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# ***NSF SPONSORSHIP VALUATION***

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**FACILITATION SESSIONS**

FEBRUARY 2016 | CALGARY & OTTAWA



# ***Our Goal***

## **OBJECTIVES OF THE SESSION**

- *Sponsorship*: to provide participants with knowledge and application competencies through an interactive leadership exercise
- *Sponsorship valuation*: to share the results of the initial stages in the NSF valuation process with participants

# ***Introduction***

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**EXPECTATIONS FOR THE VALUATION PROJECT**

# ***Overall Project Goal***

## **OUR COMMITMENT TO YOU (BY MAY 30)**

- To provide you with a sponsorship valuation of your NSF and outline a strategy framework upon which you can base decisions about your sponsorship activities

# *Expectations*

## **TIMING**

Feb  
19/23

Facilitation  
Sessions

Feb  
29

Survey  
Closed

Mar  
24

Report  
Completion

Apr

Digest  
Report

May

Webinar  
Review

# Expectations

## TIMING

Feb 19/23	Feb 29	Mar 24	Apr	May
Facilitation Sessions	Survey Closed	Report Completion	Digest Report	Webinar Review

- Facilitation Sessions in Ottawa & Calgary

# Expectations

## TIMING

Feb 19/23	Feb 29	Mar 24	Apr	May
Facilitation Sessions	Survey Closed	Report Completion	Digest Report	Webinar Review

- Deadline for completion of survey responses by all NSF's that wish to receive a study

# Expectations

## TIMING

Feb 19/23	Feb 29	Mar 24	Apr	May
Facilitation Sessions	Survey Closed	Report Completion	Digest Report	Webinar Review

- Analysis of survey results, including benchmarking and secondary research
- Crafting reports for NSFs by cluster, and an overall report for the COC



# Expectations

## TIMING

Feb 19/23	Feb 29	Mar 24	Apr	May
Facilitation Sessions	Survey Closed	Report Completion	Digest Report	Webinar Review

- Draft reports shared
- NSFs to read, review and share their reports
- Opportunity for feedback

# Expectations

## TIMING

Feb 19/23	Feb 29	Mar 24	Apr	May
Facilitation Sessions	Survey Closed	Report Completion	Digest Report	Webinar Review

- Final presentation via a webinar (or webinars) to take you through the report and answer any questions/clarify the valuation

# *Method*

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BACKGROUND

# *Project Outline*

- This project is an extensive **benchmarking process** to support the **strategy** decisions of NSFs around sponsorship
- We will use a variety of data sources – primary and secondary – to cluster NSF's and to provide each cluster and each NSF with **an estimate of their sponsorship value** based on 'real data' from comparable properties from all sponsorship industries

# Approach

## PHASES

1

Establish  
Objectives

2

Situational  
Analysis

3

NSF  
Analysis

4

Benchmarking  
Analysis

5

Sponsorship  
Strategy

# Approach

## PHASES

1

Establish  
Objectives

2

Situational  
Analysis

3

NSF  
Analysis

4

Benchmarking  
Analysis

5

Sponsorship  
Strategy

- Identify and fully understand the key outcomes and objectives of the COC and each participating NSF

# Approach

## PHASES



- Understand the internal and external environmental factors that impact sponsorship

# Approach

## PHASES



- Undertake primary and secondary research related to the participating NSFs to assess sponsorship reality by NSF cluster



# Approach

## PHASES



- Benchmark NSFs against other properties (NSFs, sport, and non-sport) to understand where they should be in terms of sponsorship revenue

# Approach

## PHASES



- Provide strategic direction and recommendations for participating NSFs in their pursuit of sponsorship

# *Sponsorship in Canada*

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GENERAL

# CSLS

## Canadian Sponsorship Landscape Study



### Origins

Industry Need, Share



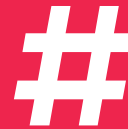
### Design

Perspectives, Industry



### Process

Online, Partners, Streamline



**3,430 Respondents**

2006 to 2015



**22.7% CEOs**

2006 to 2015



**Analysis**

Trends, Comparative

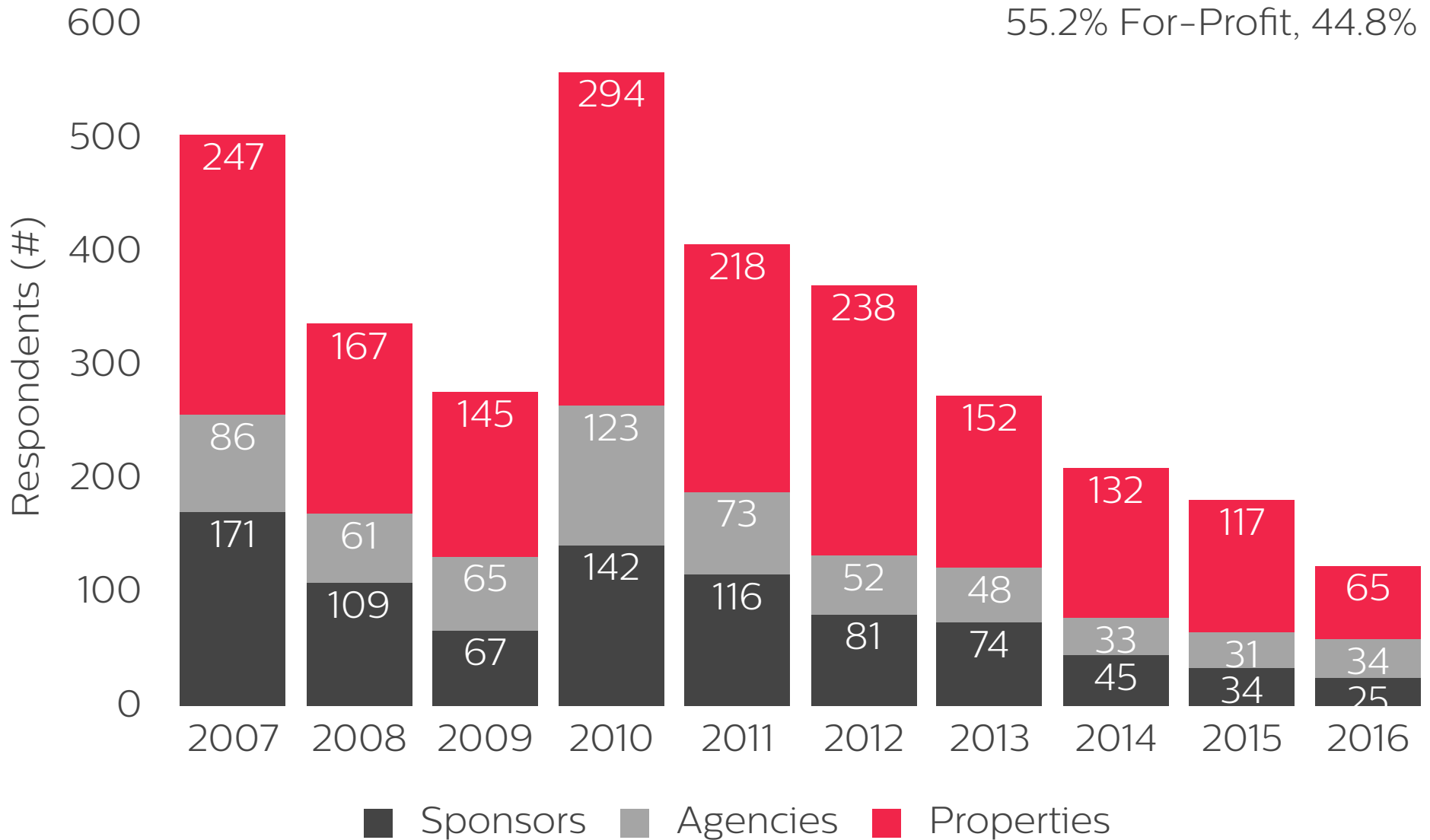
Survey is open until April 15, 2016.

Visit [www.sponsorshiplandscape.ca](http://www.sponsorshiplandscape.ca) to enter responses!

# Sponsorship Industry

## CSLS RESPONDENTS

2016 So Far:  
92.7% EN, 7.3% FR  
55.2% For-Profit, 44.8% NFP



# Sponsorship Industry

## GLOBAL SPONSORSHIP SPEND

**\$57.5B** spent globally with **↑ 4.7%** in 2016

North America



**\$21.4B**

**↑ 4.5%**  
in 2016

Europe



**\$15.3B**

**↑ 3.9%**  
in 2016

Asia Pacific



**\$14.0B**

**↑ 5.7%**  
in 2016

# Sponsorship Industry

## SPONSORSHIP IN CANADA

**\$1.74B**

Sponsorship Spend

**\$2.59B**

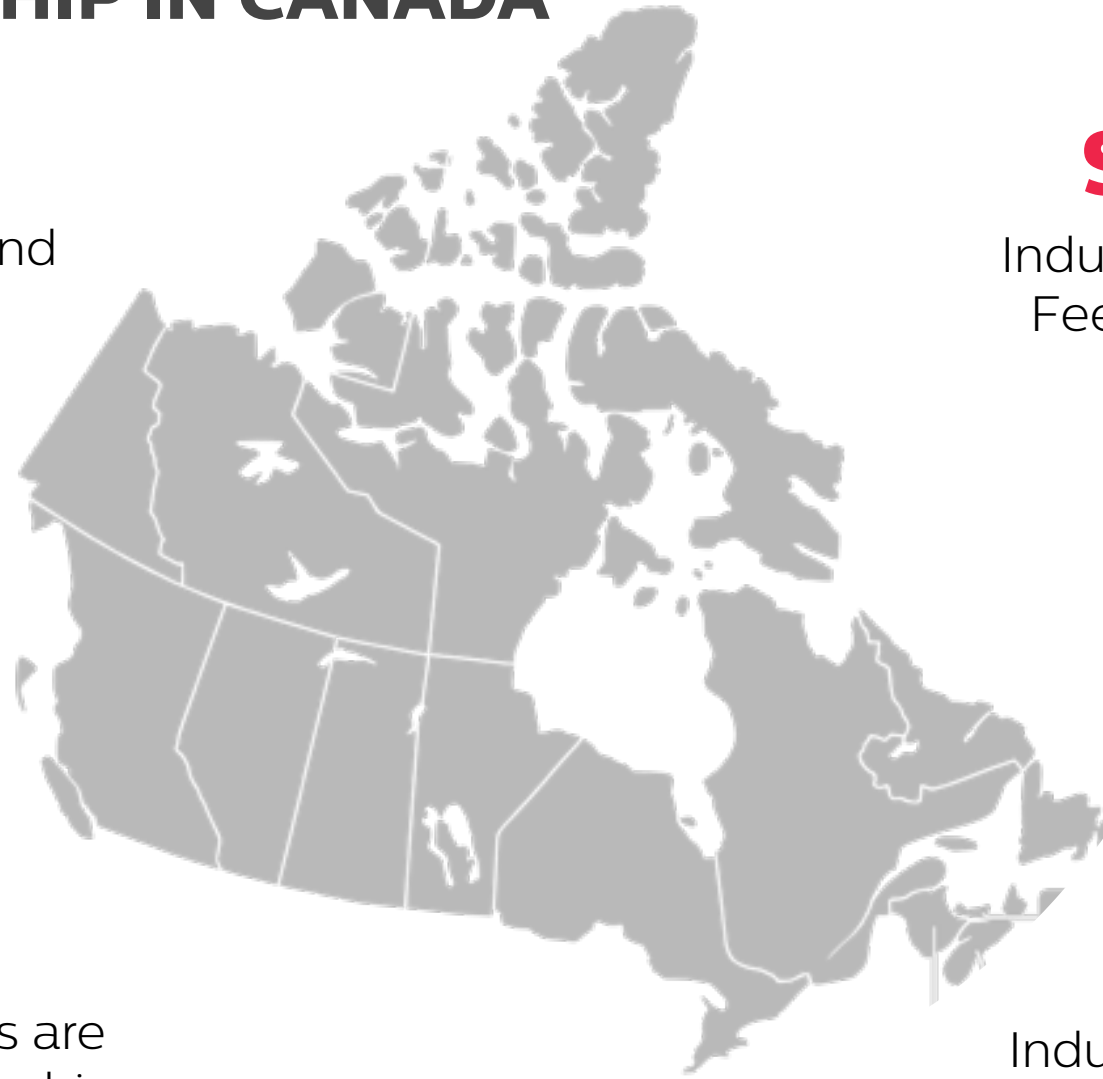
Industry Size (Rights Fees + Activation)

**1 of 4**

Marketing Dollars are Spent on Sponsorship

**50%**

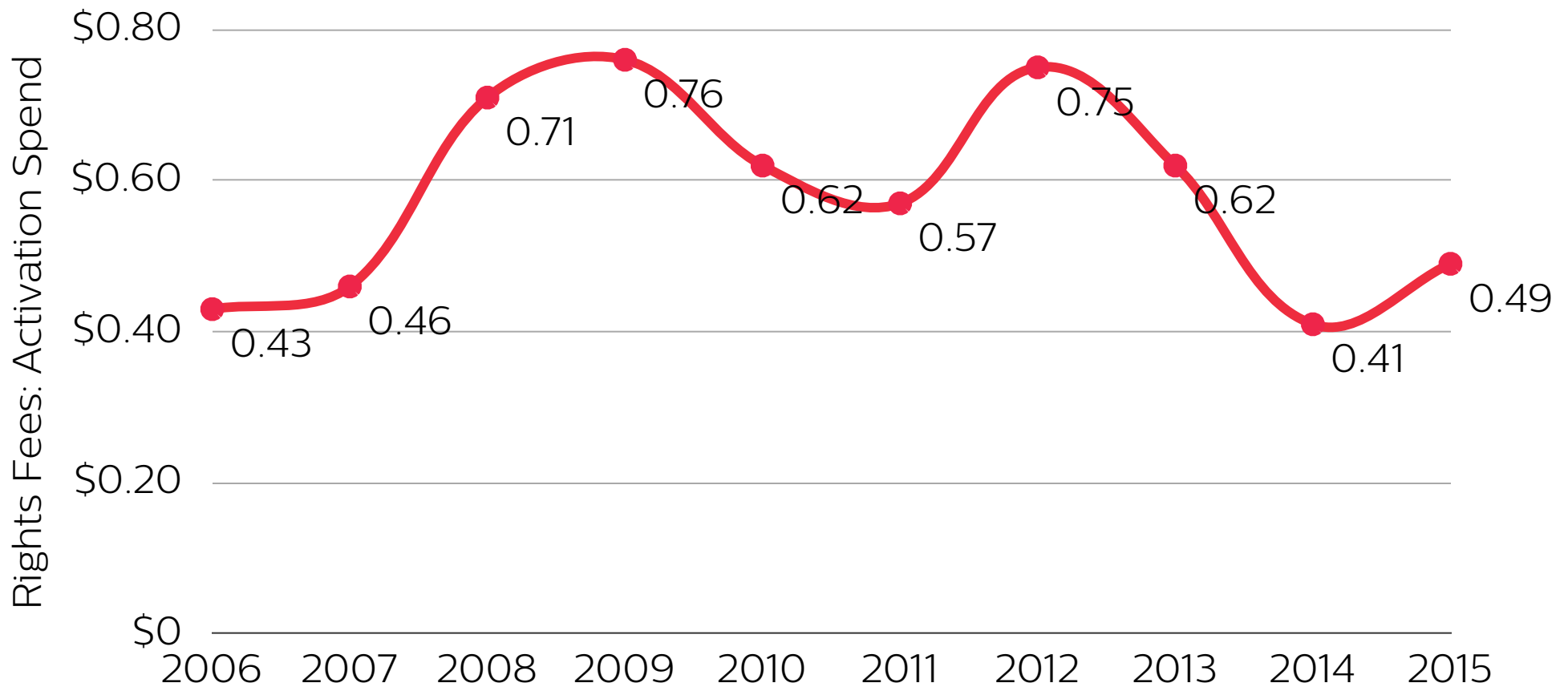
Industry Growth Since 2006



# Sponsorship Industry

## SPONSORSHIP IN CANADA

Historical Activation Ratio

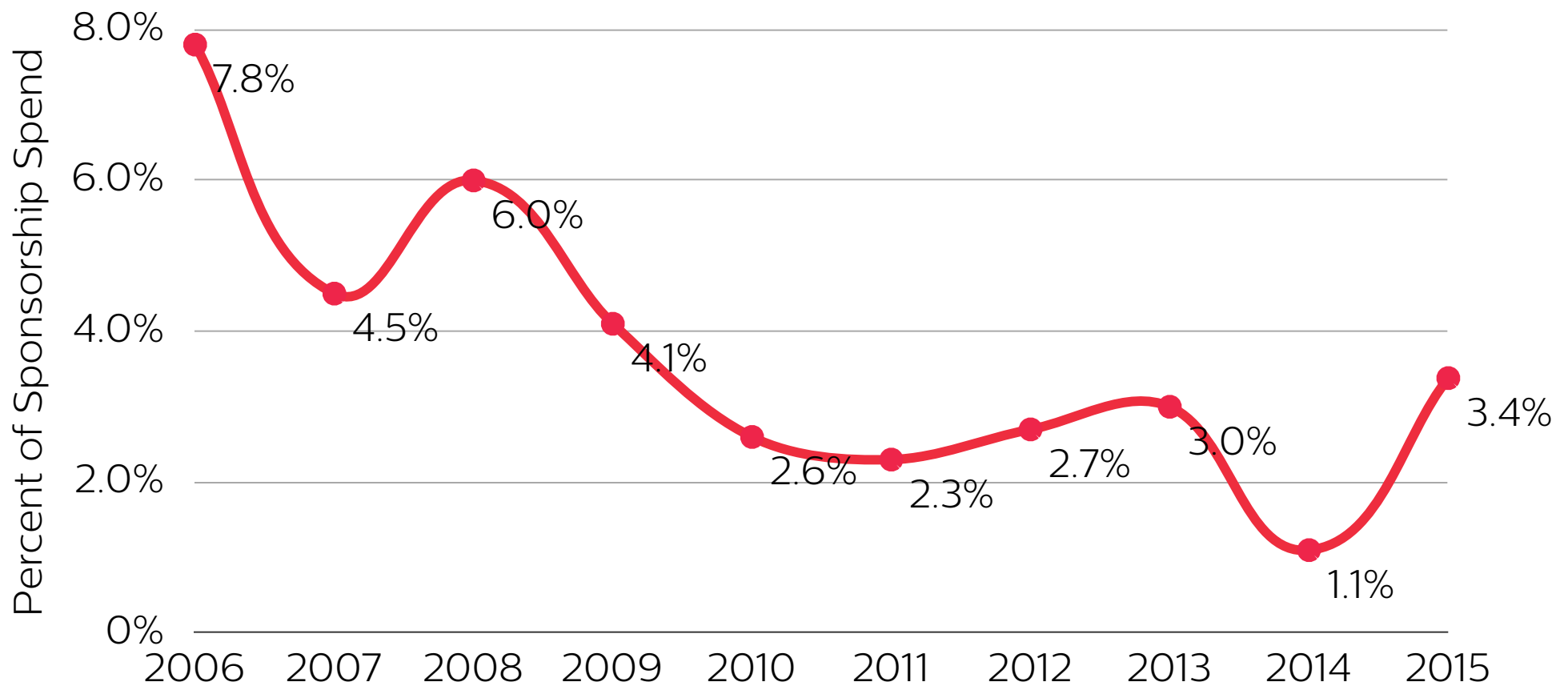




# Sponsorship Industry

## SPONSORSHIP IN CANADA

Historical Spend on Sponsorship Evaluation



# Sponsorship Industry

## GEOGRAPHIC FOCUS (2006-2015 AVERAGE)

International **8.6%**



National **30.6%**



Multi-Provincial **8.5%**



Provincial **20.3%**



Regional **13.9%**

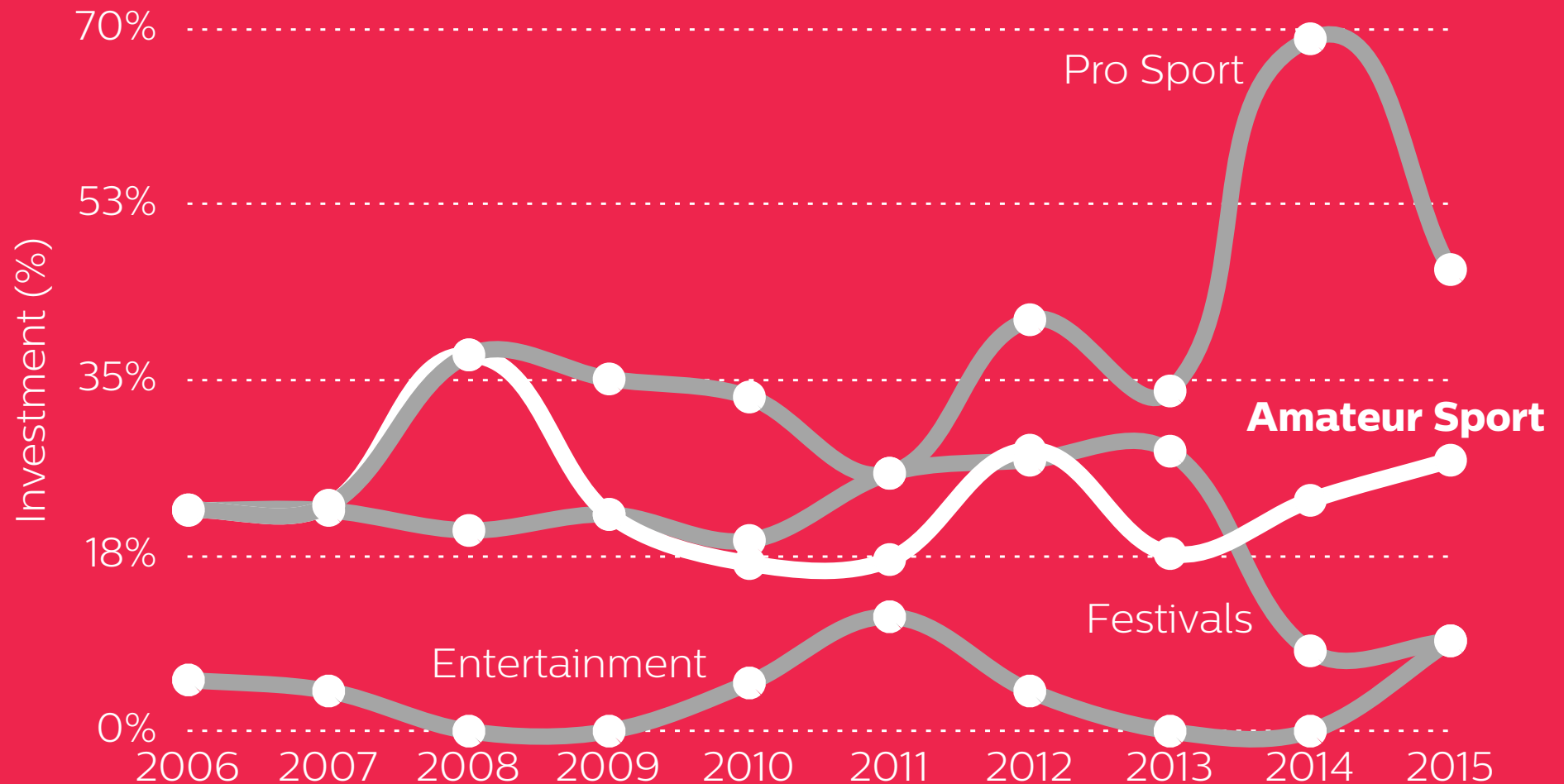


Local **17.1%**



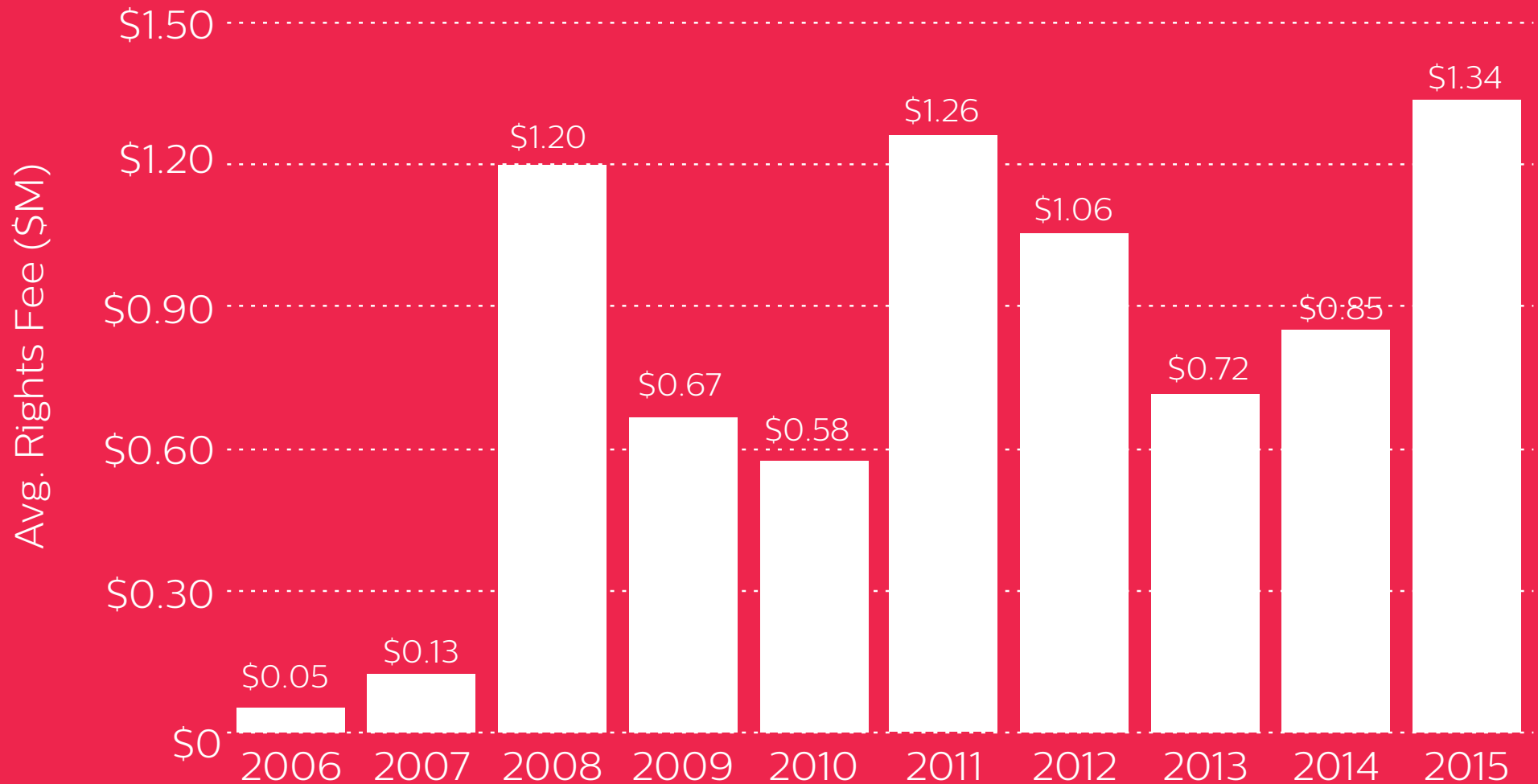
# Sponsorship Industry

## CATEGORY OF LARGEST INVESTMENT



# Sponsorship Industry

## LARGEST RIGHTS FEE (\$M)



# *Sponsorship in Canada*

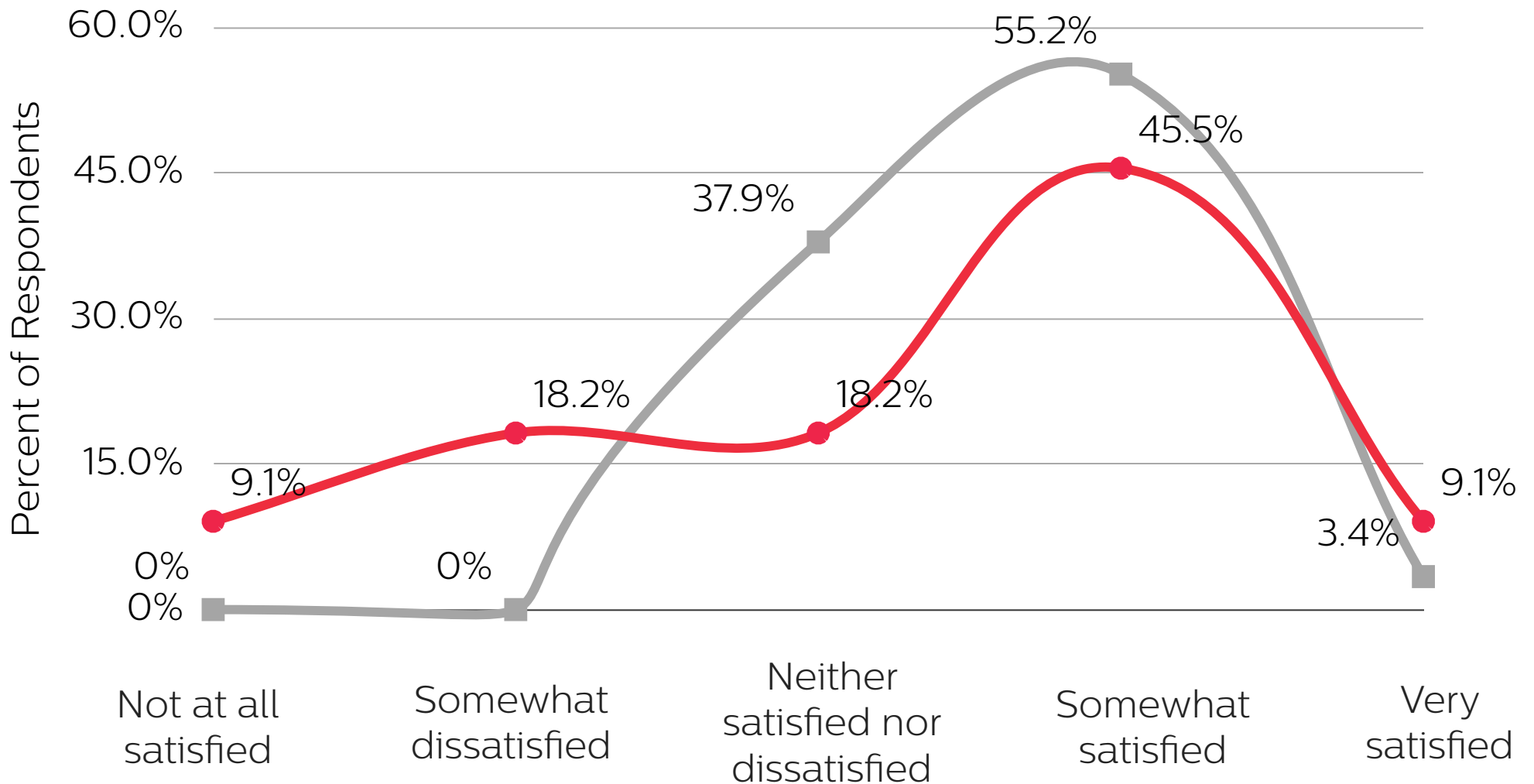
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**NSF-RELATED FINDINGS**

# Sponsorship Industry

## SPONSOR SATISFACTION WITH ROI

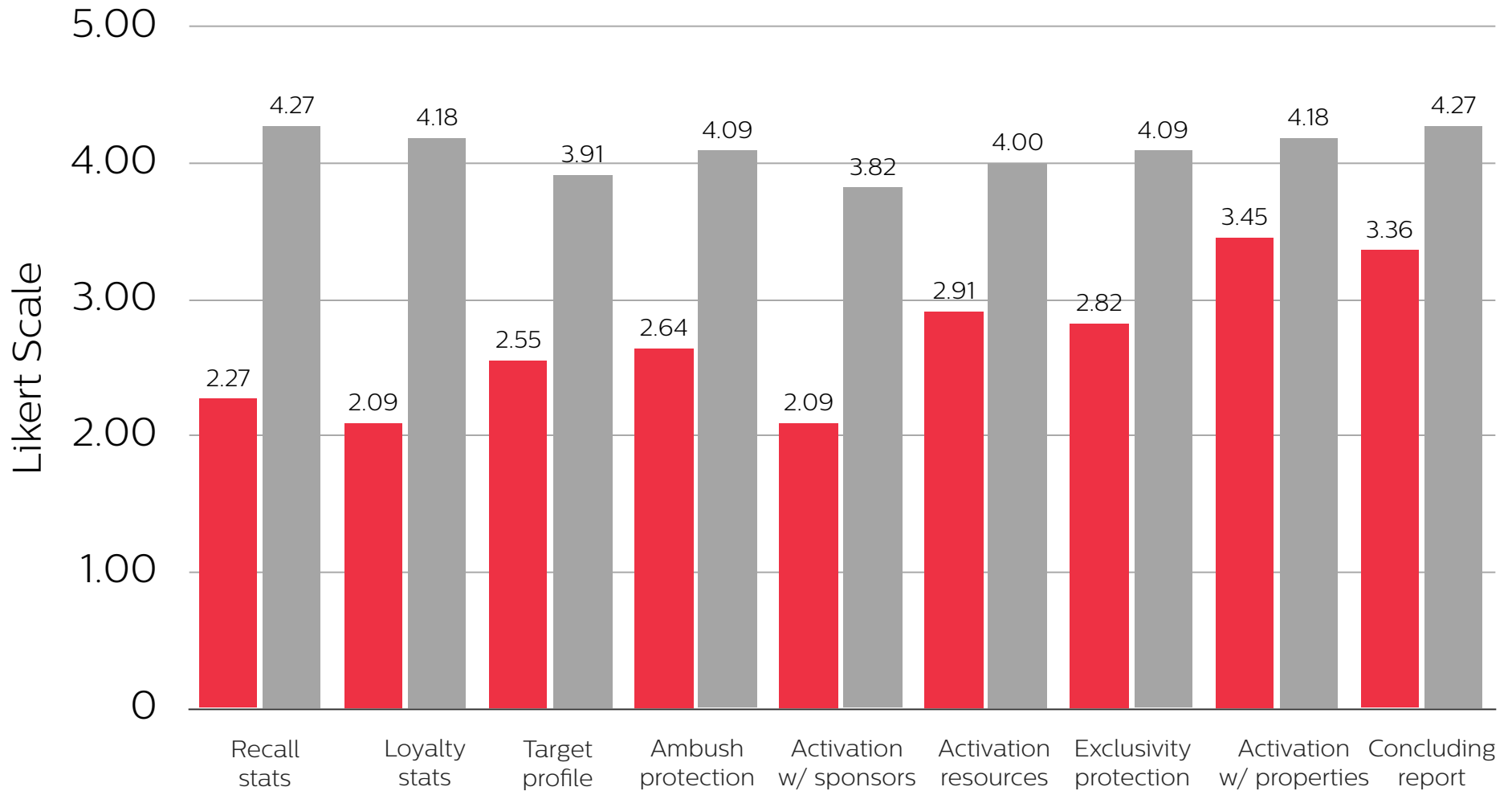
- Sponsors
- Property's Perception



# Sponsorship Industry

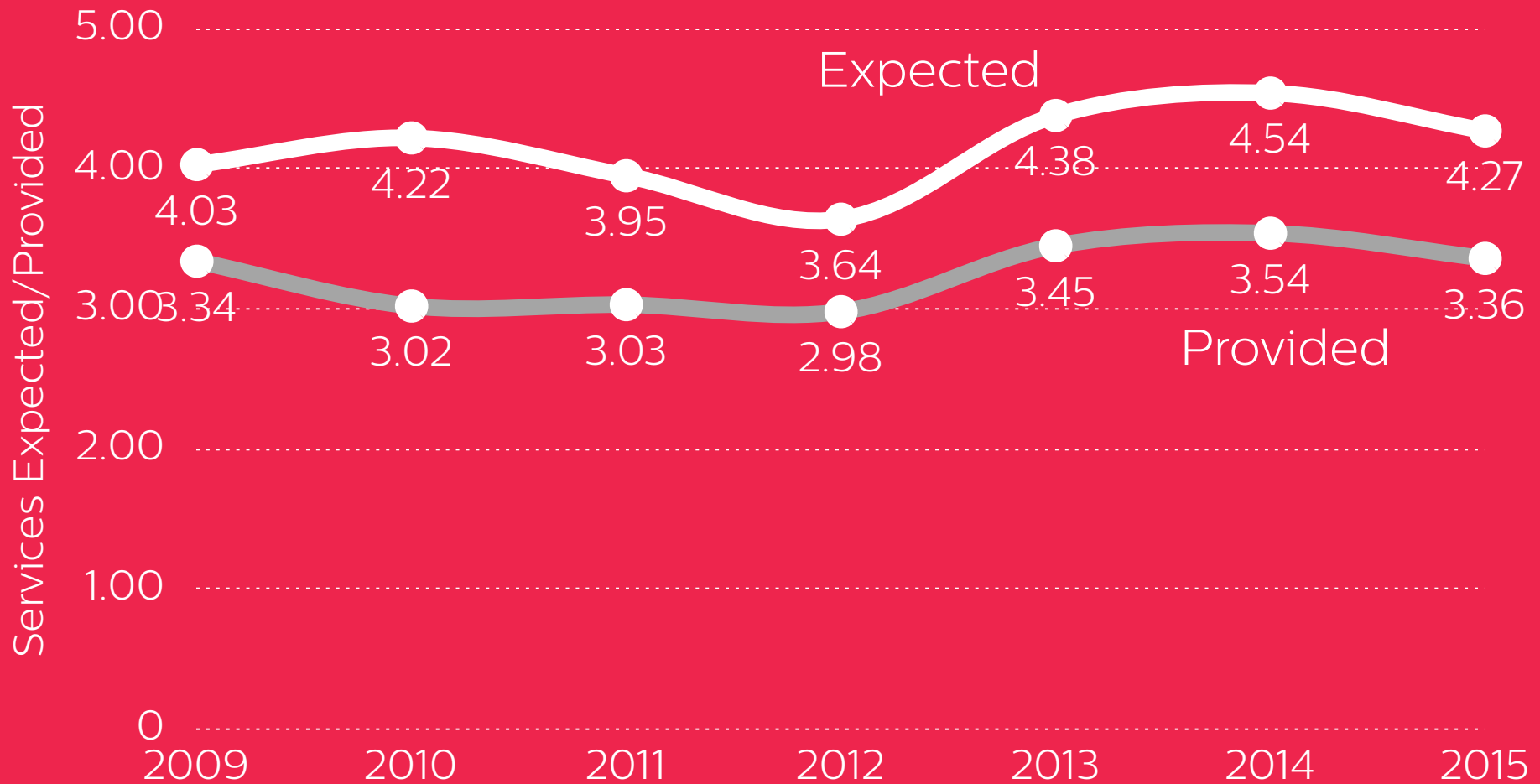
## SERVICING GAP

■ Provided  
■ Importance



# Sponsorship Industry

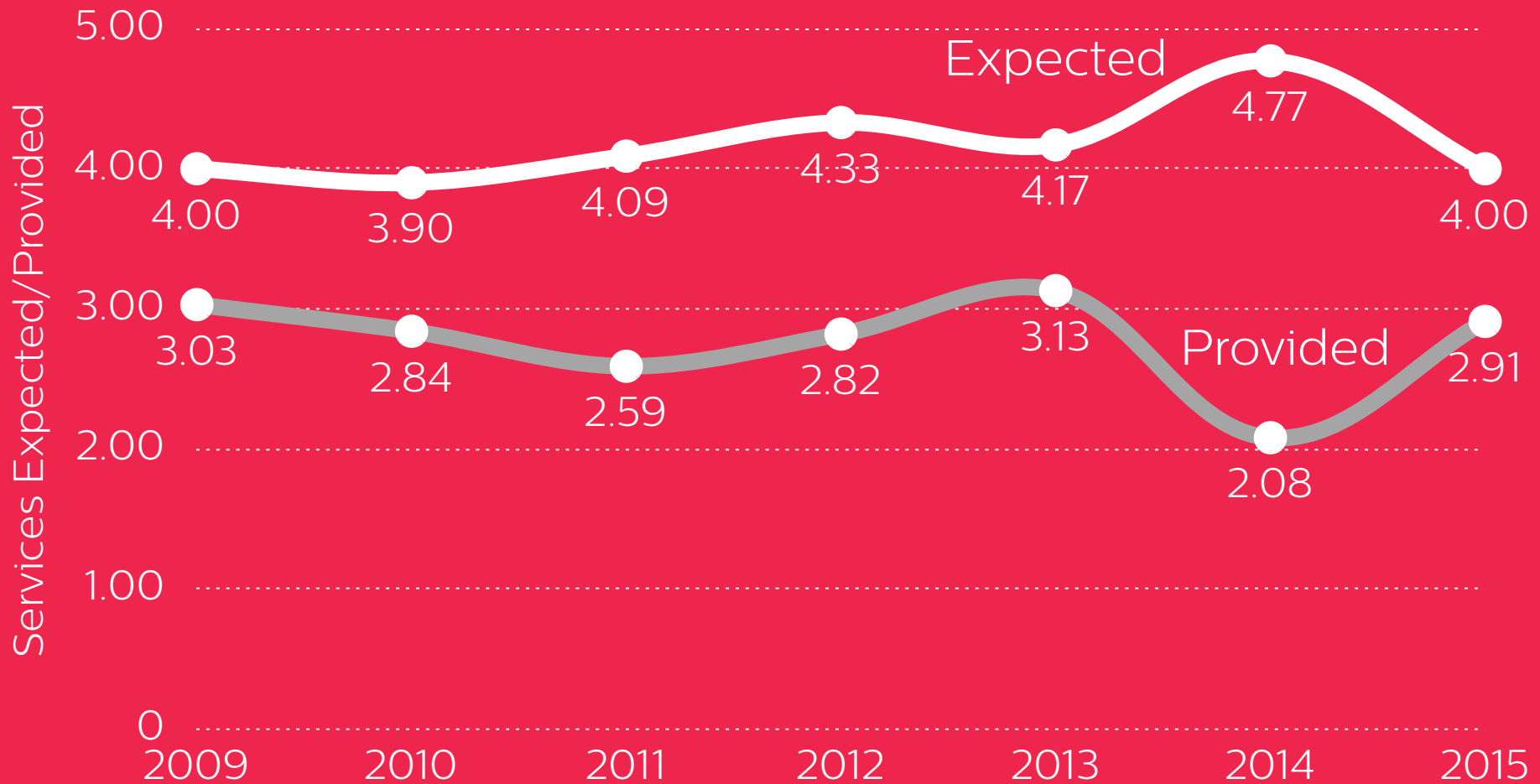
## SERVICING GAP (CONCLUDING REPORT)





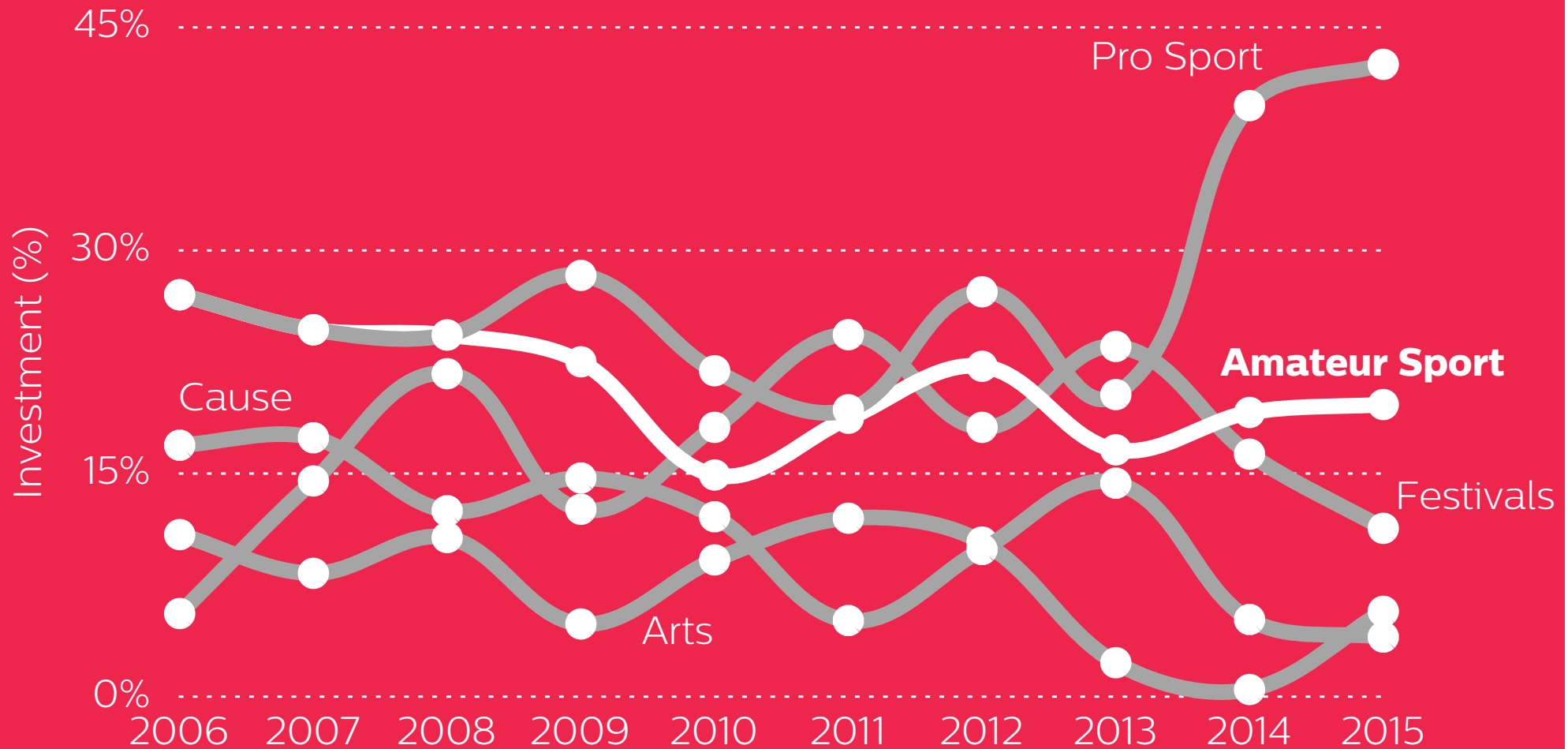
# Sponsorship Industry

## SERVICING GAP (ACTIVATION RESOURCES)



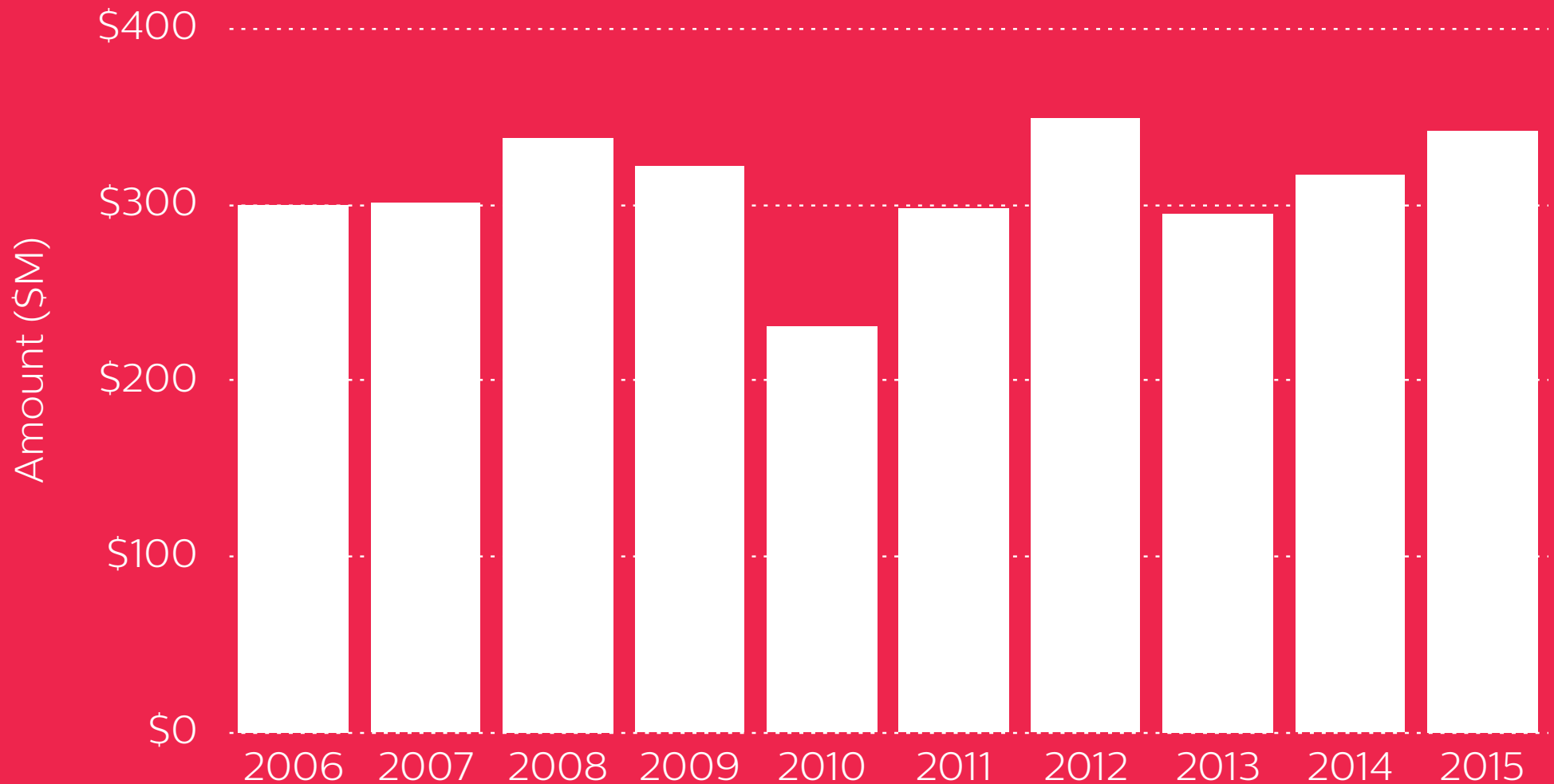
# Sponsorship Industry

## SPONSORSHIP INVESTMENT BY CATEGORY



# *Sponsorship Industry*

## AMATEUR SPORT SPONSORSHIP



# *Sponsorship Industry*

## **NSF SPONSORSHIP (Data Tidbits from 10 years of CSLS)**

- 196 responses
- Average Sponsorship Revenue: \$145,500
- No ability to test reliability of sample
- Average percentage of budget from sponsorship: 6.5%
- Average number of sponsors: 11.4
- Average size of sponsorship: \$13,108 (\$14,491 in 2015 dollars)

# Sponsorship Industry

## SOURCE OF PROPERTY REVENUE

Retail



2015 **34.5%**

2014 **20.5%**

2013 **22.1%**

Finance



2015 **20.7%**

2014 **15.9%**

2013 **12.3%**

Services



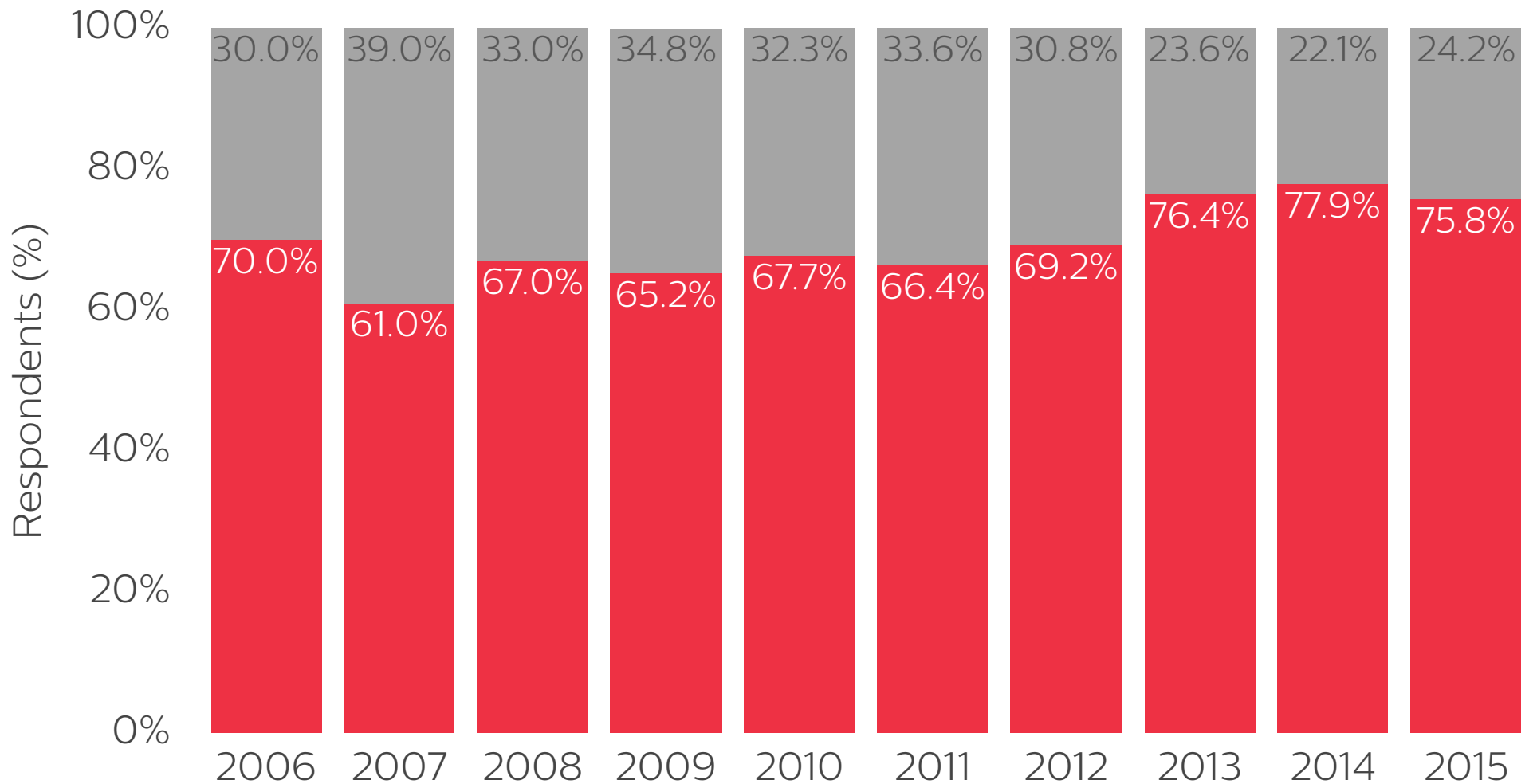
2015 **13.8%**

2014 **9.1%**

2013 **12.9%**

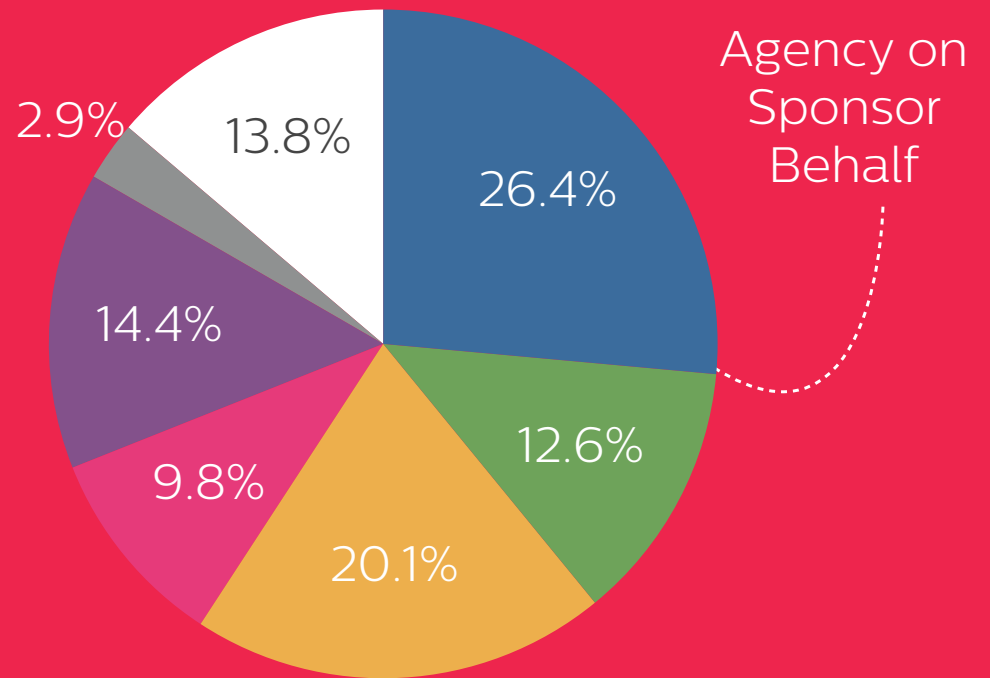
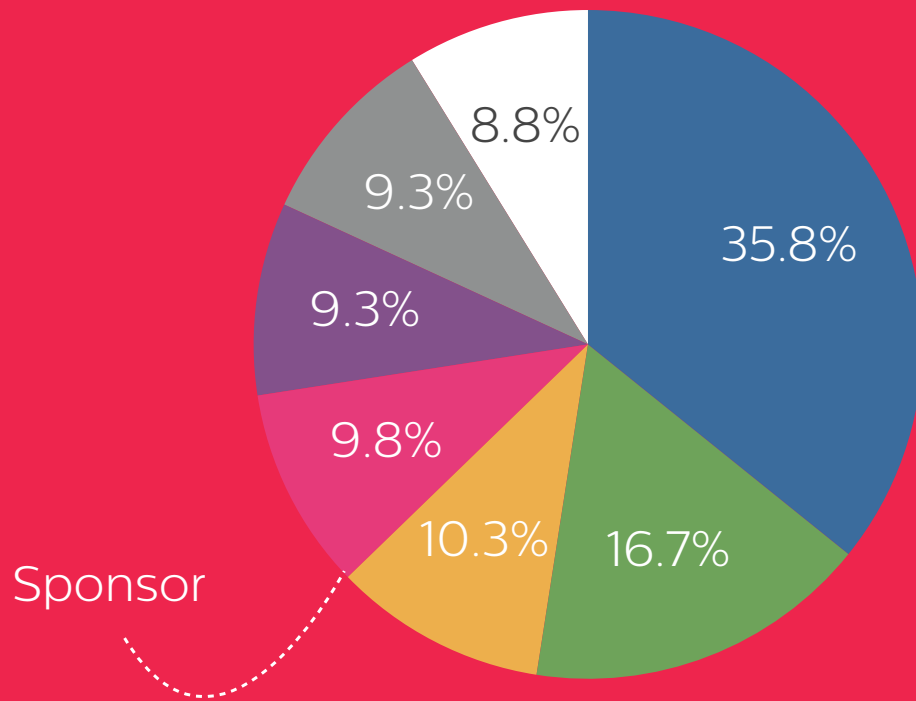
# Sponsorship Industry

## CASH VS. VIK REVENUE



# Sponsorship Industry

## INFLUENCE ON SPONSORSHIP DECISIONS



● Consumer Passions/Interests

● Industry Trends

● Asset Assessment

● Internal Data/Analysis

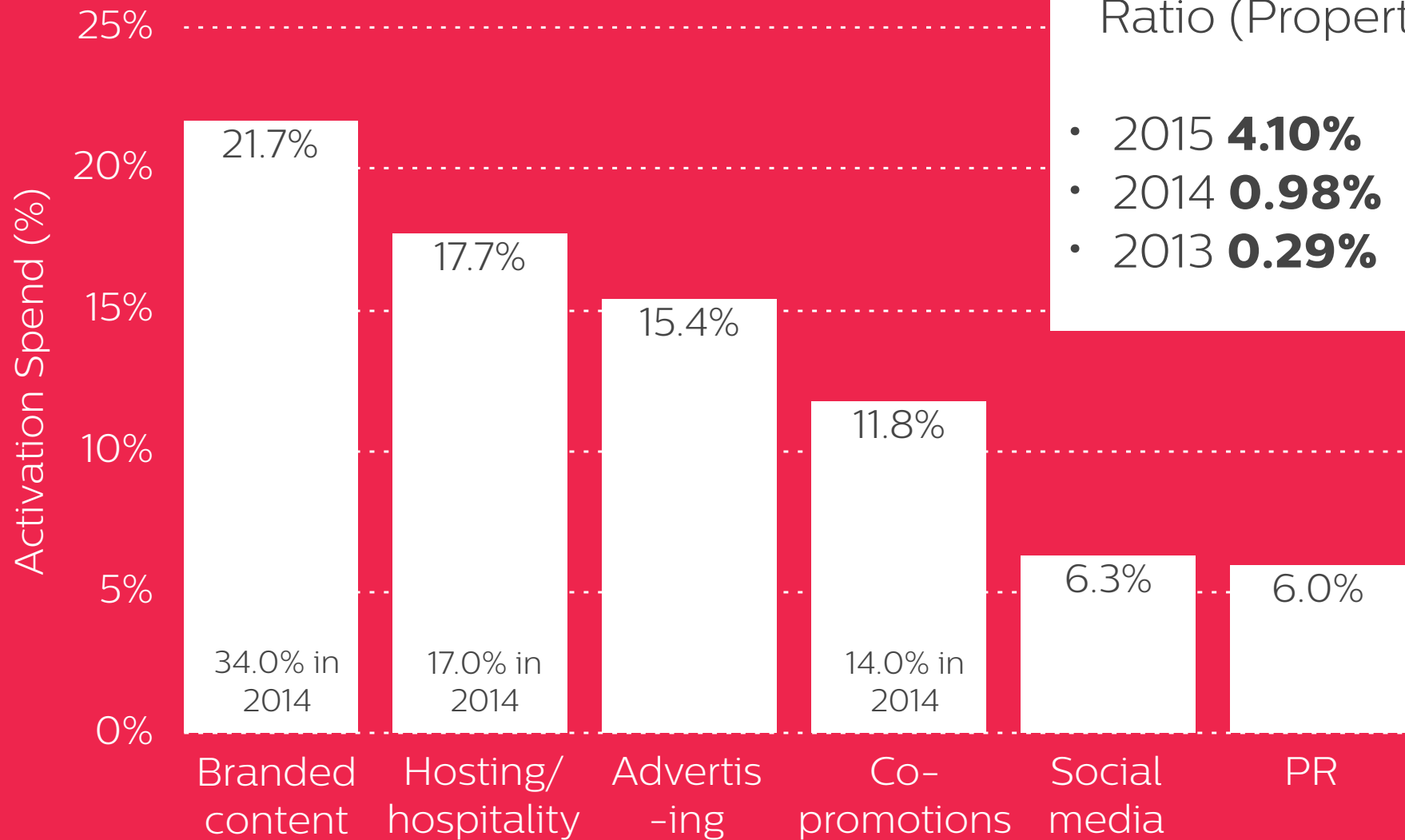
● Competitor Activity

● Bias

● Other

# Sponsorship Industry

## ACTIVATION EXPANDS



Activation Ratio (Property)

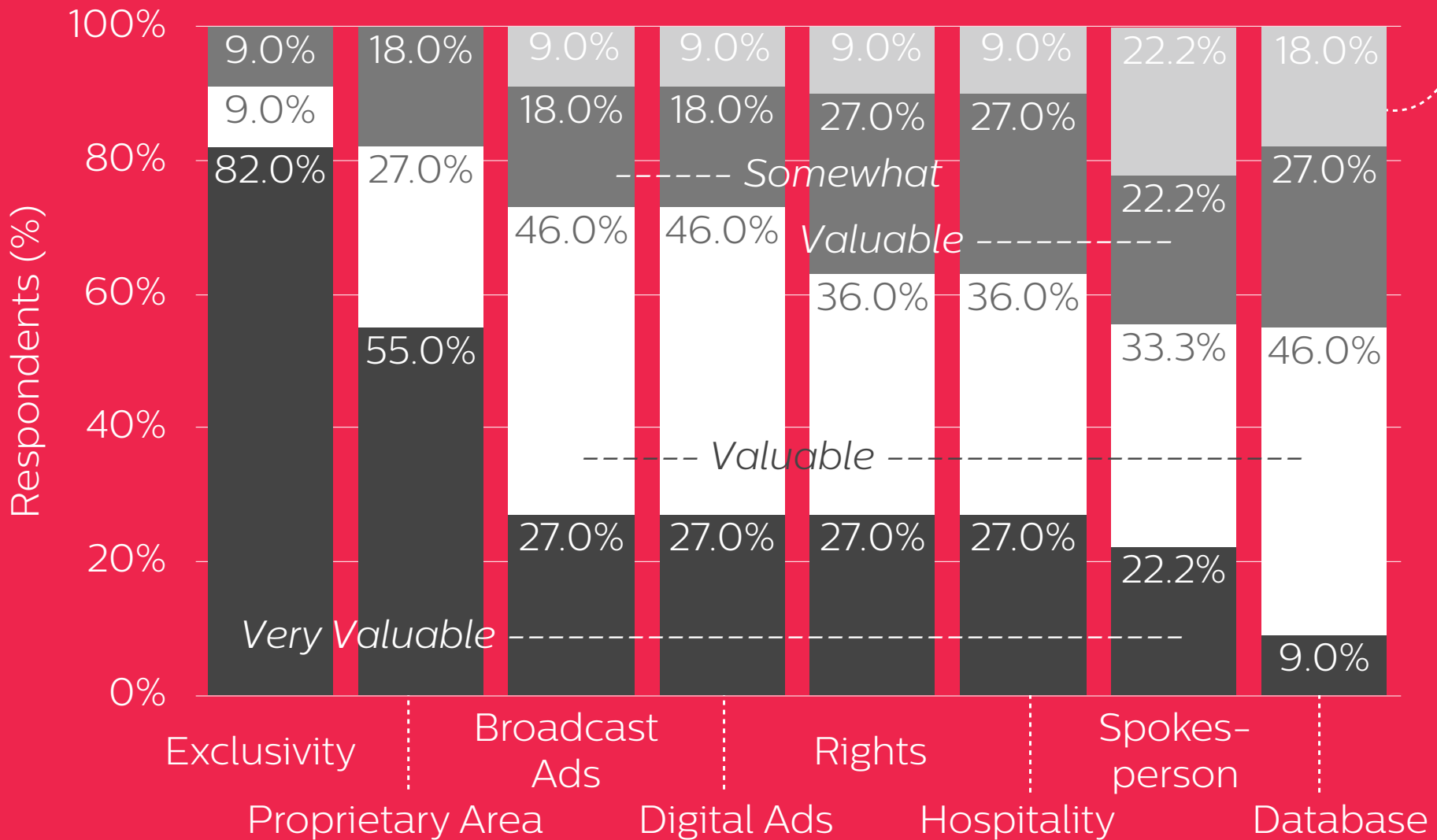
- 2015 **4.10%**
- 2014 **0.98%**
- 2013 **0.29%**



# Sponsorship Industry

## VALUABLE BENEFITS TO SPONSORSHIPS

Not  
valuable



# *Sponsorship Industry*

## OPPORTUNITIES & THREATS TODAY

### Opportunity **Co-Sponsorship**

- Having sponsors work together instead of competing for attention
- Increased integration of sponsor brands



### Threat **Talent Gap**

- Lack of implementation, evaluation and activation knowledge
- Limited professional development opportunities
- Succession planning

# Sponsorship Industry

## CONTENT & DIGITAL OPPORTUNITIES

The opportunity is well known, as is the decline of traditional mediums (e.g., cable TV). The integration across platforms, as well as enhanced digital activities are realities of sponsorship today. However, there are some very ambitious ideas expressed by industry leaders:



- “Technology opening new activation possibilities”
- “Part ownership of properties by brands”
- “Virtual reality to connect onsite and digital activations”
- “Integrating apps with the sponsorship experience to enhance consumer engagement thereby creating more effective sponsorships”

*NOTE: Initial Results Only*

# ***NSF Groupings***

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**SHARED OPPORTUNITIES AND CHALLENGES**

# ***NSF Groupings***

## **METHOD**

### Primary Research

- Cluster Analysis –  
Survey Data
- CSLS Data  
Assessment

### Secondary Research

- Case Studies

# Survey

## **DATA COLLECTION (IN PROCESS)**

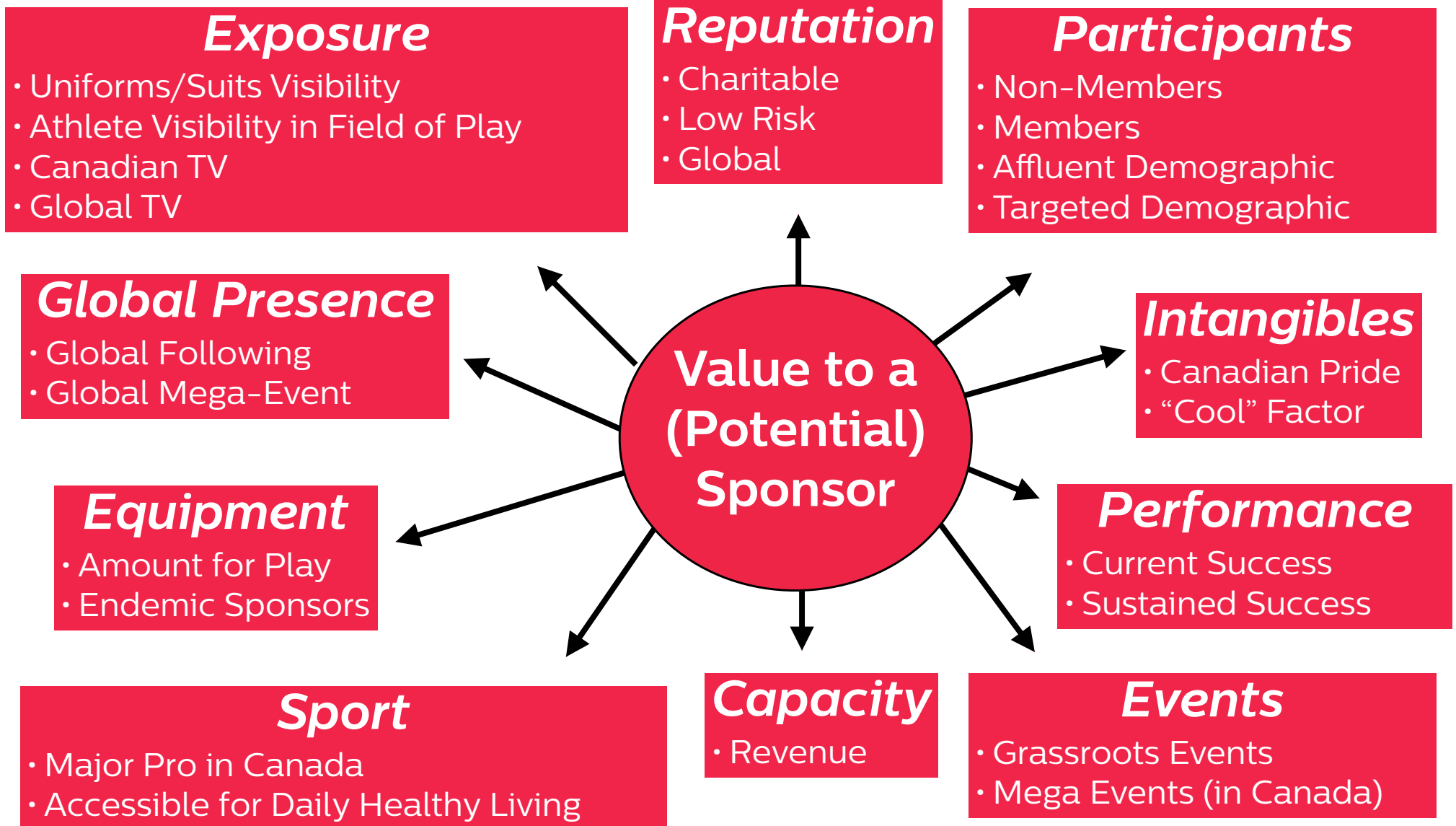
- 33 questions
- Both languages
- 8 categories of questions
- Efficient to complete
- Up to 10 years of longitudinal data
- Survey will close Monday, February 29, 2016 - we need your data here to benchmark

# *Cluster Analysis*

## **FIRST DRAFT (PRE-SURVEY) OF CLUSTERS**

- Consultation with COC: 48 NSF's considered
- Each analyzed on 10 factors, including 24 variables
  - Factors/Variables selected to represent 'value to sponsors'
  - All variables measured using a two (no/yes) or three level (low, medium, high) categorical scale, including a '0' score (no)
  - This analysis will be re-assessed following survey completion by NSF's

# Cluster Factors & Variables





# ***NSF Clusters***

## **PRE-SURVEY**

Please note that these are the initial pre-survey clusters and may change following the data analysis.

Mega Value  
Canadian

Mega Value  
Global

Performance  
& Participation

Attractive  
Attributes

High  
Potential

Asset  
Build

# Cluster Cases

## MEGA VALUE CANADIAN CLUSTER

**Property Name:** Tim Hortons Brier

**Location:** Canada

**Sport/Property Type:** Curling/National Championship

**Sponsor Name/Industry:** Tim Hortons/Quick Service Restaurant

**Activation Highlights:** Title sponsor of the Tim Hortons Brier and Trials, in-venue signage, title sponsor crest on uniforms, 'Timbits Little Rock Program' for young curlers, and the creation of a replica Brier Tankard to be used in promotional events across the country.

**How Value Proposition Was Leveraged:** The Brier typically draws between 150-200 thousand attendees and is watched on TV by millions of Canadians with more than 70 hours of live coverage. As a mega-event in Canada, both brands draw on the unique Canadian identity and community appeal.



# Cluster Cases

## MEGA VALUE GLOBAL CLUSTER

**Property Name:** FIBA Asian Championship

**Location:** Changsha, Hunan province, China

**Sport/Property Type:** Basketball/International tournament

**Sponsor Name/Industry:** TCL/Consumer Electronics

**Activation Highlights:** Organized events surrounding the “Use Your Youth” theme, utilizing Weibo, Chinese web platforms, and an 8-day Fan night spectator event

**Why it worked?:** TCL created and maintained fan engagement and excitement surrounding the championship, which helped boost the Chinese players’ morale and contributed to their ultimate victory, which TCL was able to generate content for their own storytelling



# Cluster Cases

## PERFORMANCE & PARTICIPATION CLUSTER

**Property Name:** HOPE Volleyball

**Location:** Ottawa, ON

**Sport/Property Type:** Volleyball/Charity Event

**Sponsor Name/Industry:** Grill Master/Outdoor Appliances

**Activation Highlights:** Platinum sponsor, providing each participant with food during the tournament

**Why it worked?:** Allowed Grill Master to achieve their goal of getting their food in peoples mouths, and generate awareness of the product lineup



# Cluster Cases

## ATTRACTIVE ATTRIBUTES CLUSTER

**Property Name:** Subaru Ironman

**Location:** Mont-Tremblant, QC

**Sport/Property Type:** Triathlon/ Local event

**Sponsor Name/Industry:** Subaru/Automotive

**Activation Highlights:** Title sponsor with Subaru cars on-site as well as tent and banners set up for increased brand exposure

**Why it worked?:** Connected with the brands slogan for “Confidence in Motion” and the target demographic/profile of the Ironman participant and spectator

**SUBARU**  
**IRONMAN**  
MONT-TREMBLANT QUÉBEC





# Cluster Cases

## HIGH POTENTIAL CLUSTER

**Property Name:** Statkraft Young Star

**Location:** Holmenkollen, Norway

**Sport/Property Type:** Biathlon/National Grassroots Program

**Sponsor Name/Industry:** Statkraft/Renewable Energy

**Activation Highlights:** Financial support and talent development for youth biathlon participants

**Why it worked?:** Positive association with finding the best talent to help further develop and access to the local communities to garner interest in future potential employees



# Cluster Cases

## ASSET BUILD CLUSTER

**Property Name: Romanian Ski Jumping**

**Location:** Romania

**Sport/Property Type:** Ski jumping/Grassroots youth program

**Sponsor Name/Industry:** OMV/Energy

**Activation Highlights:** “OMV Move & Jump” project supports the development of youth skiers through sponsorship of practice facilities and ski jumping centers

**Why it worked?:** Improved results at international competitions for the sport and provided the oil & gas company exposure in connection with a community driven sport property



# ***Most Valuable Property Study***

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# MVP Study



Canada's  
**2016 M.V.P.**  
Most Valuable Property

A syndicated study designed to identify what drives the connection between sponsors and consumers/citizens



# ***MVP Study***

## **METHOD**

- Focus Groups
- Survey: 2012, 2014, 2015, 2016
- 2016 Survey
  - 100 Properties
  - 2,500 Canadians surveyed

# ***MVP Study***

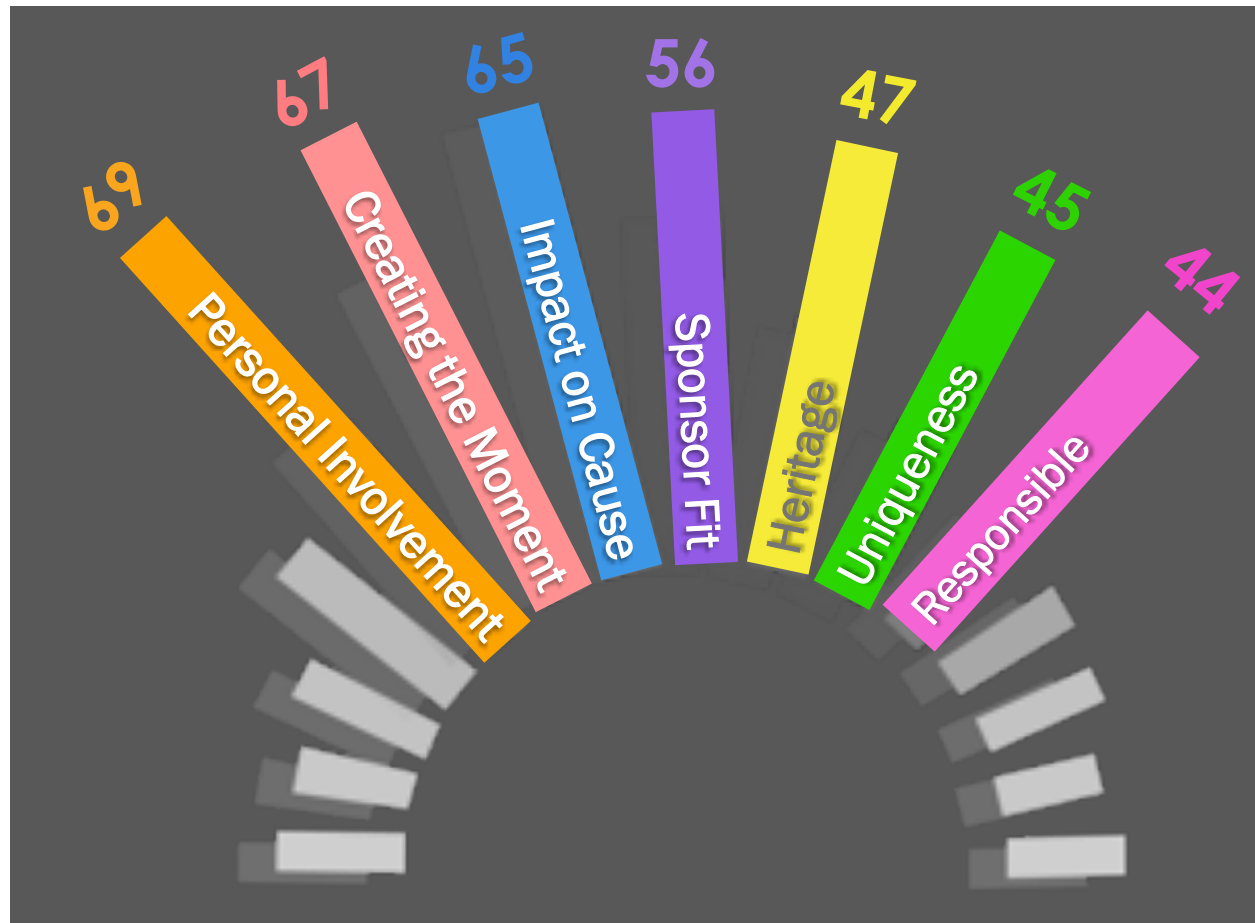
## **PROPERTY CRITERIA**

1. Regularly occurring
2. Canadian
3. Representative of all segments
4. Create collectives

Excluded: 'One-off's', Facilities, Venues, Individuals, "Owned" properties

# MVP Study

## 7 DRIVERS OF VALUE



# MVP Study

## PROPERTY CATEGORIES



# MVP Study

## PAST MVPS BY CATEGORY

	Pro Sports	Amateur Sports	Arts	Events	Entertainment	Social	Youth	Health
2015	Favourite NHL Team	Canadian Olympic Team	Major Museum or Art Gallery	Winter Cultural Festivals	Nearest Theme Park / Attraction	WWF	Kids Help Phone	Canadian Cancer Society/ Relay for Life
2014	National Hockey League	Canadian Paralympic Team	Major Museum or Art Gallery	Summer Cultural Festivals	Hockey Night in Canada	Salvation Army	United Nations Children's Fund	Heart & Stroke
2012	Favourite NHL Team	Canadian Olympic Team	Major Performance Arts or Theatre Program in the nearest city	Arts Festivals in the Nearest Major City	Hockey Night in Canada	Salvation Army	Big Brothers and Sisters	Canadian Cancer Society/ Relay for Life

# MVP Study

## SUMMARY: TOP AMATEUR SPORT PROPERTIES

### Drivers

- Creating a sense of “personal involvement” and “memorable moments” are most highly correlated to value in the amateur sports sponsorship

### Demographics

- Males place more value on amateur sports than women

### Top Performers

- Amateur sports organizations succeed for a variety of reasons related to heritage, impact on cause and sponsor fit, but in particular, they are all national

# MVP Study

## OVERALL KEY LEARNINGS

- *Cause Champions*: Sponsors are often rewarded when they are clear champions of the cause. The Sponsor - Property fit remains key
- *Memories*: Canadians connect through events that create collective, memorable moments
- *Engagement*: Getting the public personally involved. Mobilizing Canadians in communities across the country
- *Building Community*: If a property is attempting to make the world a better place or improve community life, it's more likely to connect sponsors to the public



# ***What Sponsors Want***

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# 5 PILLARS OF SPONSORSHIP

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Borrowing  
Equity

Telling  
Stories

Engaging  
Stakeholders

Seeing Proof

Getting  
Promoted

# BORROWING EQUITY

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Sponsorship provides meaning

Sponsorship is the test of equity

Sponsorship helps validate brand claims

Sponsorship articulates commitment

# Equity association helps legitimize a sponsor's claims.

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There are five broad types of equity to borrow:



Community  
Equity



Emotional  
Equity



Legitimizing  
Equity



Positioning  
Equity



Performance  
Equity



You have more equity than you realize.  
Look beyond the size of your event.

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Look at its impact.

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Look to its authenticity.

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Turn to your property's strategic voice.

# TELLING STORIES

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Brands are in the business  
of storytelling

Sponsors' challenges are used  
to write their story

Properties are platforms not  
a media vehicle

To develop the story,  
understand the PAIN your  
partner is experiencing.





Begin first by asking about their business,  
not by presenting your property.



Position yourself as the platform,  
not the media vehicle for their story.

# ENGAGING STAKEHOLDERS

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Events are declarations

Activation is engagement

Activation increases purchase  
intent by 475%

# Corporate partners want Activation.



A group of people, including a woman with glasses and a man, are gathered around a table. They appear to be engaged in a collaborative activity, possibly a workshop or a game. On the table, there is a grid of small, light-colored objects, possibly beads or small containers, arranged in rows. The background shows shelves with various items, suggesting a workshop or a store. The entire image is overlaid with a semi-transparent red filter.

Activation is engagement.



Use the Activation Cycle to develop engagement opportunities.



# SEEING PROOF

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Only 3% of sponsorship budgets are spent on evaluation

Typical metrics don't reflect engagement

Depth of engagement must be demonstrated

The value of a property's audience must be measured

# GETTING PROMOTED

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Create a vision of working together

Help your sponsor do their job better

Help them write their internal  
recommendation

Develop planning tools to build your  
credibility

Provide the support, reports,  
and plans to keep your partner  
confident in the final result.



- Sponsorship Fulfillment Plan
- Quarterly Planning Sessions
- Online Partner Support
- Monthly Reports
- Validated ROI



Elevate your role from selling your property to providing solutions.

# 5 PILLARS OF SPONSORSHIP

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Borrowing  
Equity

Telling  
Stories

Engaging  
Stakeholders

Seeing Proof

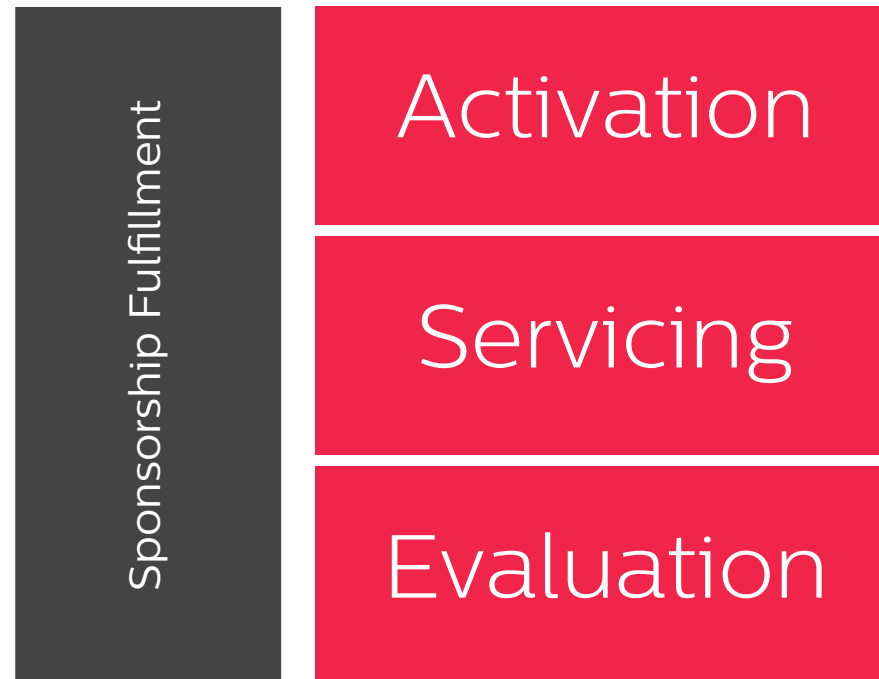
Getting  
Promoted

# *Sponsorship Fulfillment*

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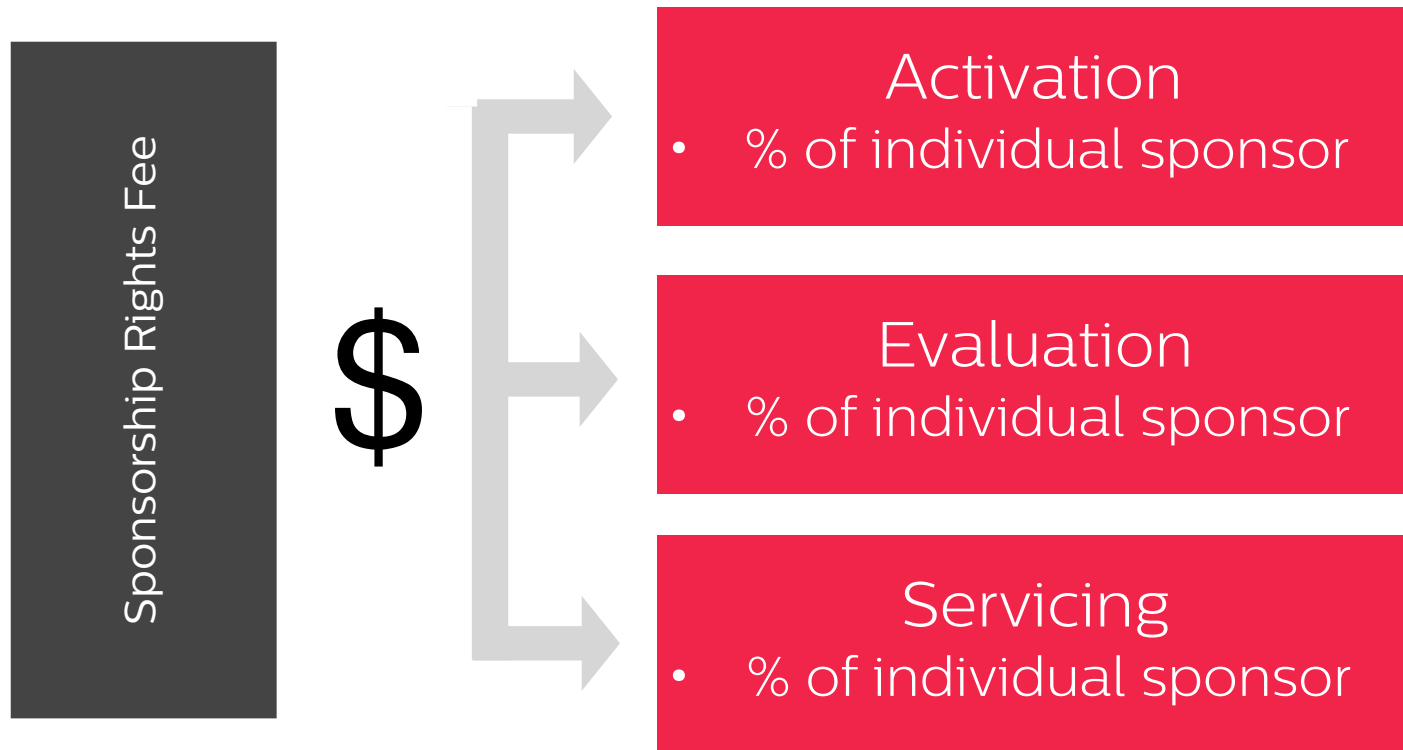
# *Fulfillment Model*

## COMPREHENSIVE APPROACH



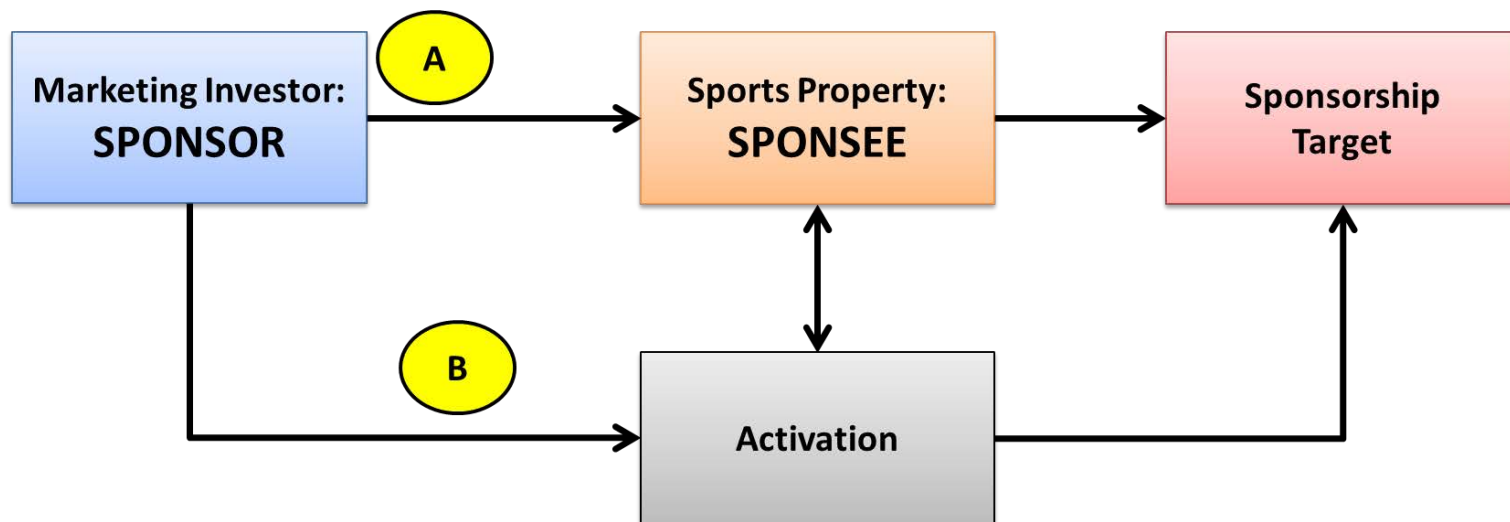
# *Fulfillment Model*

## PROPERTIES SHOULD INVEST IN SPONSORSHIP



# Activation 101

## DIRECT & INDIRECT (ACTIVATION) INVESTMENTS IN SPORTS SPONSORSHIPS



A. DIRECT SPONSORSHIP INVESTMENT

B. INDIRECT (ACTIVATION) SPONSORSHIP INVESTMENTS

# *Activation Specifics*

- All the activities undertaken to enhance a sponsorship
- Types of Activation
  - Traditional (e.g., packaging, VIP's, hospitality)
  - Value-Adding (e.g., social media, branded content, creative)

# Activation Specifics

## EXAMPLES

- Advertising
- Event signage
- Public relations
- Banners
- Uniform logos
- Offsite events/promotions
- Vehicle signage
- PA announcements
- Logo placement
- Scoreboard promotions
- On-site activations
- Direct marketing
- Social media
- Mobile
- Digital promotions
- Blogs
- Websites
- Product sampling
- Hospitality
- VIP passes/entertainment
- Product demonstrations
- Point of Purchase (POP) displays
- Sales promotions
- Contests to drive in-store traffic
- Coupons
- Merchandising
- Sweepstakes
- Licensing
- Games/video games
- Player/athlete sponsorship
- Coach sponsorship
- League sponsorship
- Employee programs
- Staff rewards/hospitality
- Contests
- In-store displays



# *Servicing*

## **ALLOCATE RESOURCES FOR CONTRACT DELIVERY**

- Set aside a small percentage of rights fees revenue
- Identify human resources
- Build an Account Management Plan
  - Contact control
  - Roles and responsibilities allocations
  - Critical path/workback schedule
  - Comprehensive schedule of fulfillment items
  - Inventory Tracking
  - Schedules
  - Reports

# Evaluation

## BASED ON PUBLISHED MODEL

From O'Reilly & Madill, 2011

1. Verify that sponsor wants an evaluation done.

2. Determine sponsor objective(s) by (i) reviewing contract, (ii) meeting contact at sponsor, and (iii) reviewing sponsor's marketing plan.

3. Based on objectives, determine investment in evaluation, as well as metrics and methods to implement.

4. Measure before sponsorship begins to acquired benchmark(s).

5. Collect data and assess effectiveness.

6. Compare results to benchmark and objectives.

Build a body of evidence and case for renewal for your partner.

Assess if you are charging appropriate amount.

Determine if levels of activation are correct for both sponsor and property.

Assess if servicing and evaluation investments and activities by property are sufficient.

# **Contact Information**

**If you have any questions, please let us know.**

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