performance Research has conducted millions of personal interviews and thousands of focus groups on sponsorship issues.

Performance Research's consulting and evaluation work affects nearly \$500 million worth of corporate sponsorship investments each year.

For more information about Performance Research, please visit [www.performanceresearch.com](http://www.performanceresearch.com) or call 401/848-0111