



11th Annual

IEG / Performance Research

Sponsorship Decision-Makers Survey



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I. Methodology

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Sponsorship Decision-Makers Survey

Methodology

A total of 120 participants were contacted, via e-mail, by Performance Research and asked to complete an online questionnaire about the sponsorship decision-making process.

Respondents were screened by IEG, Inc. to be sponsorship decision-makers from small, medium and large corporations worldwide.

Data collection was conducted in February of 2011.

Research objectives included, but were not limited to, determining the benefits and services that are most important to companies when making sponsorship decisions and estimating how companies are budgeting for measurement and activation. The margin of error for this study is approximately $\pm 5\%$.

This study was conducted in conjunction with [IEG, LLC.](http://www.sponsorship.com) www.sponsorship.com



II. Executive Summary

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Sponsorship Decision-Makers Survey

Decision-Makers Survey: Sponsors Favor Activation Budgets In 2011

Sponsors are bullish on the medium, but lingering questions about how to measure return persist.

Corporate marketers are wasting no time putting the days of sponsorship spending cuts behind them, according to the 11th annual IEG/Performance Research Sponsorship Decision-makers Survey.

When asked about their spending this year, sponsors painted a very rosy picture, especially in terms of funding leveraging platforms.

The number of sponsors saying they would increase activation spending rose 16 percentage points from 2010 and is 27 points higher than 2009.

Decision-makers Survey: Sponsors Favor Activation Budgets In 2011

(continued...)

The bigger commitment to activation outshines the love sponsors are showing to sponsorship rights fees, although the news is positive there as well.

Over one-third of marketers will spend more on sponsorship deals this year, with just less than half allocating the same as they did in 2010. Last year, nearly one-third (30 percent) said they would cut spending, while only 20 percent were set to grow budgets for fees.

Some of the new money for rights fees likely will go to new partnerships, as opposed to renewals or mid-term escalation: 78 percent of sponsors said they are considering new sponsorships in 2011. Two years ago, that figure was just 60 percent.

Survey respondents reported that spending on sponsorship fees—not including activation—accounts for 19 percent of their overall expenditures on advertising, marketing and promotion.

Decision-makers Survey: Sponsors Favor Activation Budgets In 2011

(continued...)

The average ratio comparing activation spending to the amount spent to acquire sponsorship rights rose to \$1.60 on leveraging for every \$1 spent on rights fees from \$1.40 to \$1 in 2010. The survey's high water mark for activation spending was \$1.90 to \$1 in 2007.

Hospitality has yet to climb back into the top three most popular activation tools, after falling to fifth last year in the wake of TARP-related scrutiny of financial-services sponsors.

A significantly higher number of sponsors are seeking assistance from PR firms in helping to promote sponsorships this year. While more than half of the 2011 respondents said they work with PR agencies to support sponsorships, only 38 percent did so last year.

Decision-makers Survey: Sponsors Favor Activation Budgets In 2011

(continued...)

The number of sponsors who said they do not use any agencies to assist with sponsorship programs dropped 10 percentage points to one-third of respondents, marking the lowest proportion in the 11 years the question has been asked.

The 2011 survey included more questions than ever about sponsors' approach to evaluation and measurement of their partnerships. Charts 6 through 10 paint a familiar picture of a medium that recognizes the importance of measuring return on investment and return on objectives, but continues to struggle with finding the resources to do so and determining what the right things to measure are.

The good news is that the percentage of marketers who cannot say whether they are earning a return on their sponsorship investments has hit a low point in the survey's history of 18 percent.

Decision-makers Survey: Sponsors Favor Activation Budgets In 2011

(continued...)

Sixty-one percent of sponsors said the need for good measurement had increased a lot, while another 23 percent said it had increased a little. But when asked the follow-up question, “Does your company actively measure return from its sponsorships?” a full one-third of sponsors said no.

While there has been a gradual movement in the right direction, still more than seven out of 10 sponsors spend either nothing or below the minimum accepted standard of one percent of spending on evaluating whether their sponsorships are having the intended impact.

Sponsors’ ranking of measurement metrics implies that they are evaluating what is easiest to calculate (awareness) and not always going after the harder-to-determine impacts further down the purchase funnel.

Decision-makers Survey: Sponsors Favor Activation Budgets In 2011

(continued...)

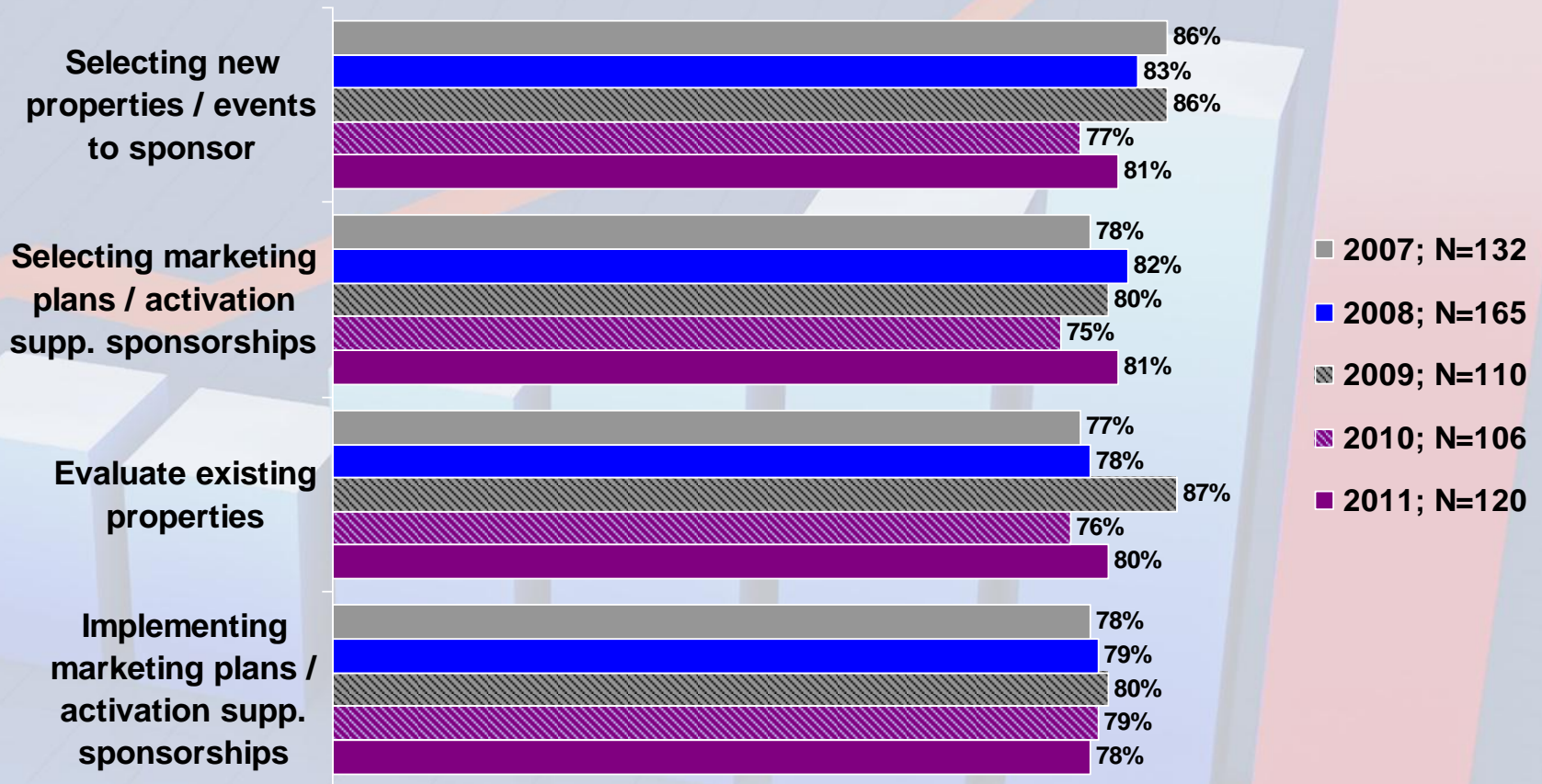
Marketers also continue to rely on their property partners for evaluation assistance, with survey respondents ranking their dependence on rightsholders to help them measure return as a 6 on a 10-point scale.

Two-thirds of sponsors said properties generally do not meet their expectations in helping them measure their return from partnerships.

Among the top five benefits properties can offer, sponsors continue to value exclusivity and on-site exposure highly, while broadcast ad opportunities, presence on a property's Web site and the ability to "own" a portion of a property through title of a proprietary area or program have both risen dramatically.

Another benefit that was determined to be much more important this year was access to property content for digital and other uses, which came from outside the top 10 to place sixth on the list.

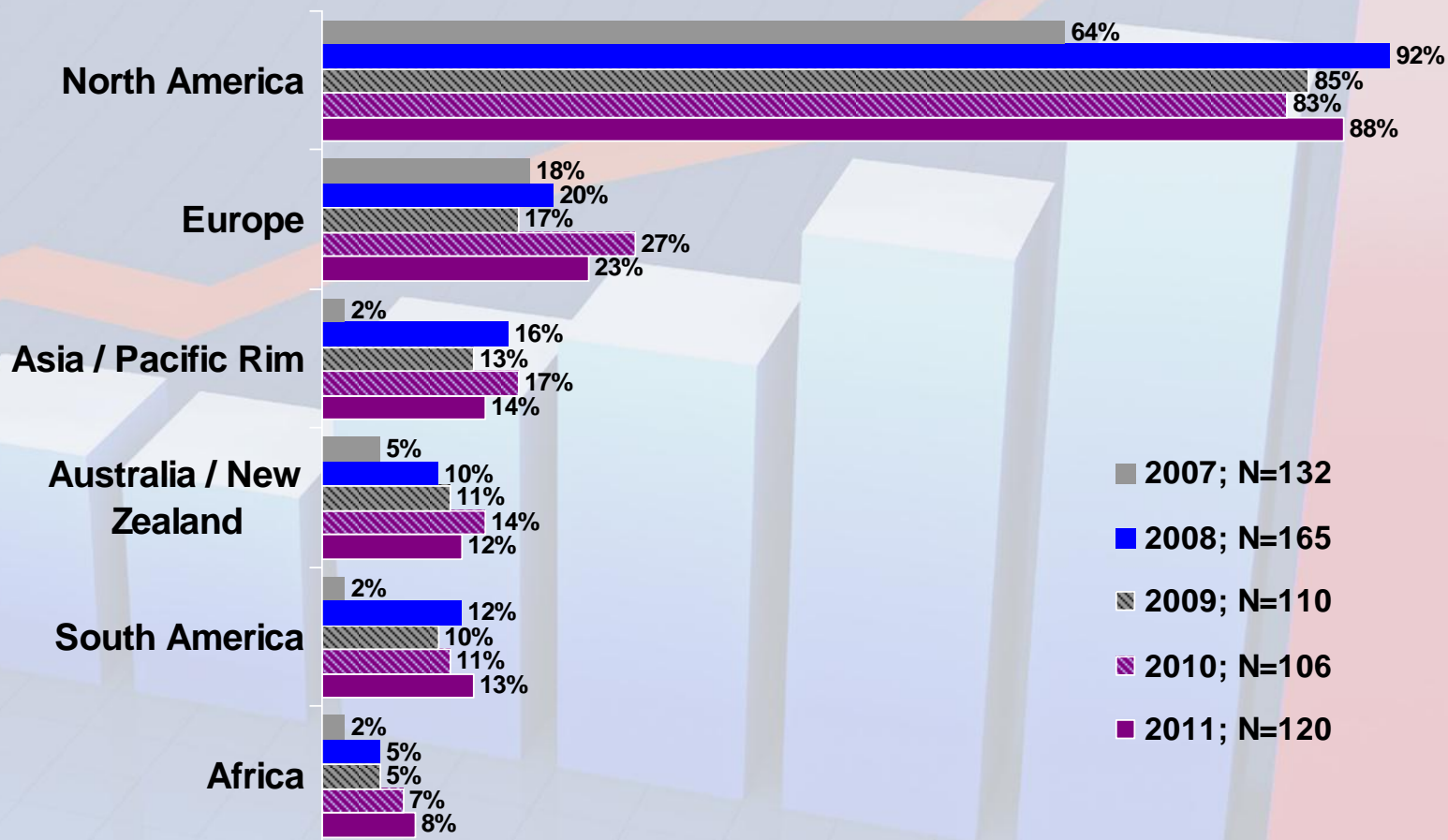
Decision Making Responsibilities



“Within your organization, which of the following describes your responsibilities regarding sponsorship?”

Sponsorship Programs

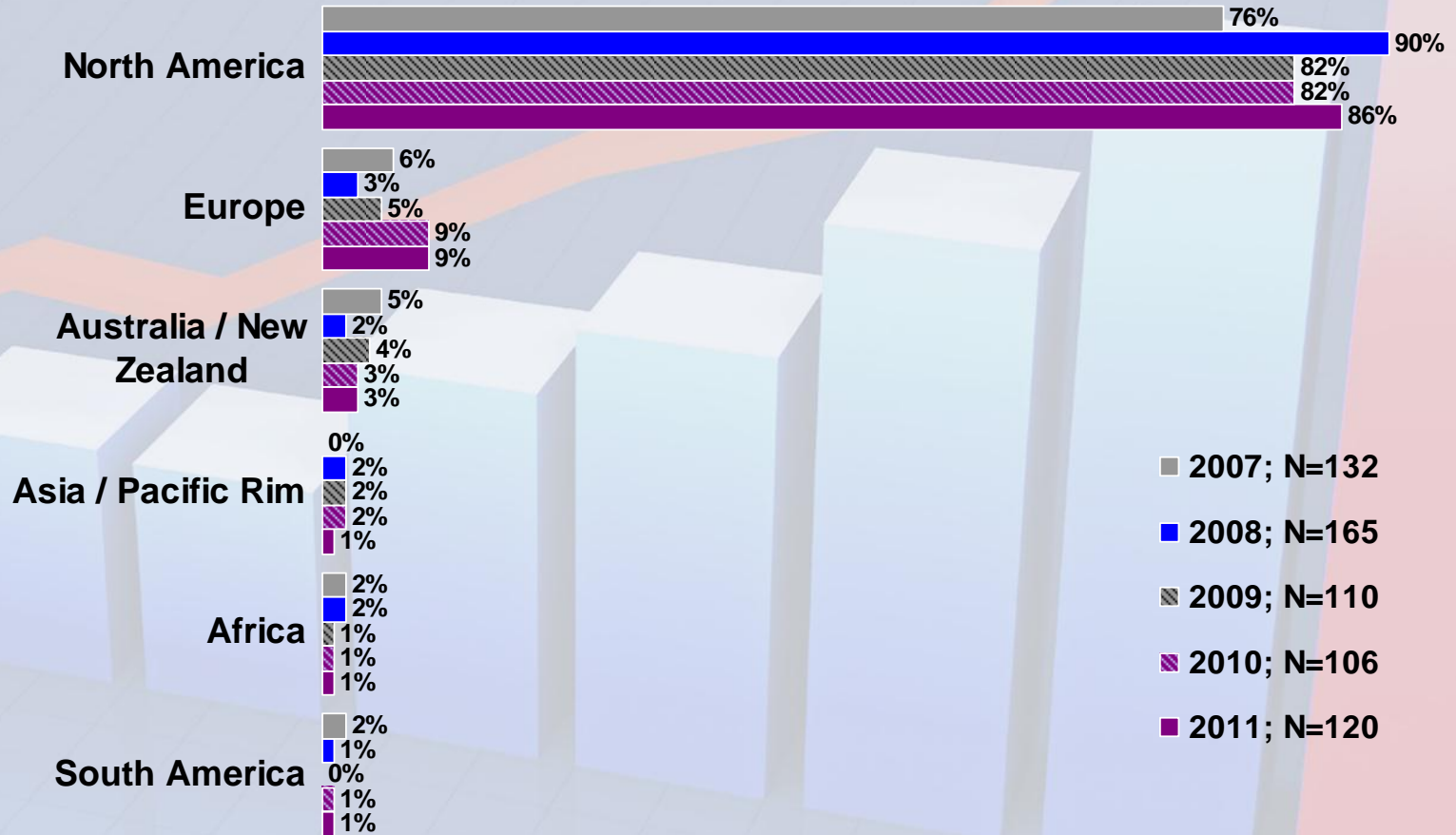
By Region



“In what regions do your sponsorship programs operate?”

Personal Location

By Region



“In which region are you personally based?”





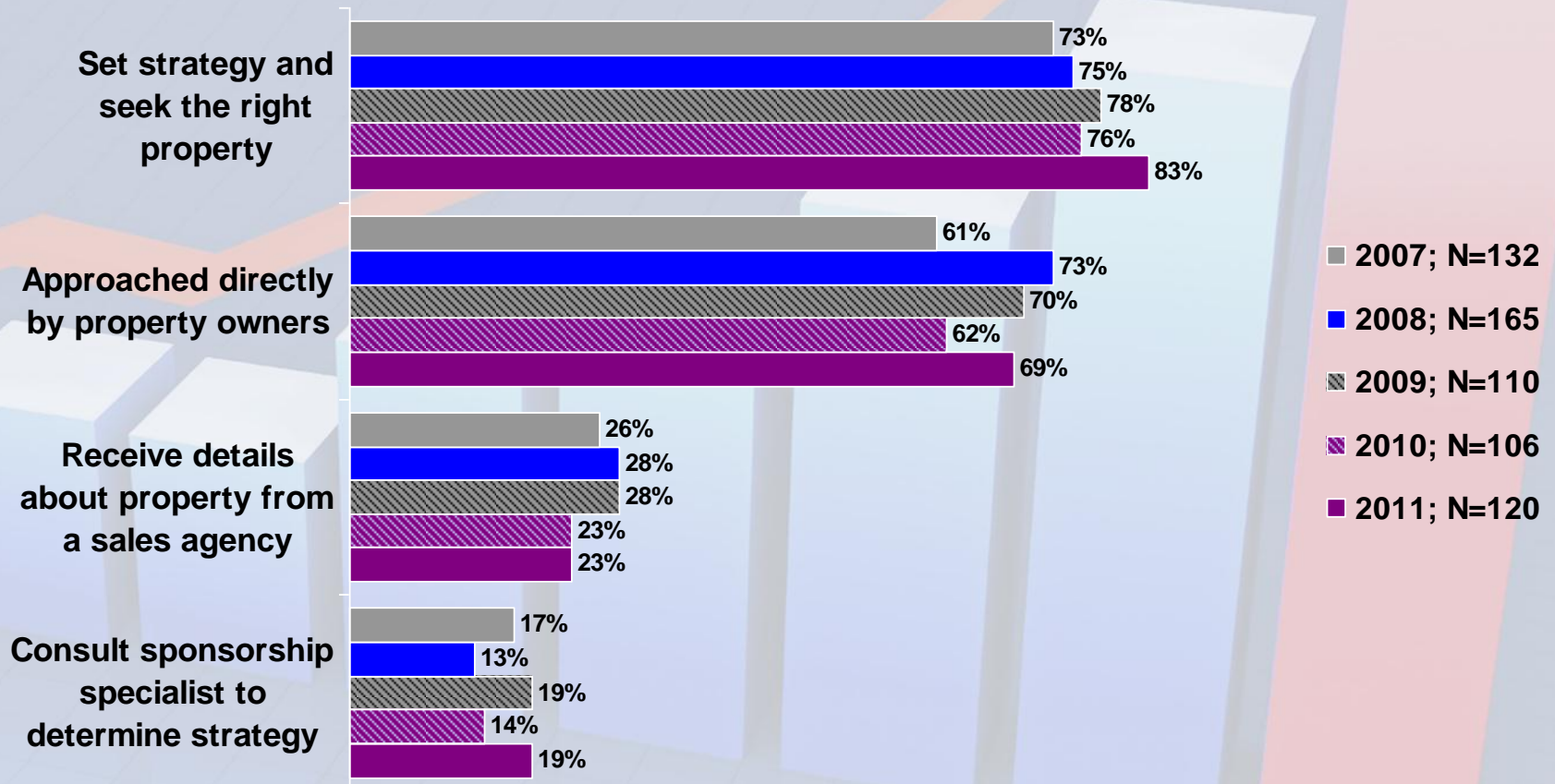
IV. Sponsorship Spending & Involvement

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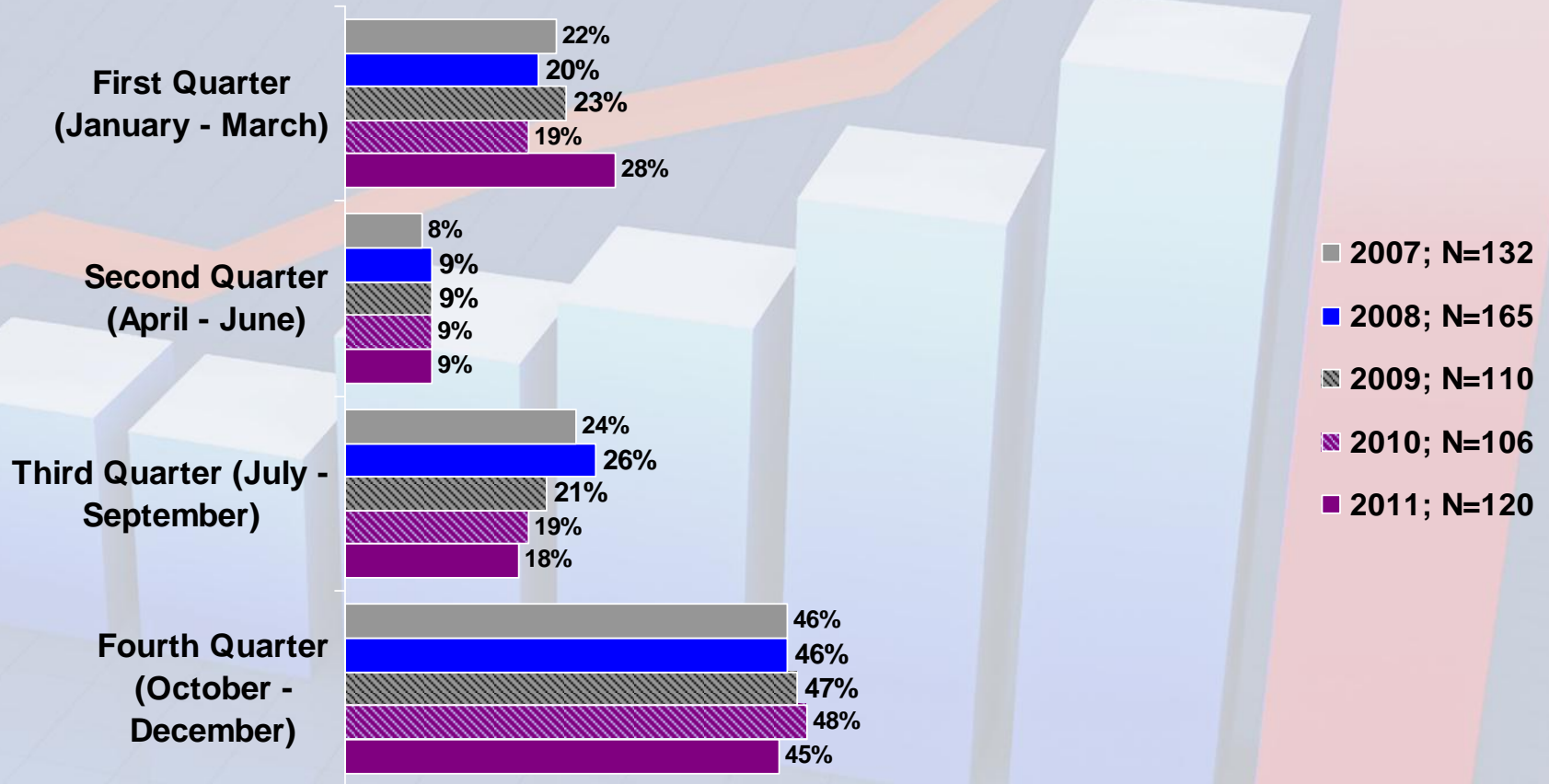
Sponsorship Decision-makers Survey

Choosing Property to Sponsor



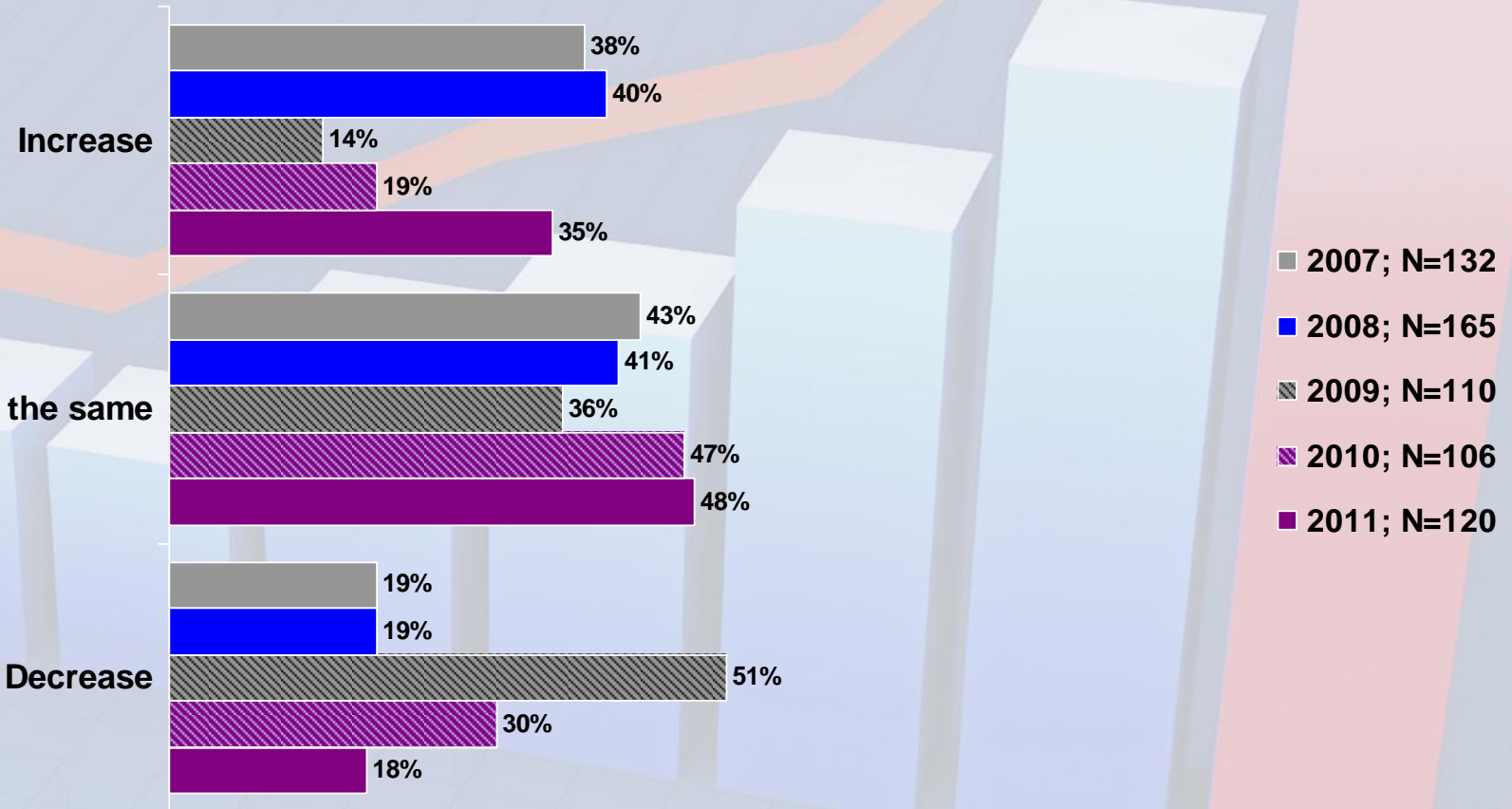
“How do you typically go about choosing a property to sponsor?”

When Sponsorship Budget is Decided



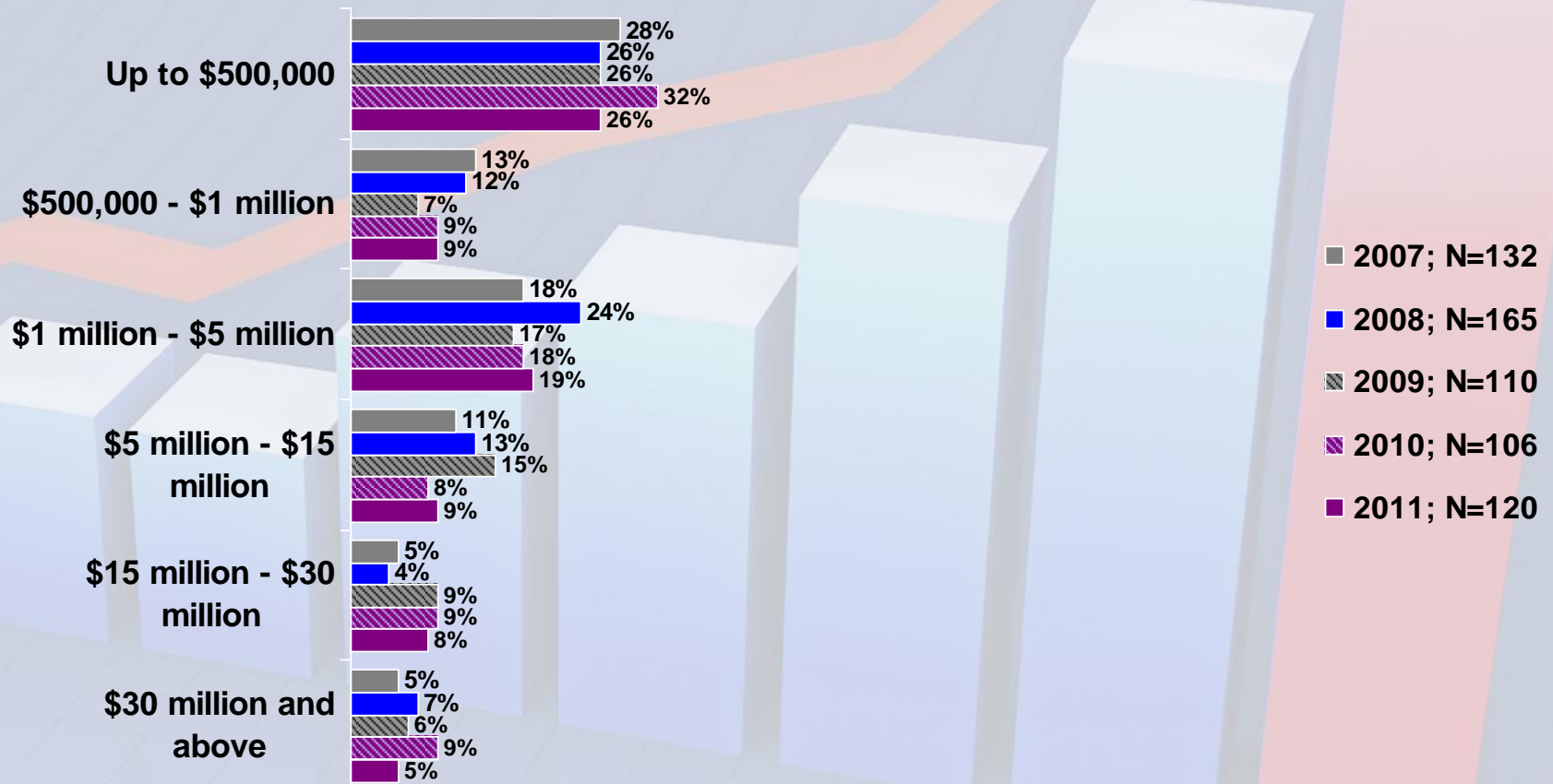
“During which time period does your company determine its sponsorship budget?”

Likely Sponsorship Spending Compared to Prior Year



“How will your overall sponsorship spending in [2011] compare to [2010]?”

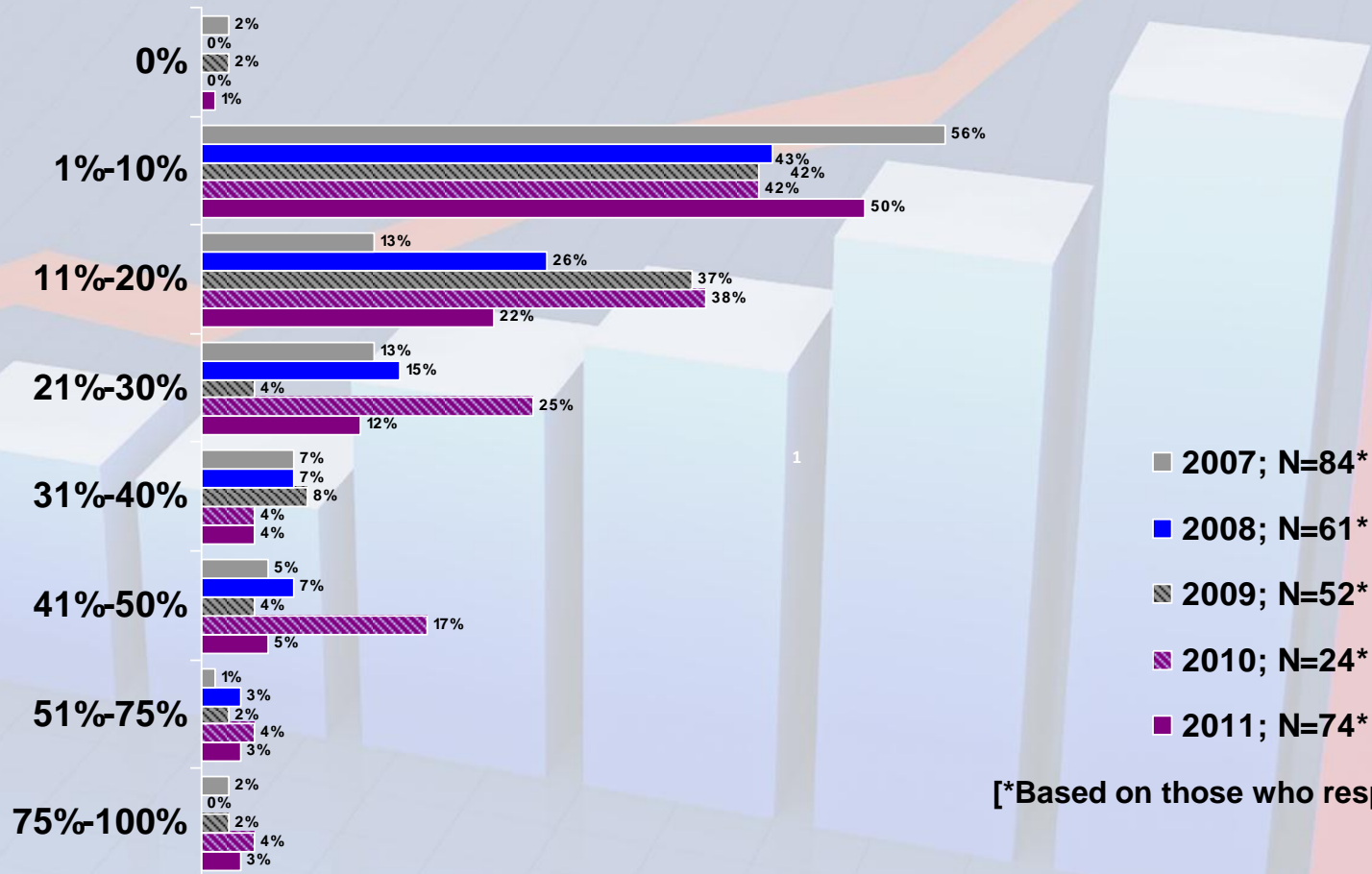
Sponsorship Spending in Prior Year



“About how much did your company spend on sponsorship in [2011]?”



Percentage of Marketing Budget Spent On Sponsorship

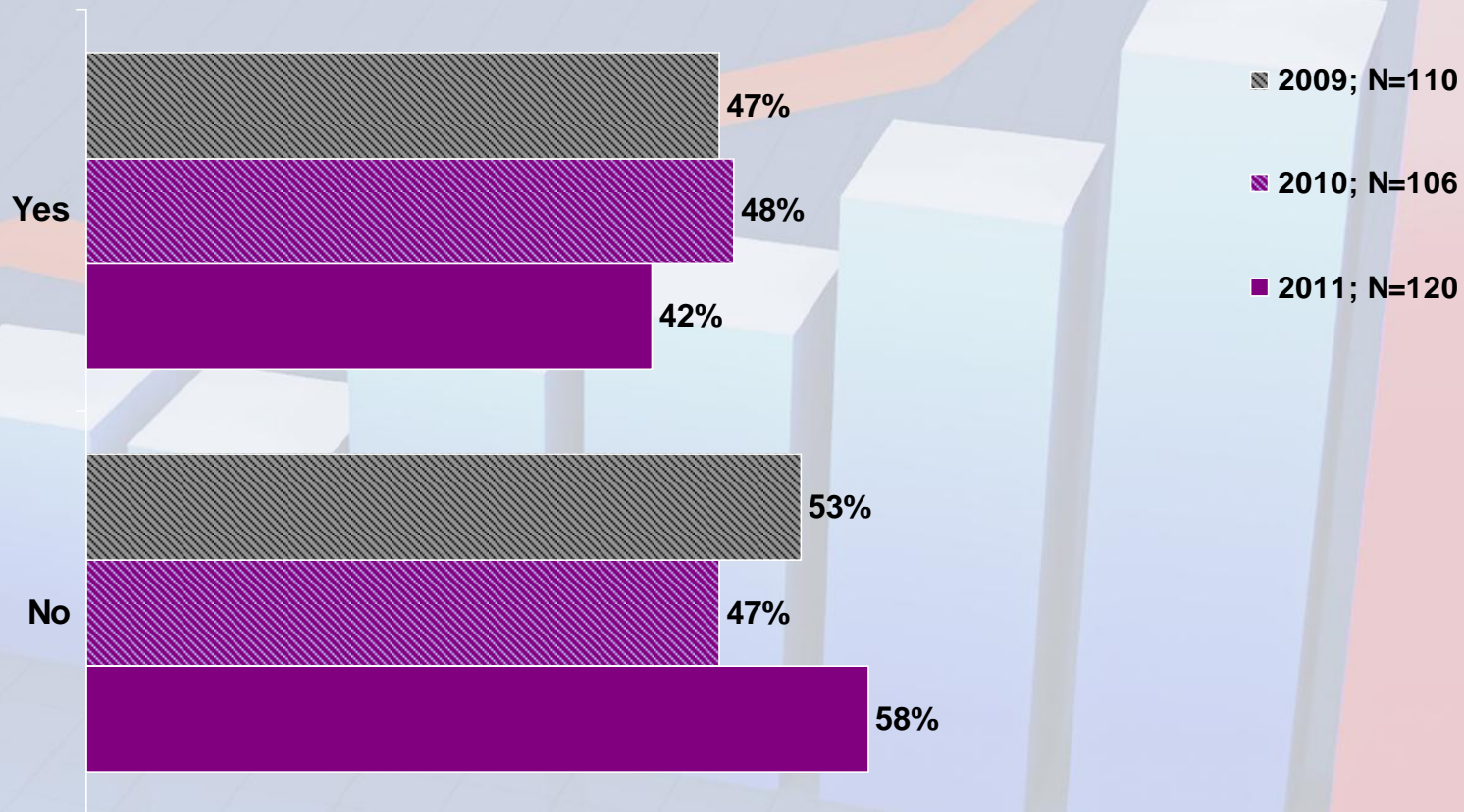


[*Based on those who responded]

“Approximately what % of your organization’s overall marketing budget do sponsorship rights fees represent?”

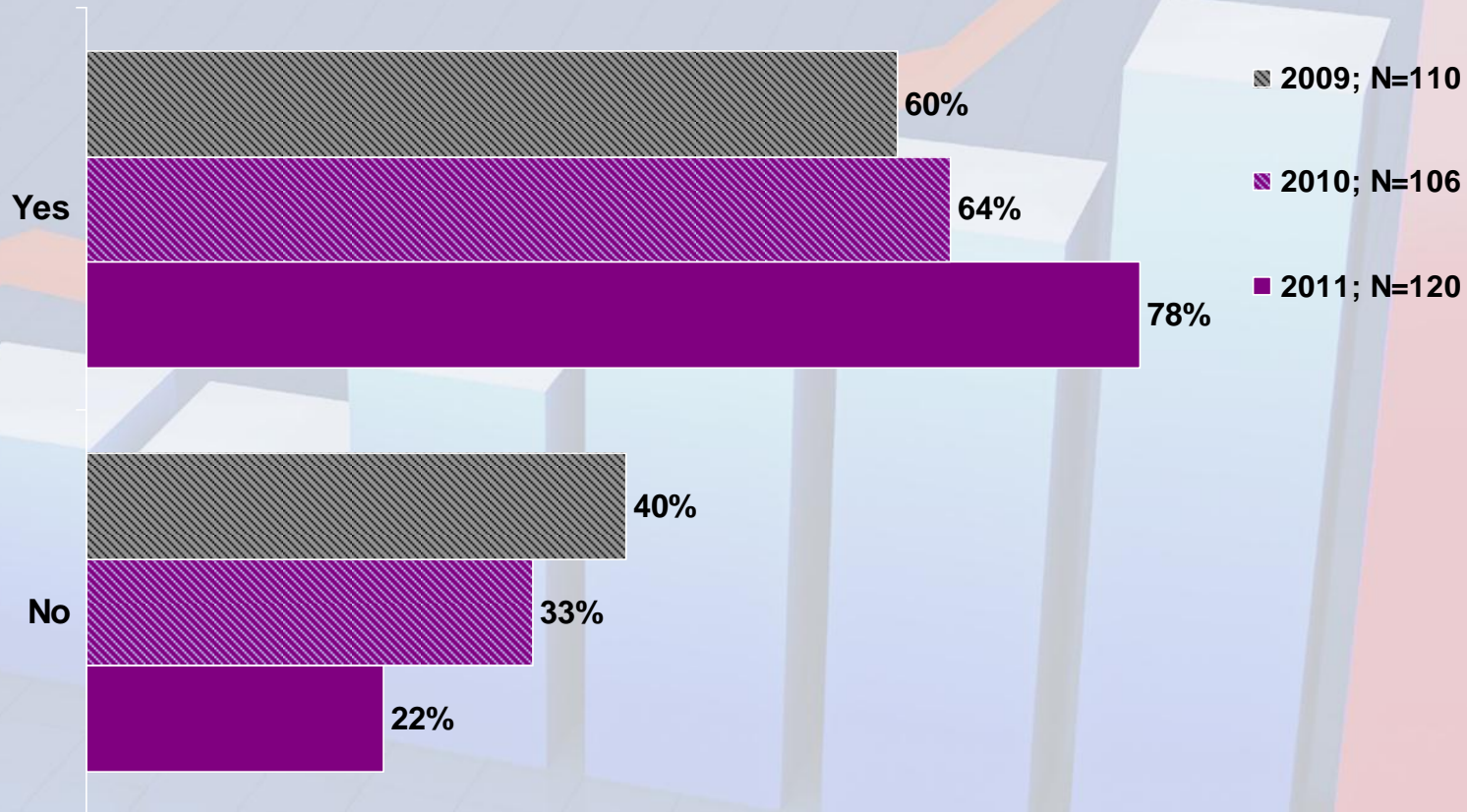


Considering Dropping Any Current Sponsorships Not Up for Renewal



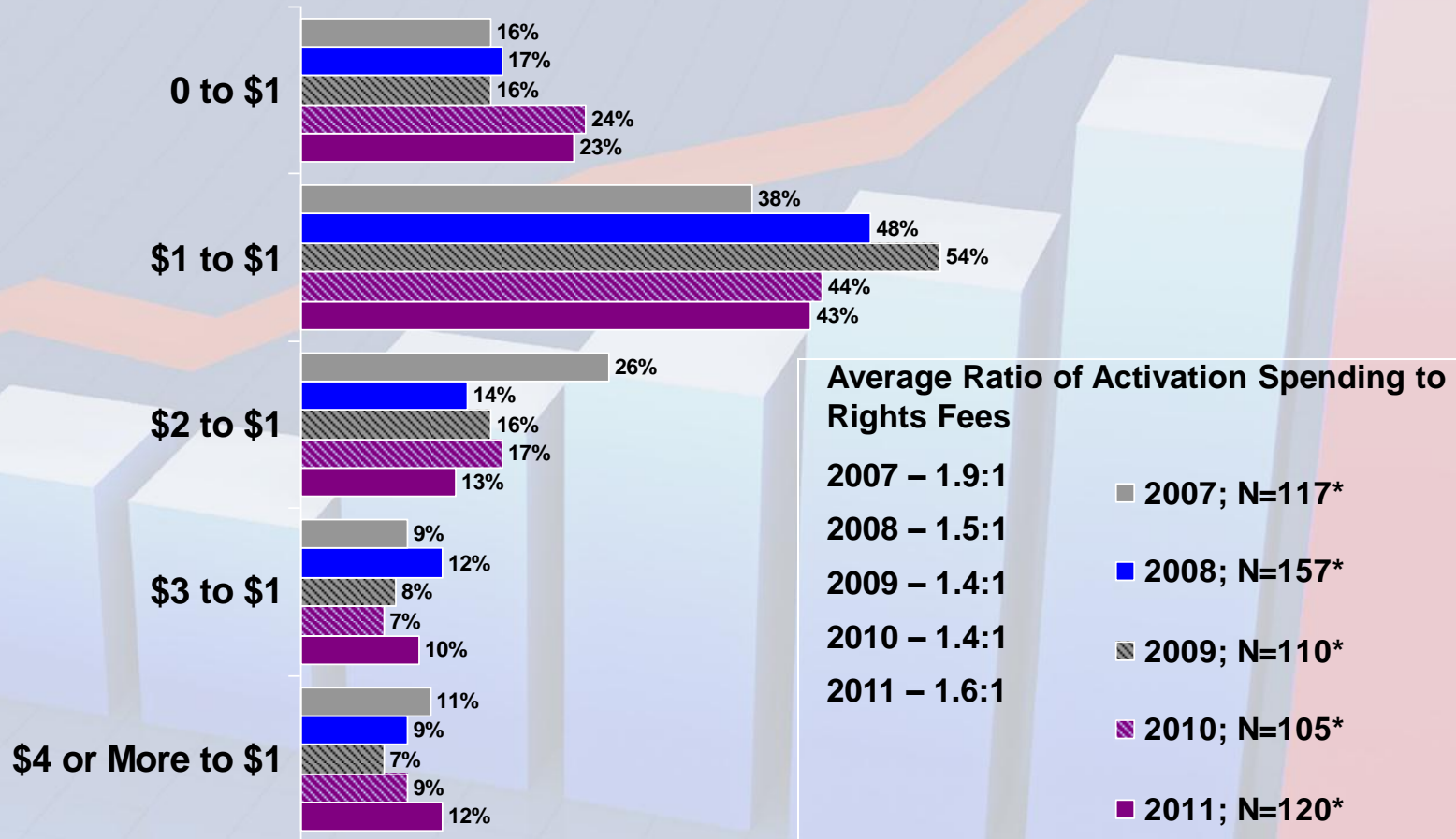
“Is your company seeking to drop out of any current sponsorships (those not up for renewal)?”

Considering New Sponsorships in the coming year



“Is your company considering new sponsorships in [2011]?”

Leveraging/Spending Ratio

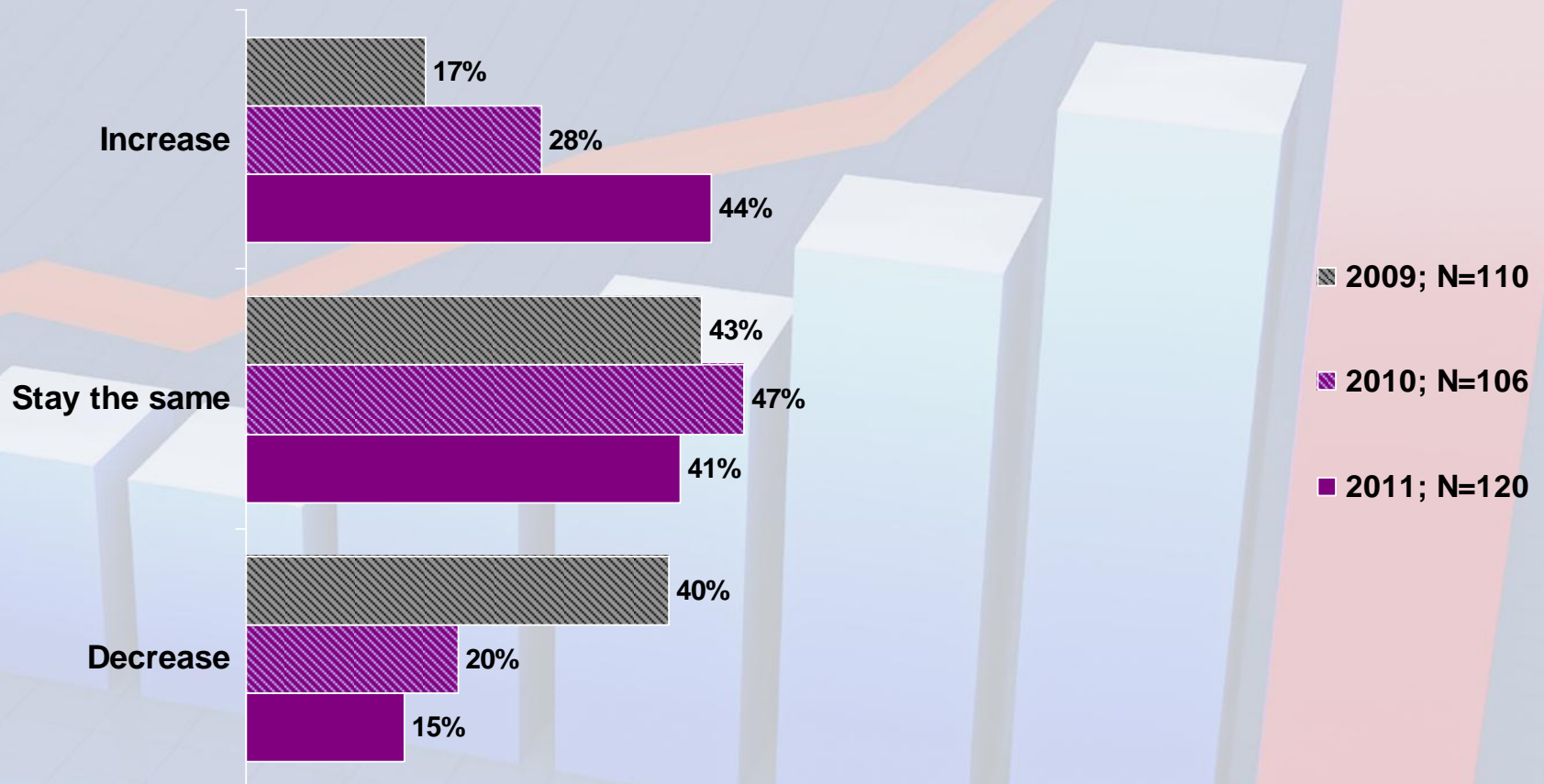


[*Based on those who responded]

“As best as you can estimate, what is your company’s typical promotional spending ratio?”

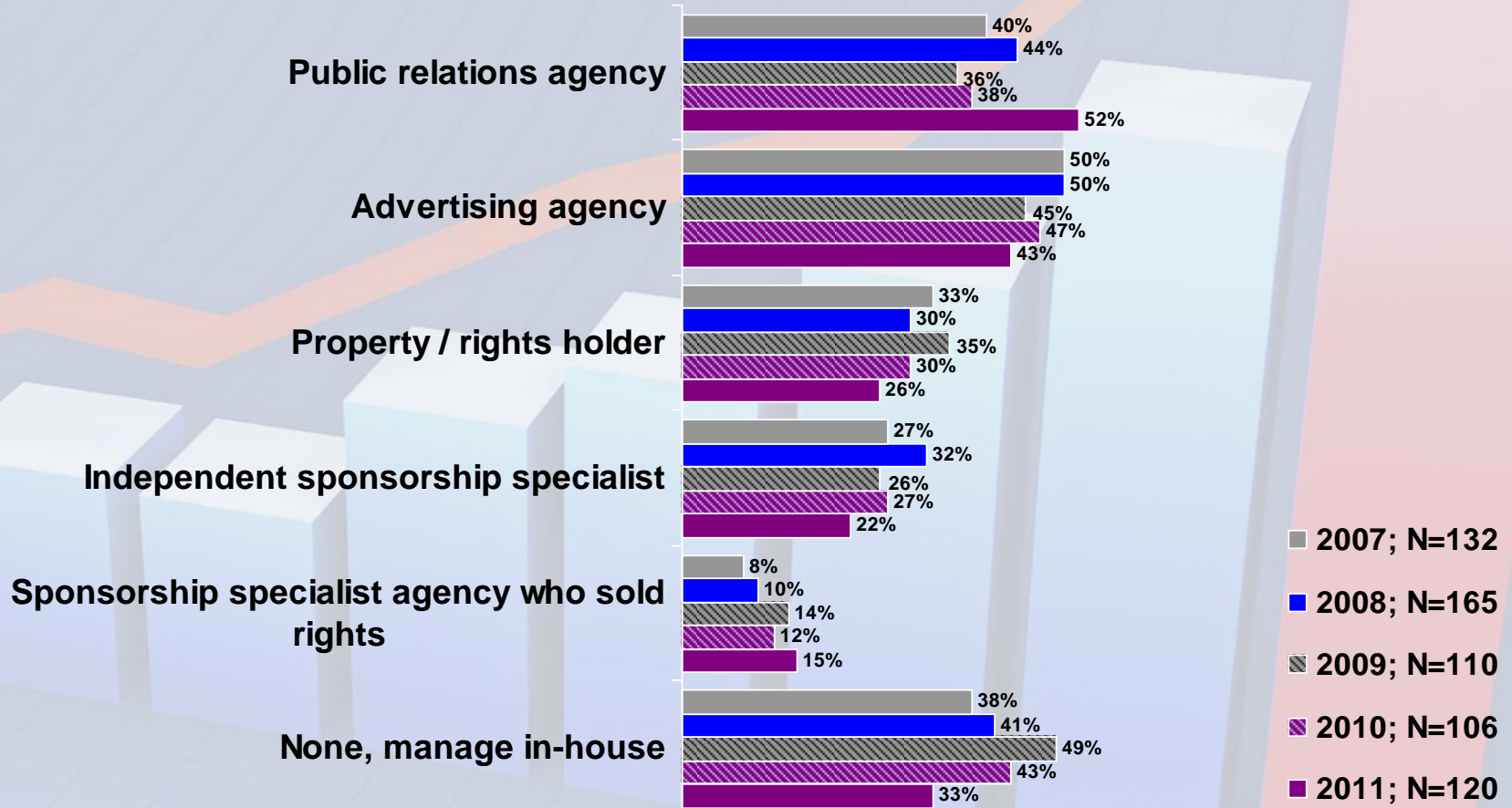


Likely Direction of Leveraging & Activation Spending in 2011



“How will your spending, specifically on sponsorship leveraging and activation in [2011], compare to [2010]? Will it...?”

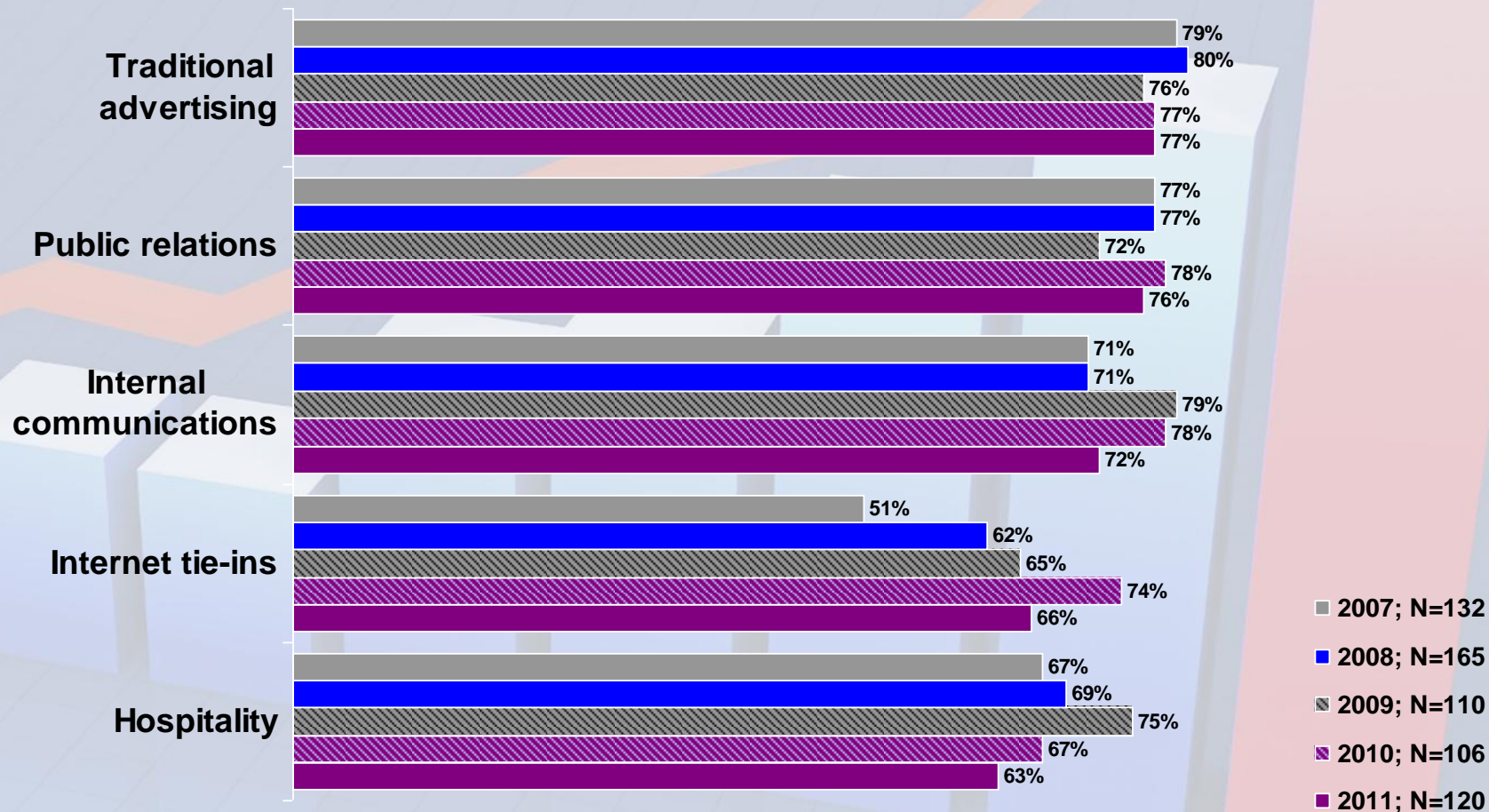
Agency Used for Support



“What types of agencies, if any, do you use to help leverage/support your sponsorship program?”

Marketing Communication

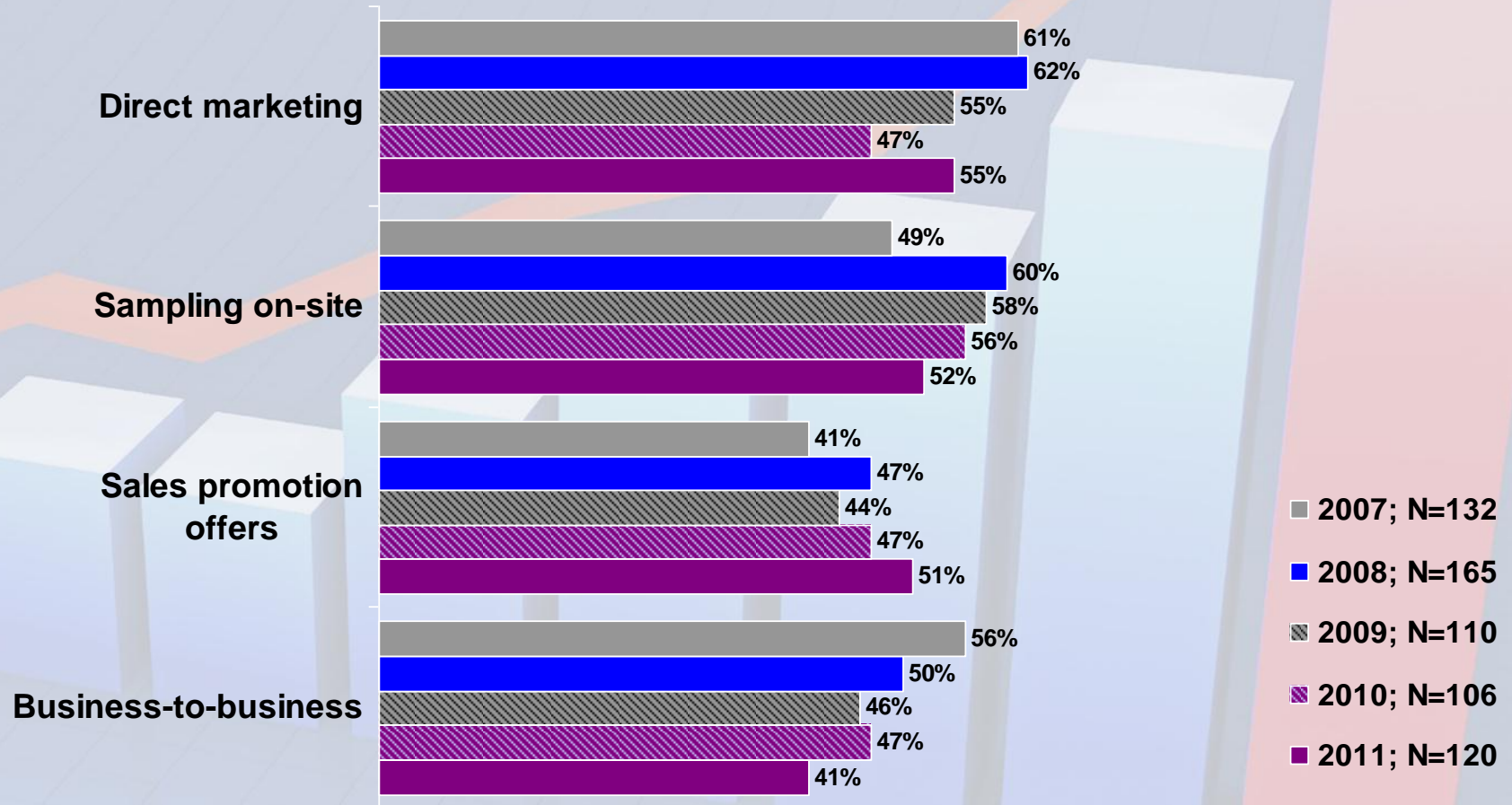
Channels Used [Top 5 Results]



“During the past 12 months, which of the following marketing communication channels have you used to leverage your sponsorship programs?”

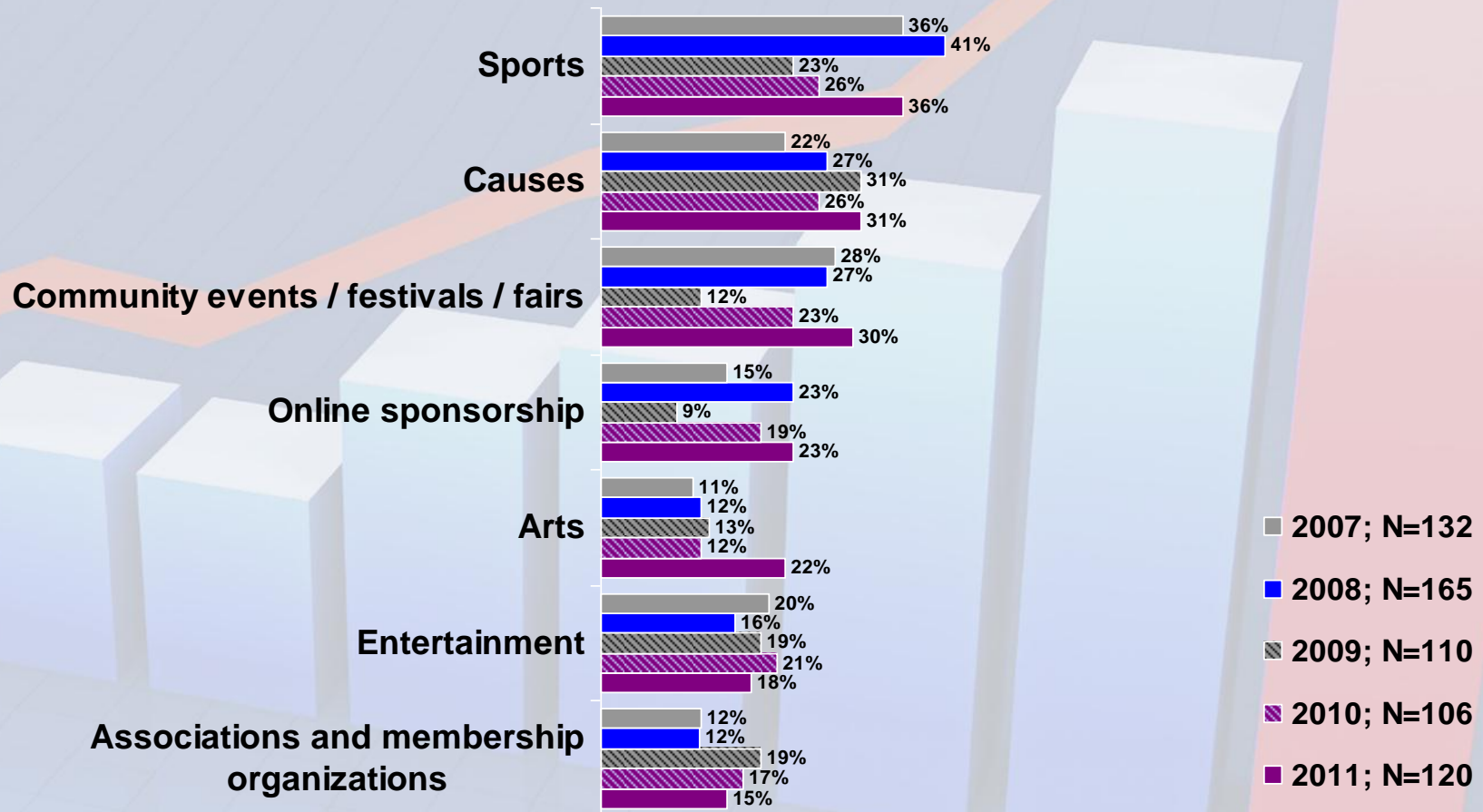
Marketing Communication

Channels Used [Results 6-9]



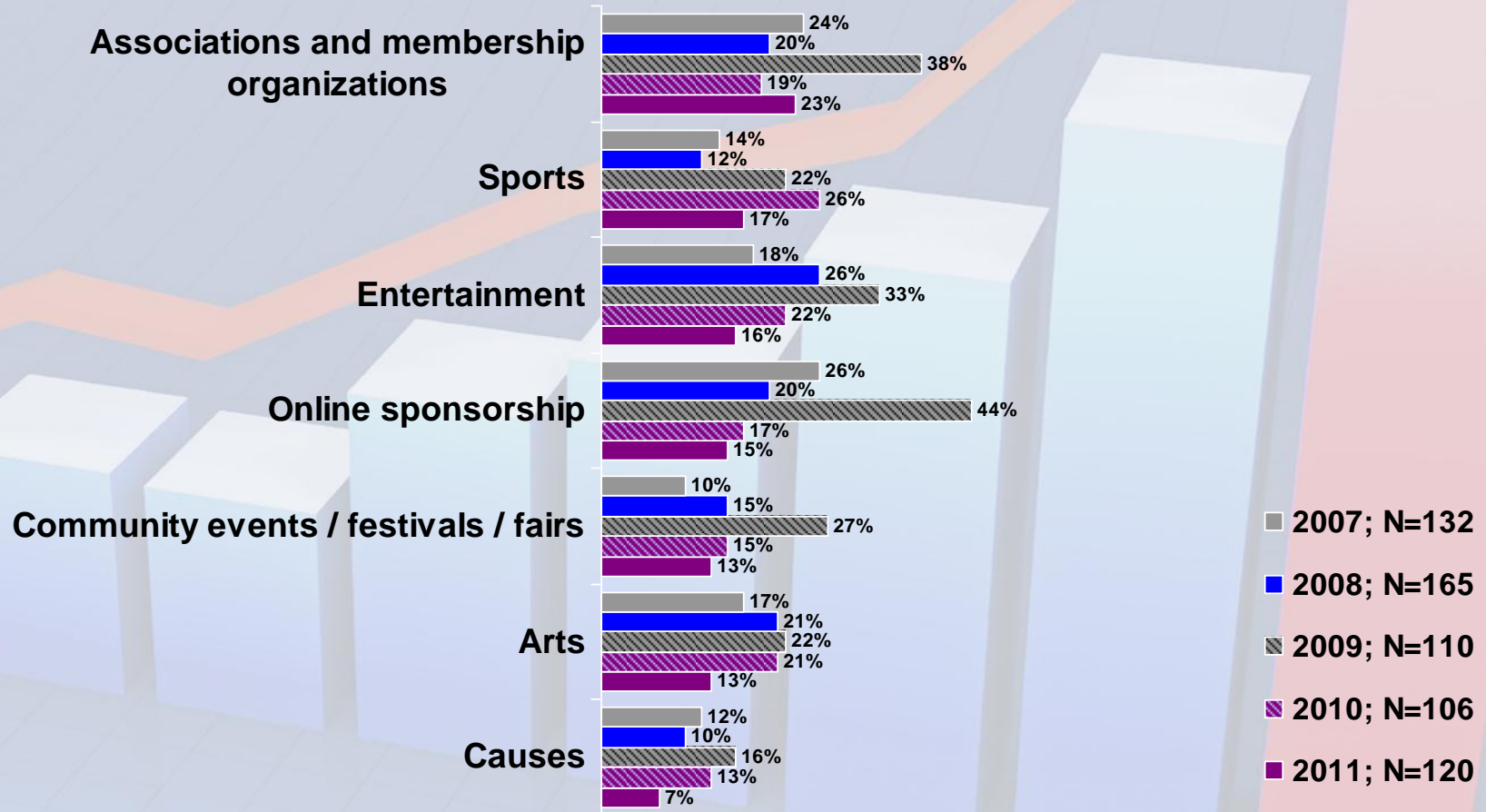
“During the past 12 months, which of the following marketing communication channels have you used to leverage your sponsorship programs?”

More Likely to be Involved in Sponsorship Category than Prior Yr.



“Compared to [2010], how much do you expect your company to be involved in the following types of sponsorship in [2011]?”

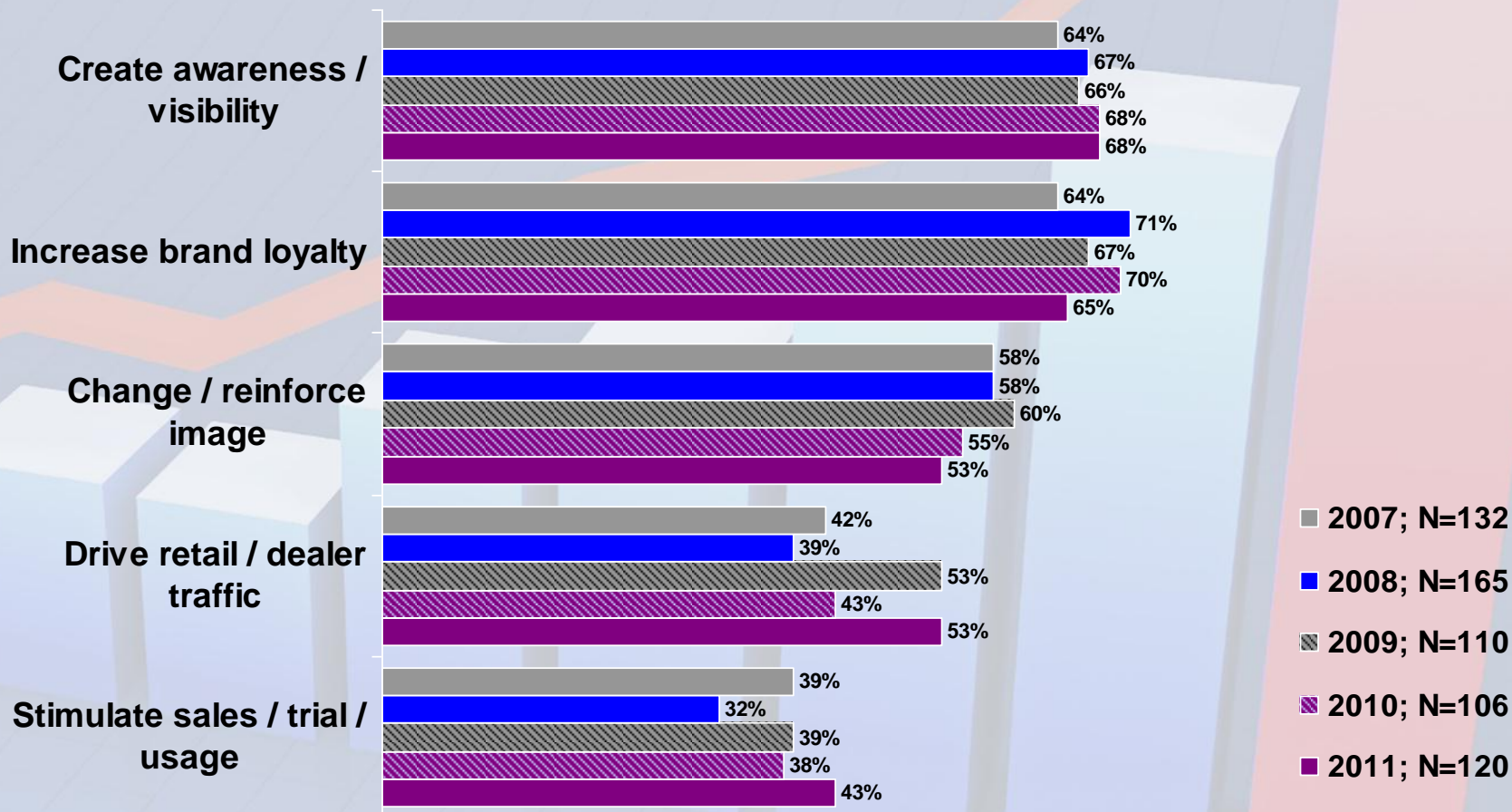
Less Likely to be Involved in Sponsorship Category than Prior Yr.



“Compared to [2010], how much do you expect your company to be involved in the following types of sponsorship in [2011]?”

Sponsorship Objectives

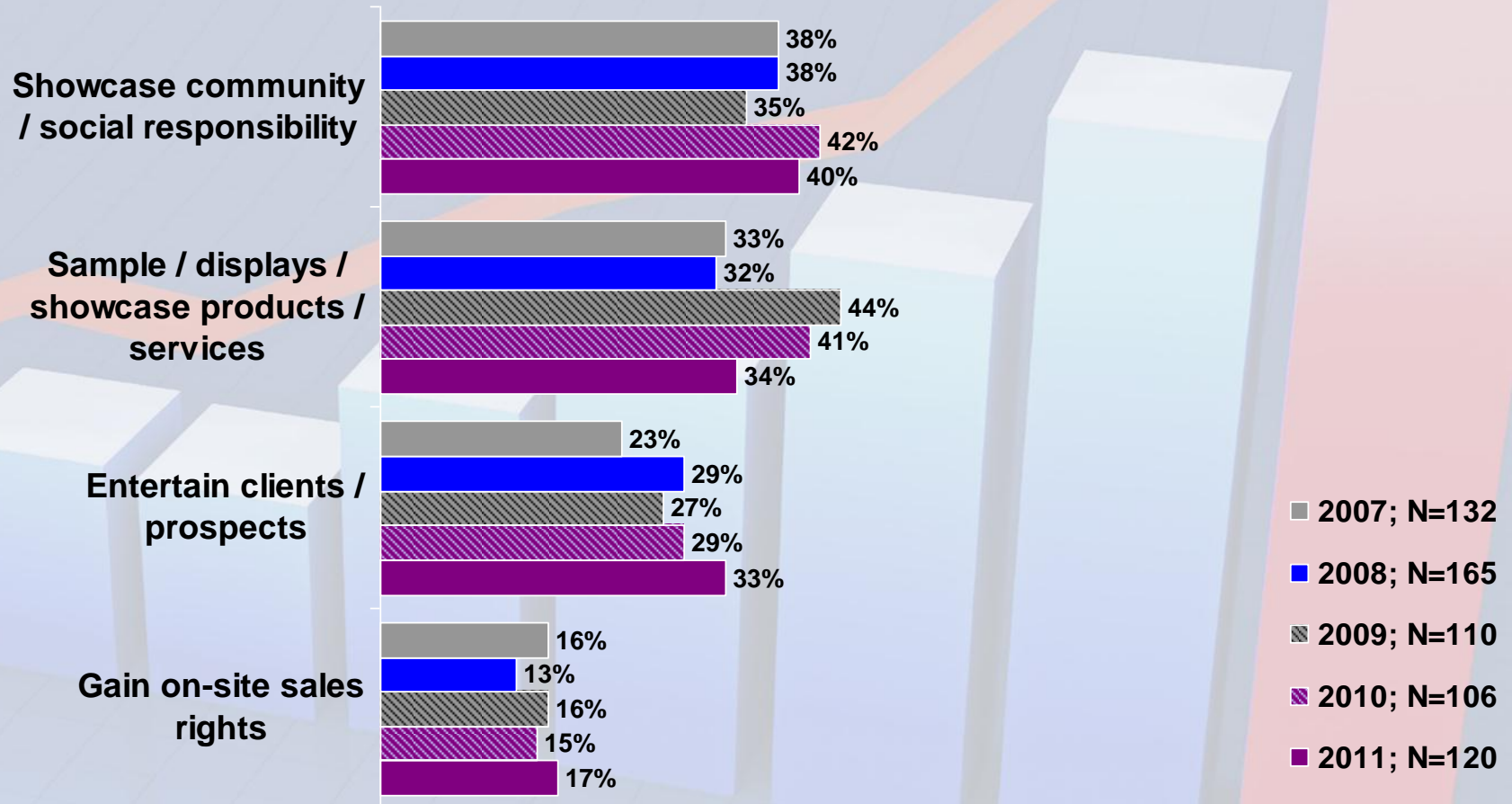
[Top 5 “9” & “10” Ratings]



“Using a scale of 1 to 10, where 1 is not at all and 10 is extremely, please rate the following objectives as to their importance to you or your marketing team's decisions when you evaluate which sports or properties to sponsor.”

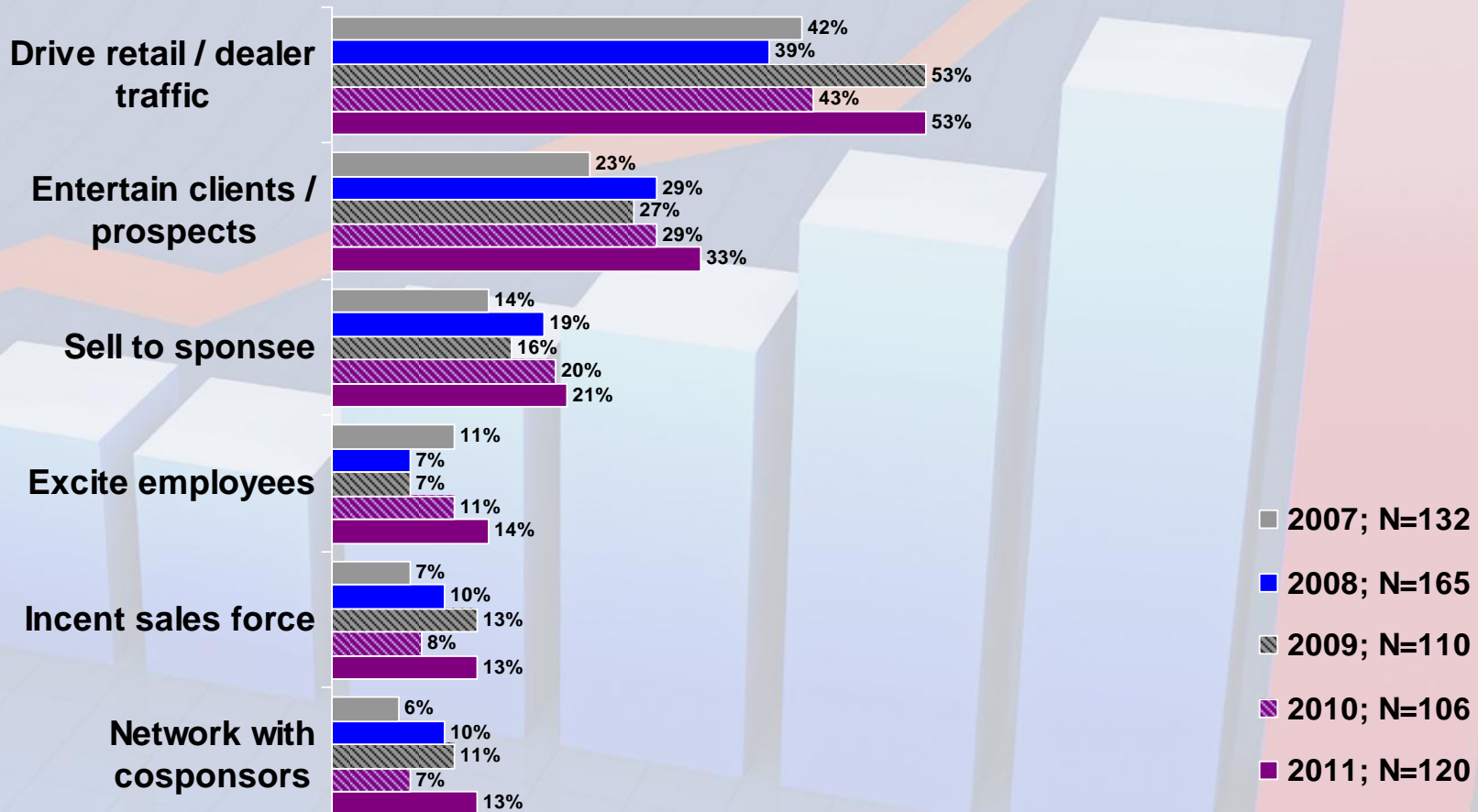
Sponsorship Objectives

[Other top “9” & “10” Ratings]



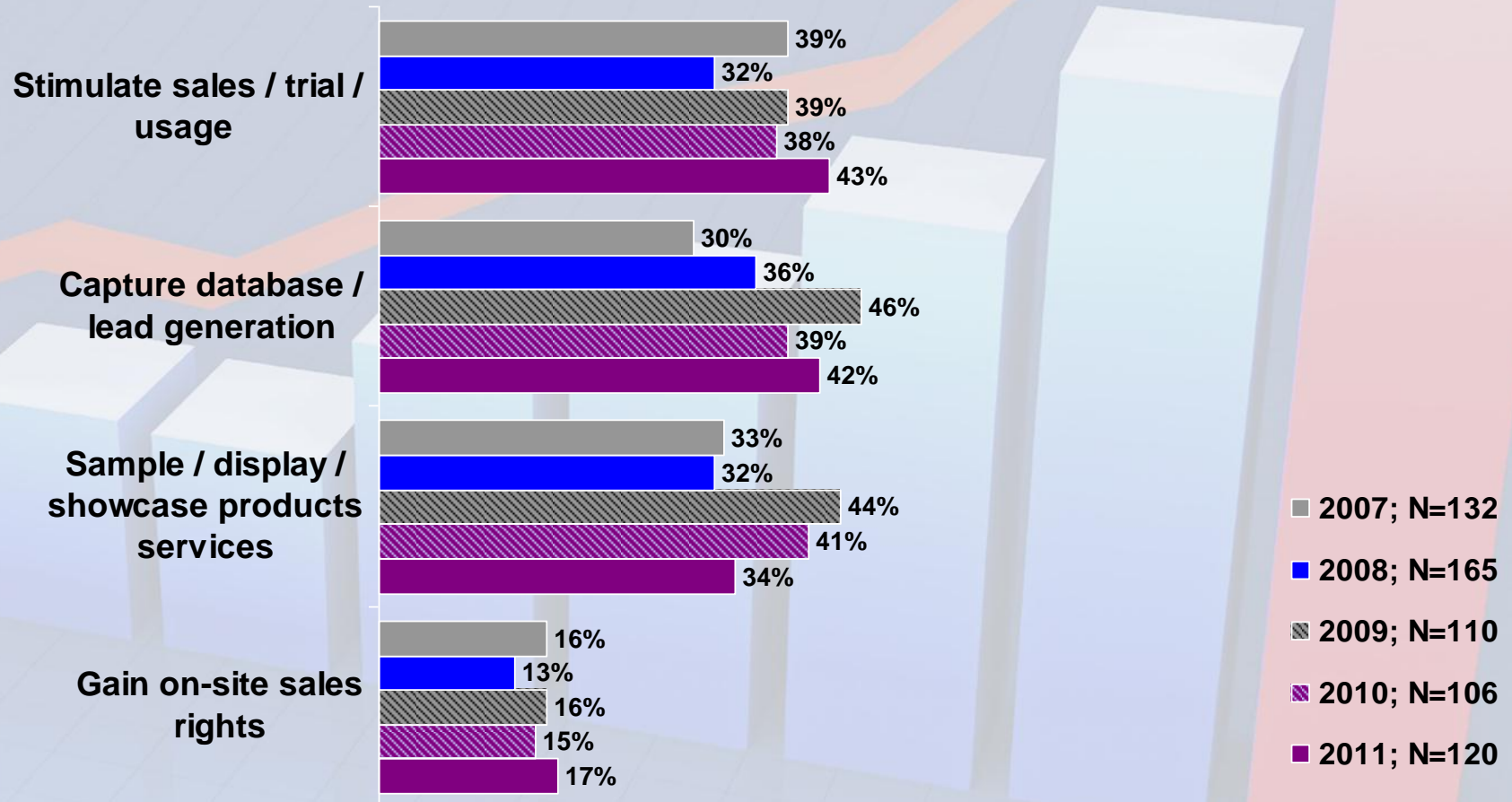
“Using a scale of 1 to 10, where 1 is not at all and 10 is extremely, please rate the following objectives as to their importance to you or your marketing team's decisions when you evaluate which sports or properties to sponsor.”

Sponsorship Objectives - Business To Business [“9” & “10” Ratings]



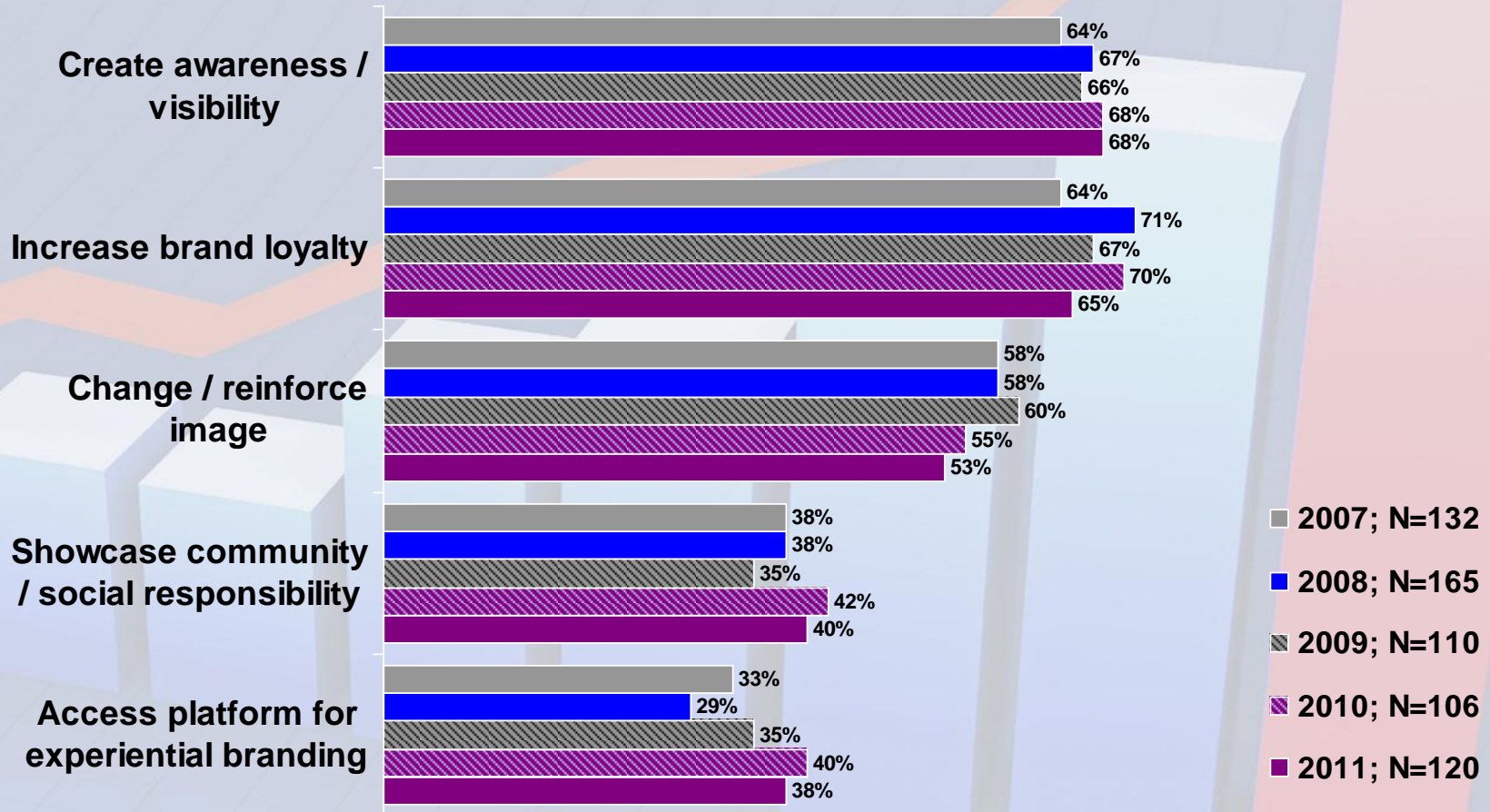
“Using a scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following objectives as to their importance to you or your marketing team's decisions when you evaluate which sports or properties to sponsor.”

Sponsorship Objectives - Sales & Promotional [“9” & “10” Ratings]



“Using a scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following objectives as to their importance to you or your marketing team's decisions when you evaluate which sports or properties to sponsor.”

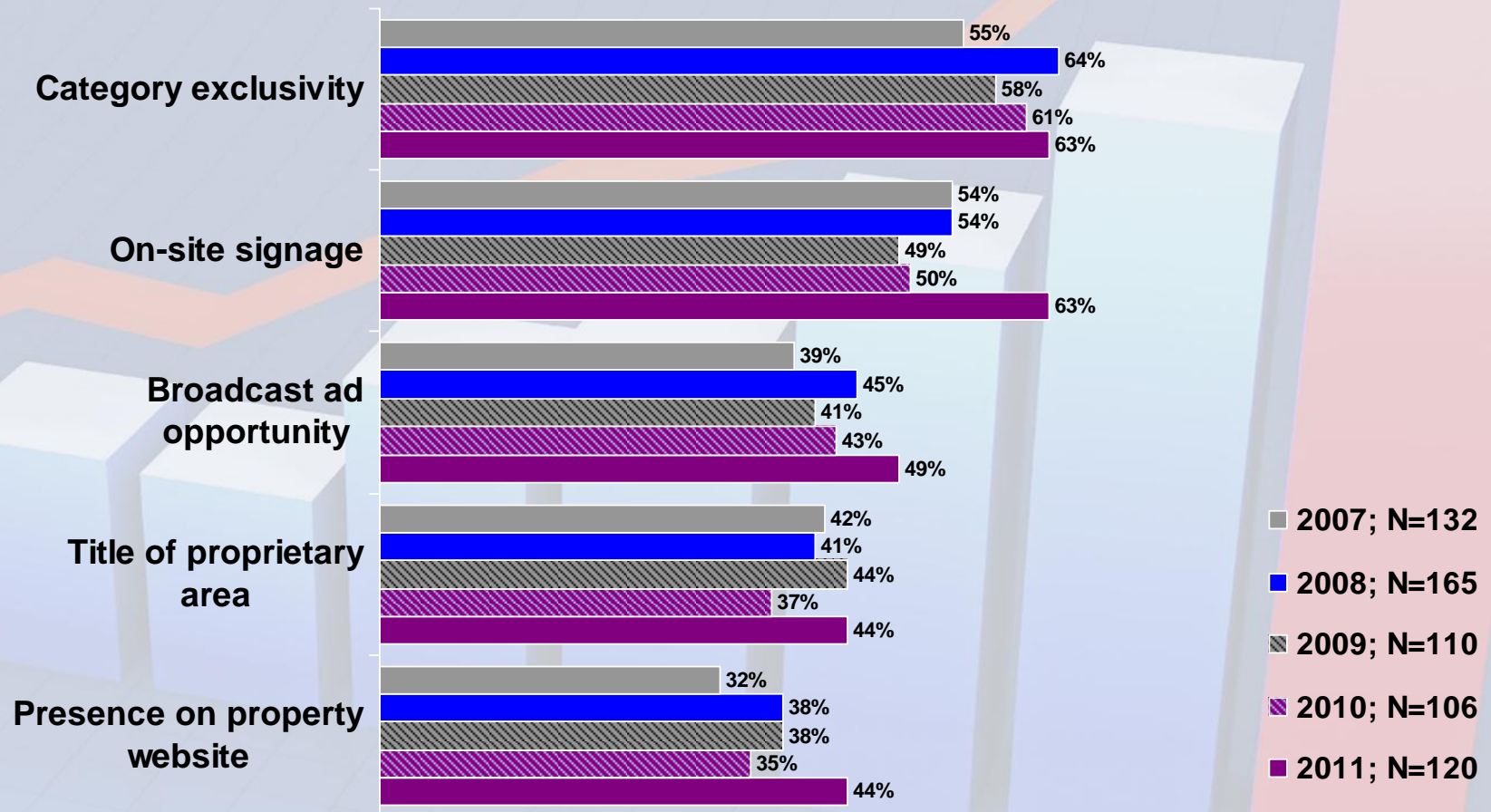
Sponsorship Objectives - General [“9” & “10” Ratings]



“Using a scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following objectives as to their importance to you or your marketing team's decisions when you evaluate which sports or properties to sponsor.”

Value of Benefits

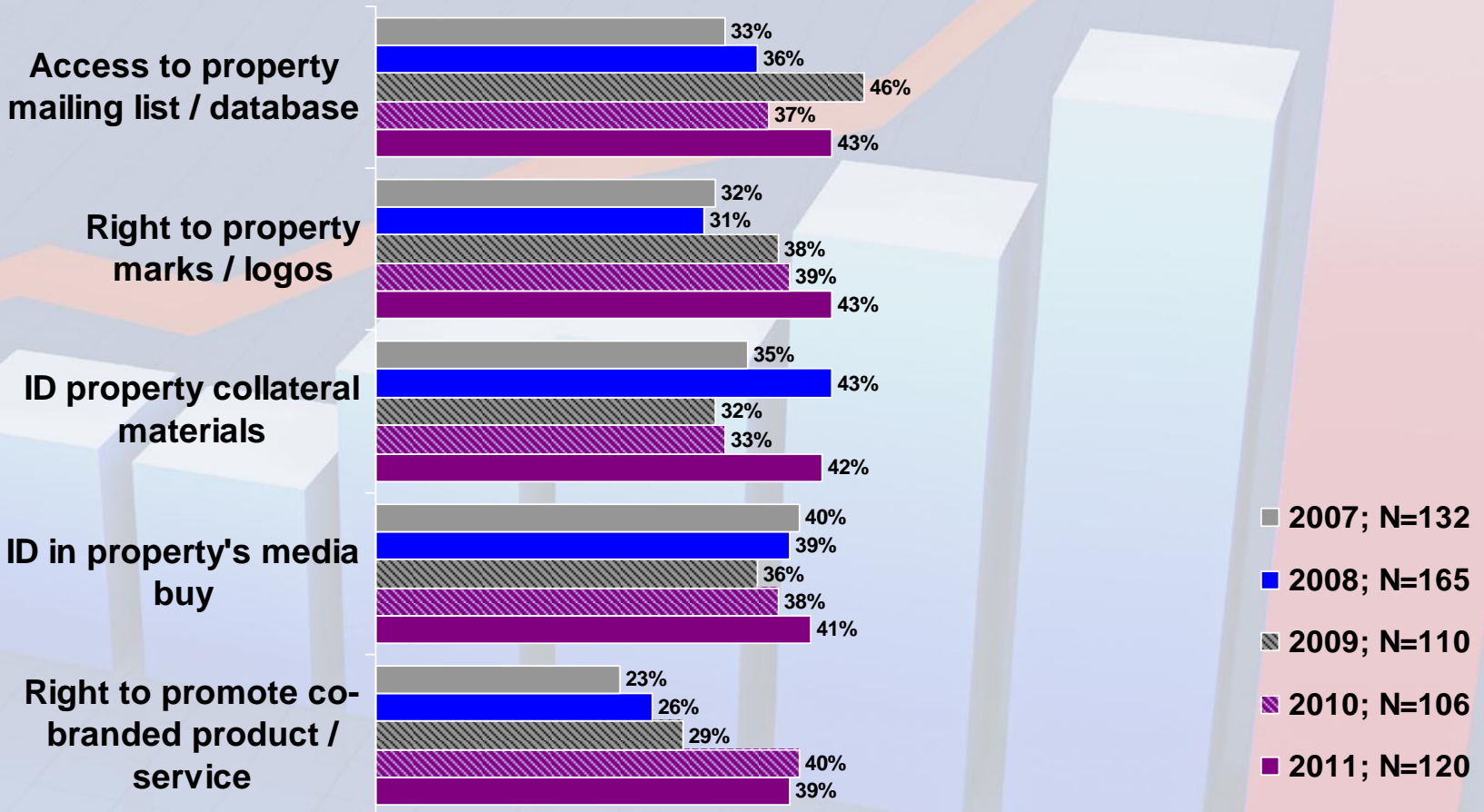
[Top 5 “9” & “10” Ratings]



“Using the same scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following benefits as to how valuable they are to your organization.”

Value of Benefits

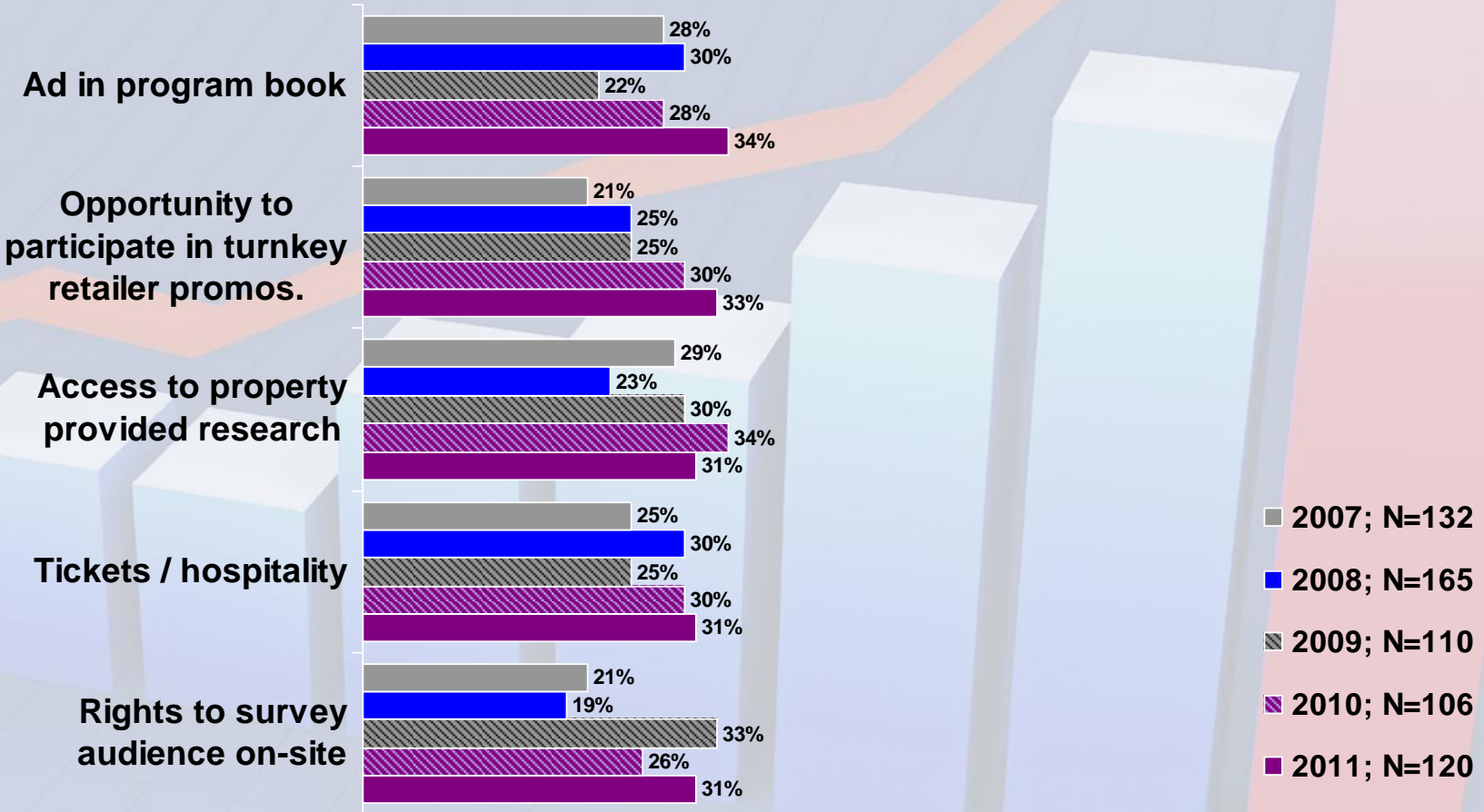
[“9” & “10” Ratings 6-10]



“Using the same scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following benefits as to how valuable they are to your organization.”

Value of Benefits

["9" & "10" Ratings 11-15]

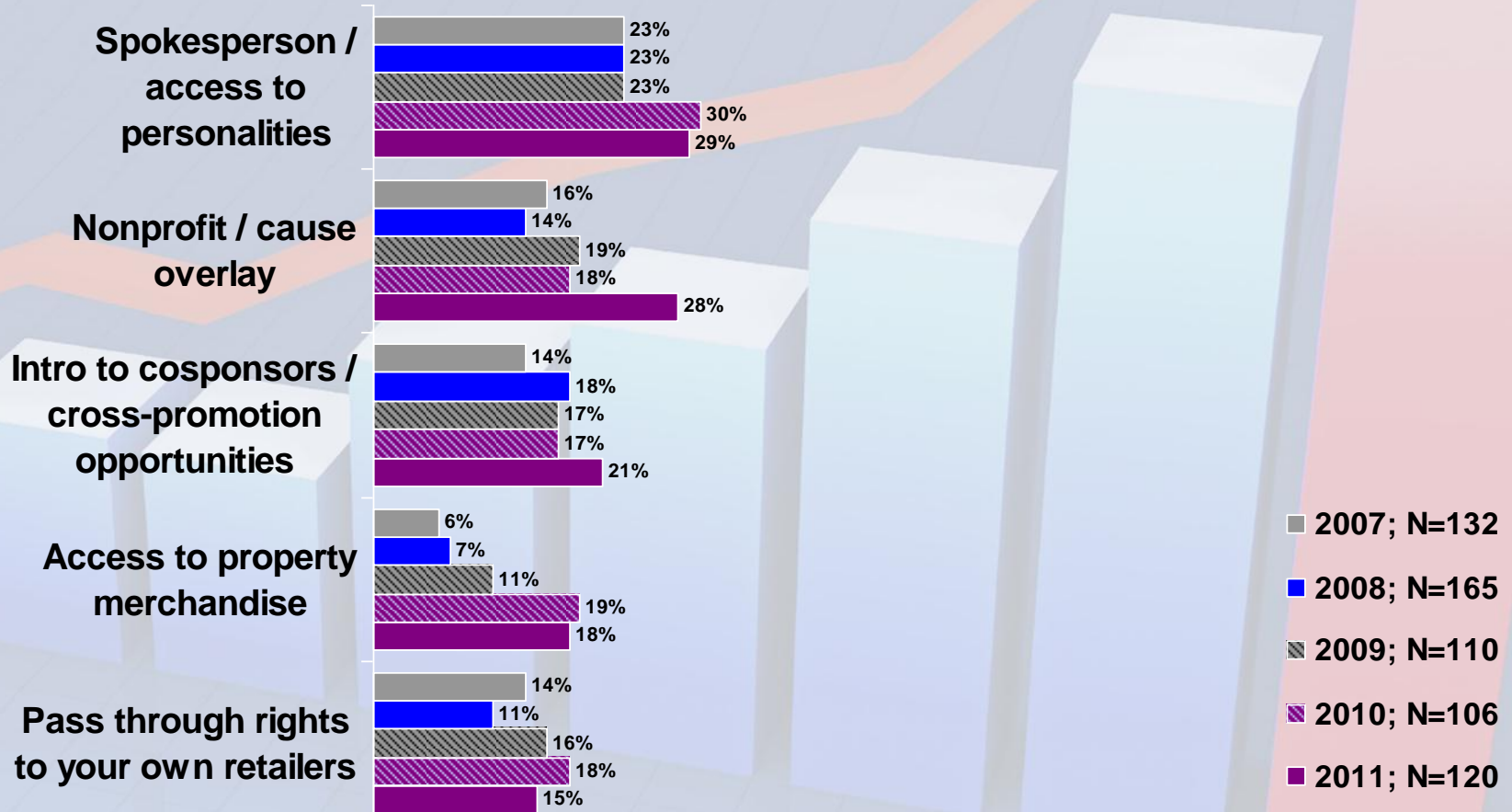


“Using the same scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following benefits as to how valuable they are to your organization.”



Value of Benefits

[“9” & “10” Ratings 16-20]



“Using the same scale of 1 to 10, where 1 is ‘Not at all’ and 10 is ‘Extremely,’ please rate the following benefits as to how valuable they are to your organization.”



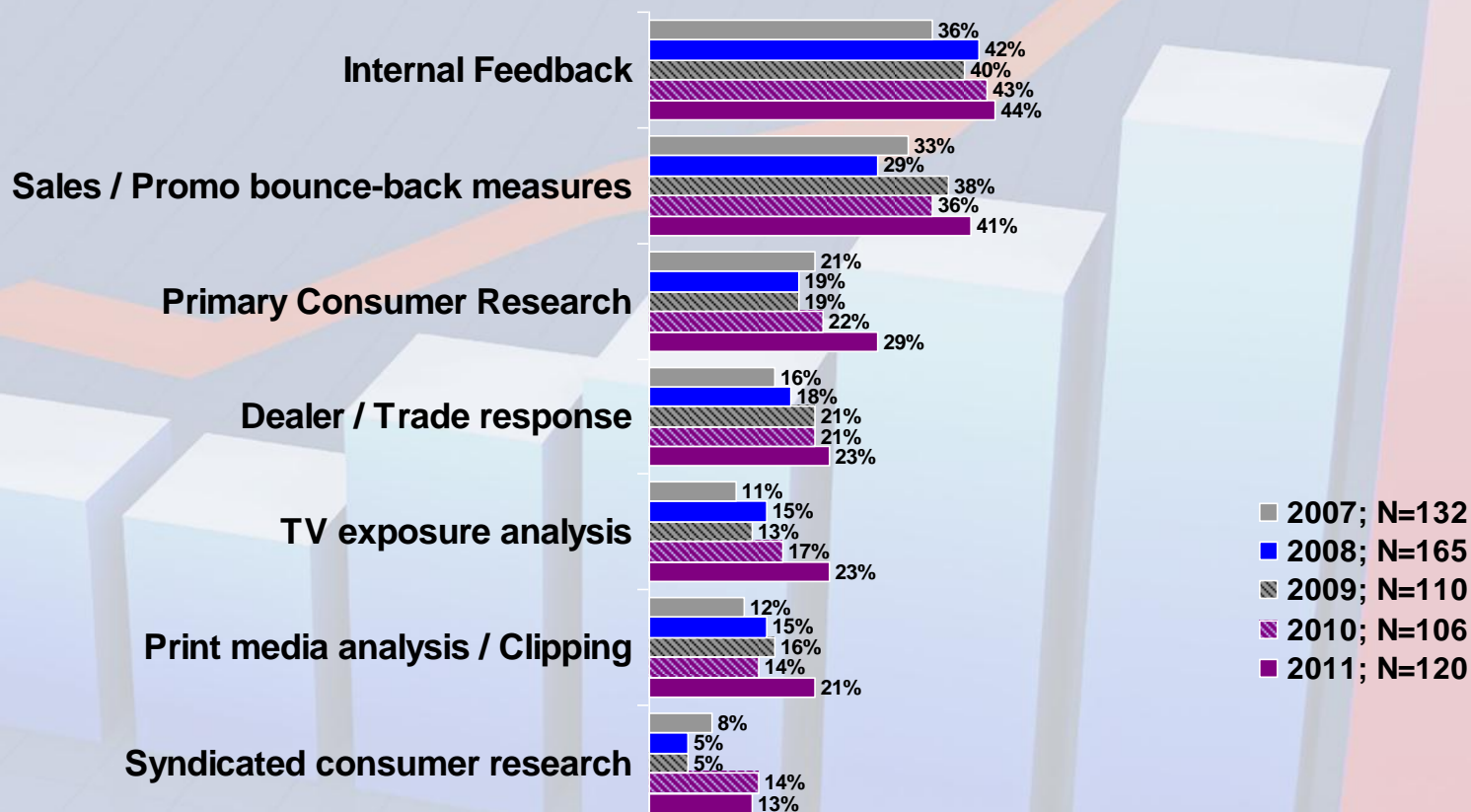
V. Research Considerations

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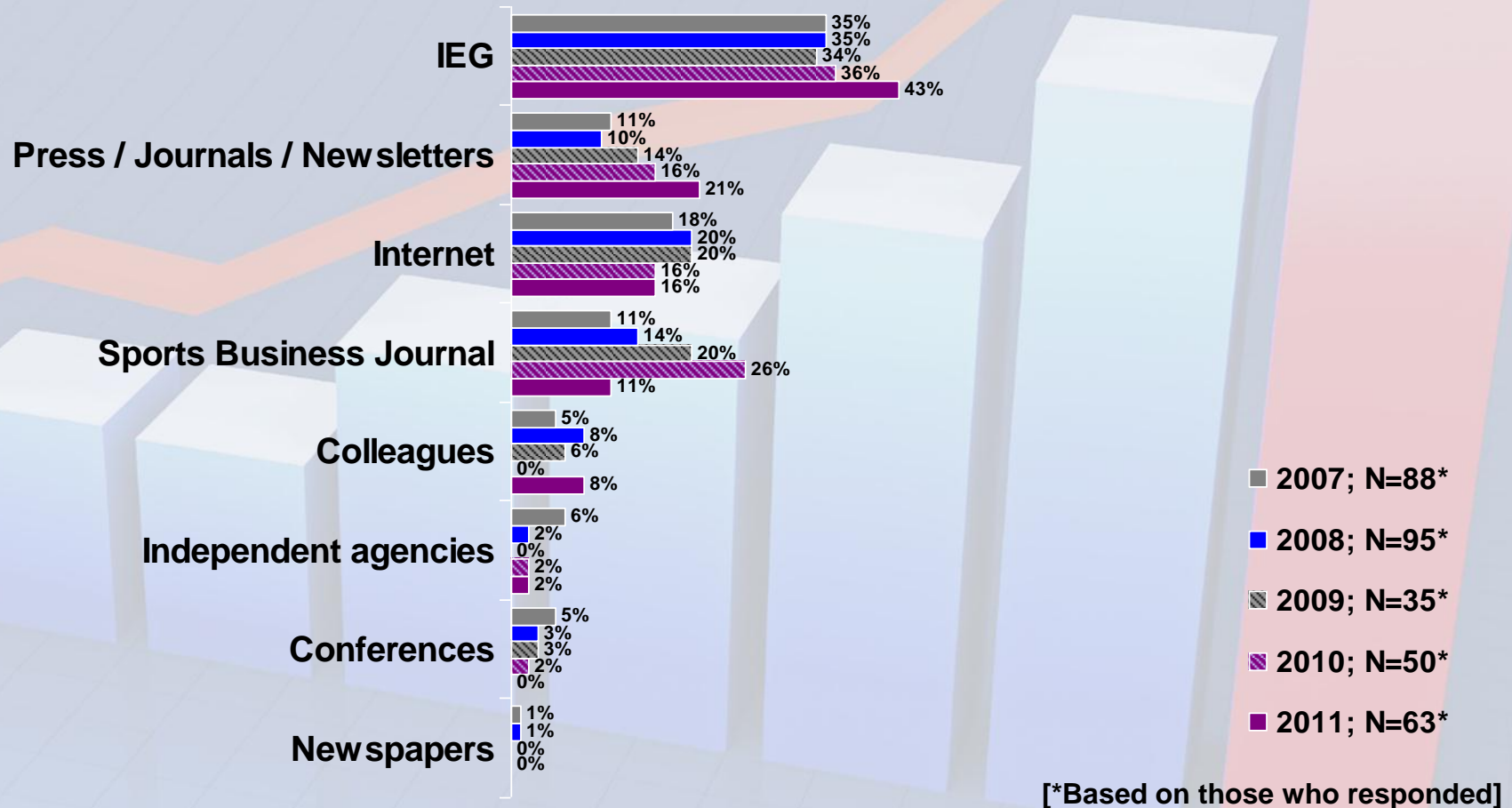
Sponsorship Decision-makers Survey

Importance of Various Types of Analysis [“9” & “10” Ratings]



“Using a scale of 1 to 10, where 1 is ‘not at all’ and 10 is ‘extremely’, please rate the importance of the following types of analysis in evaluating whether to change or renew a sponsorship?”

Primary Source of Sponsorship Industry News



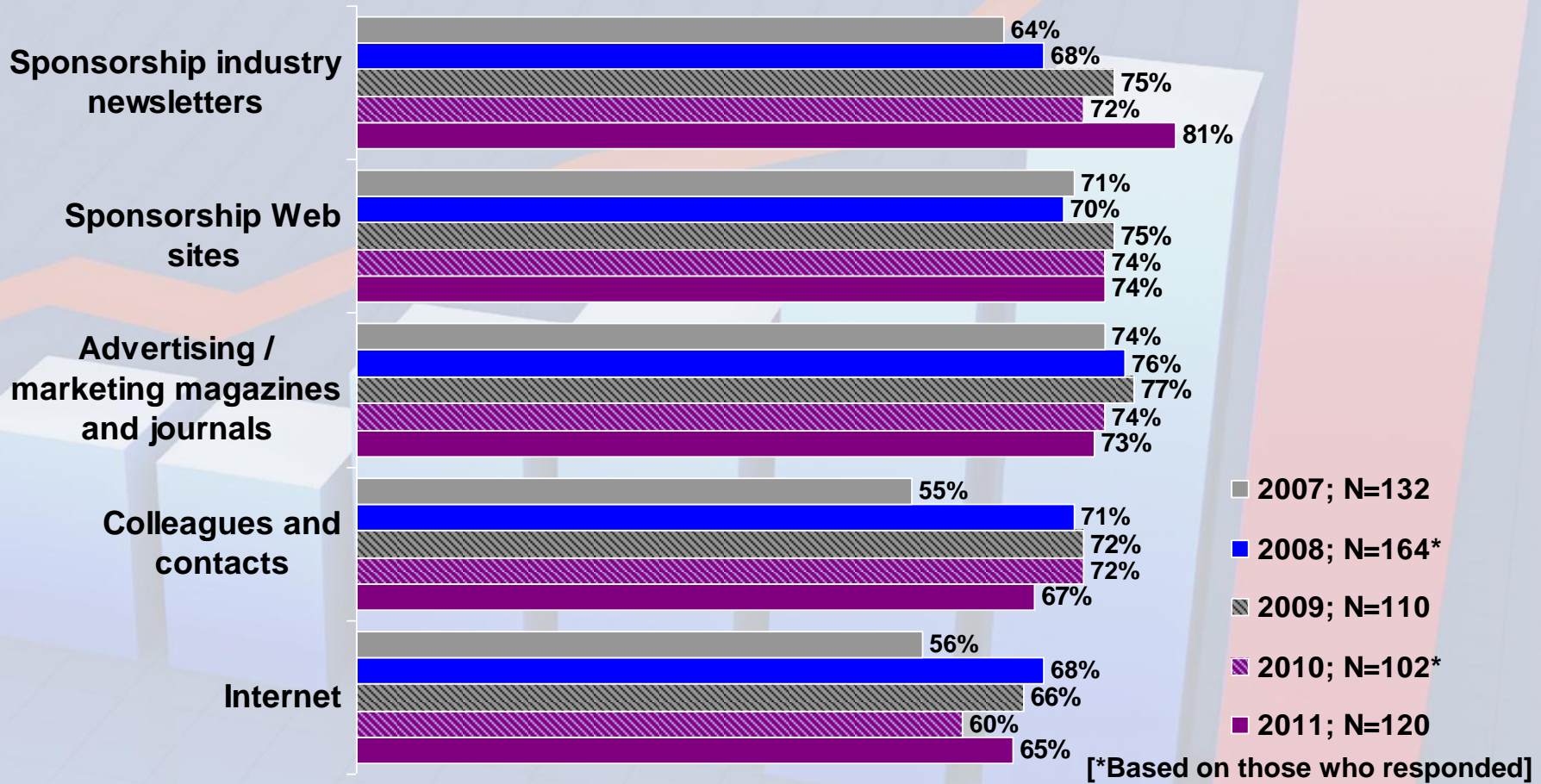
“What is your primary source of sponsorship industry news?”

[Multiple responses were recorded for this table]



Sources of Sponsorship

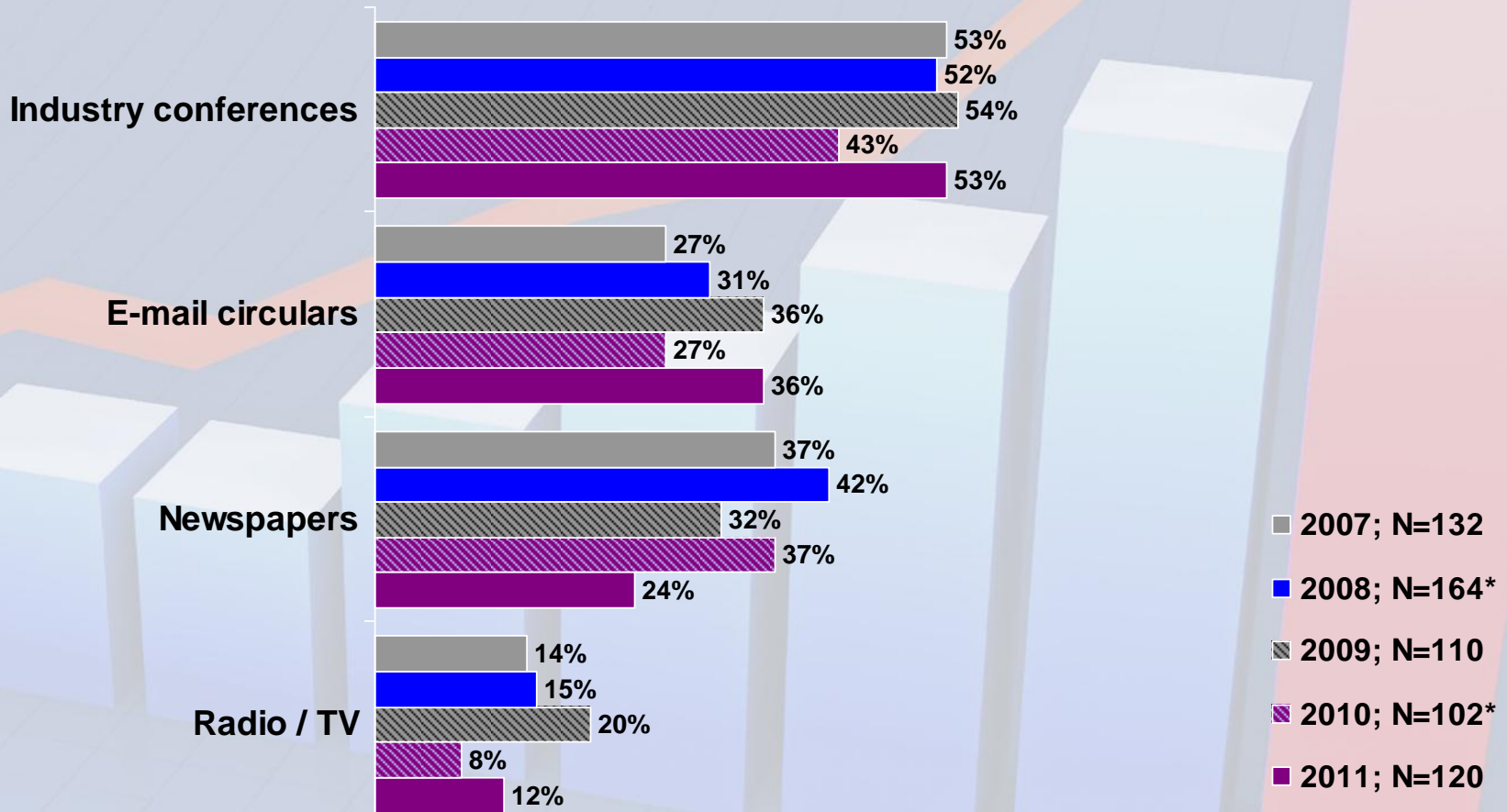
Industry News [Top 5 Sources]



“From the following list, which sources would you say you rely on to provide you with sponsorship industry news?”

Sources of Sponsorship

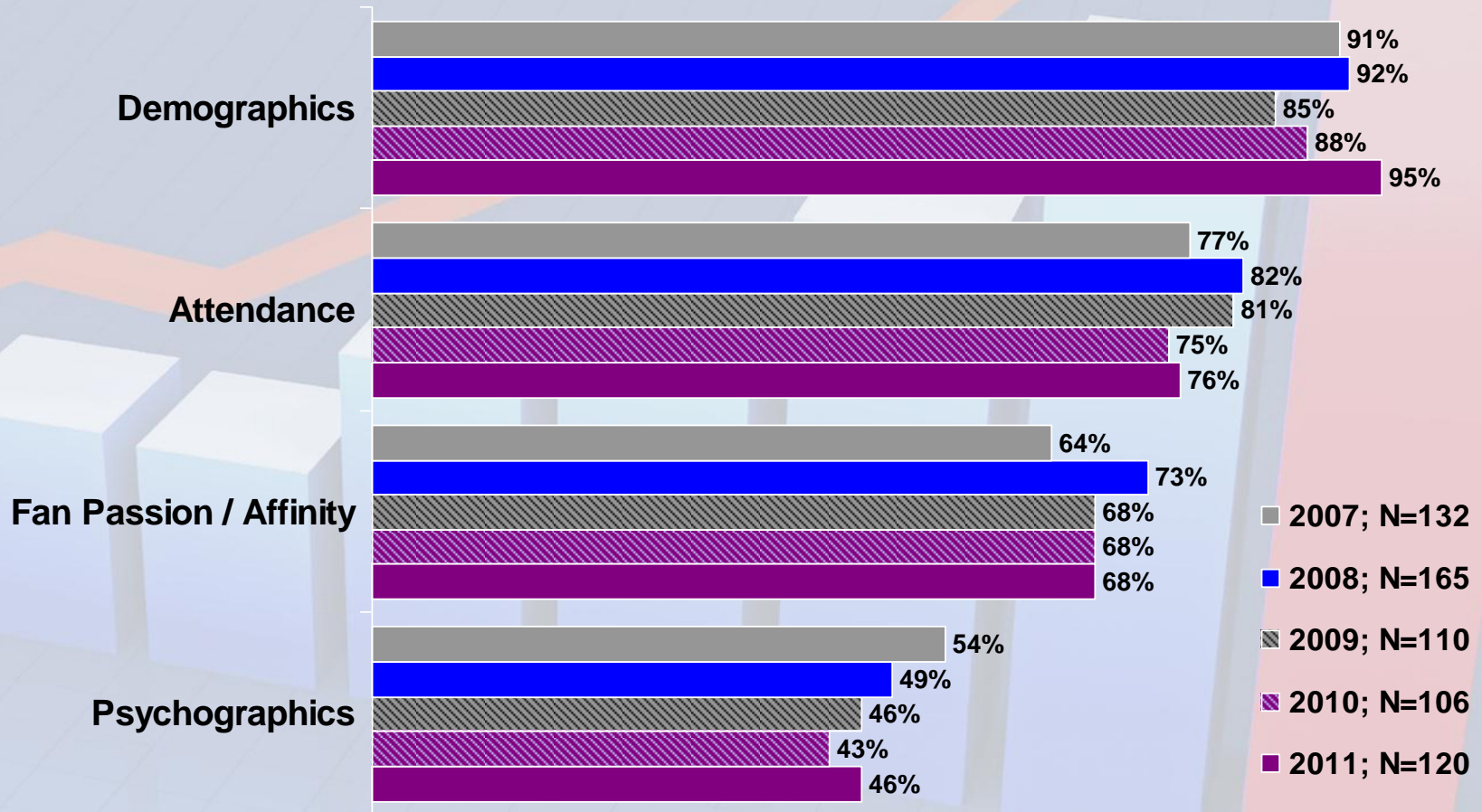
Industry News [Sources 6-9]



[*Based on those who responded]

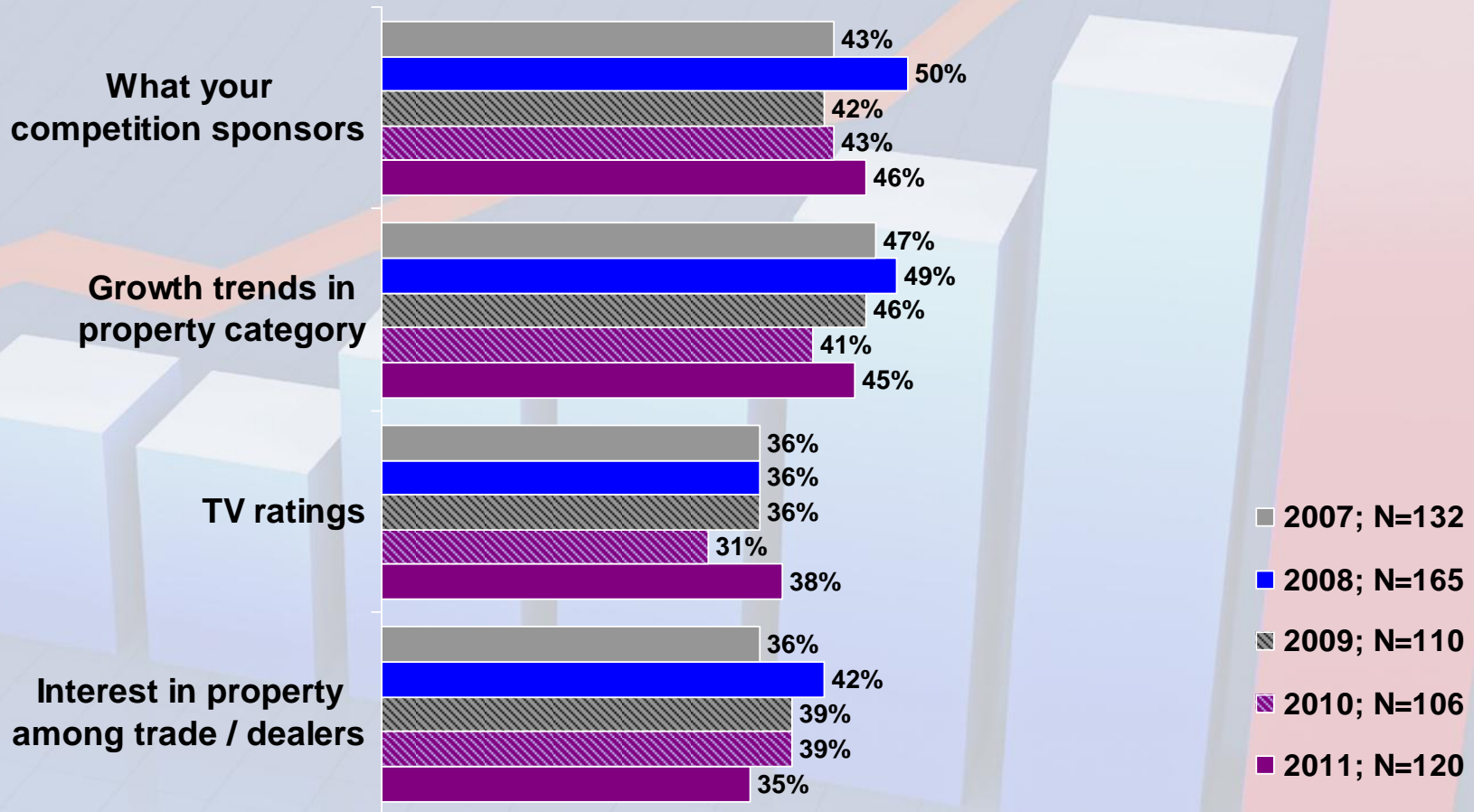
“From the following list, which sources would you say you rely on to provide you with sponsorship industry news?”

Information Sought Pre-Sponsorship [Top 4 Results]



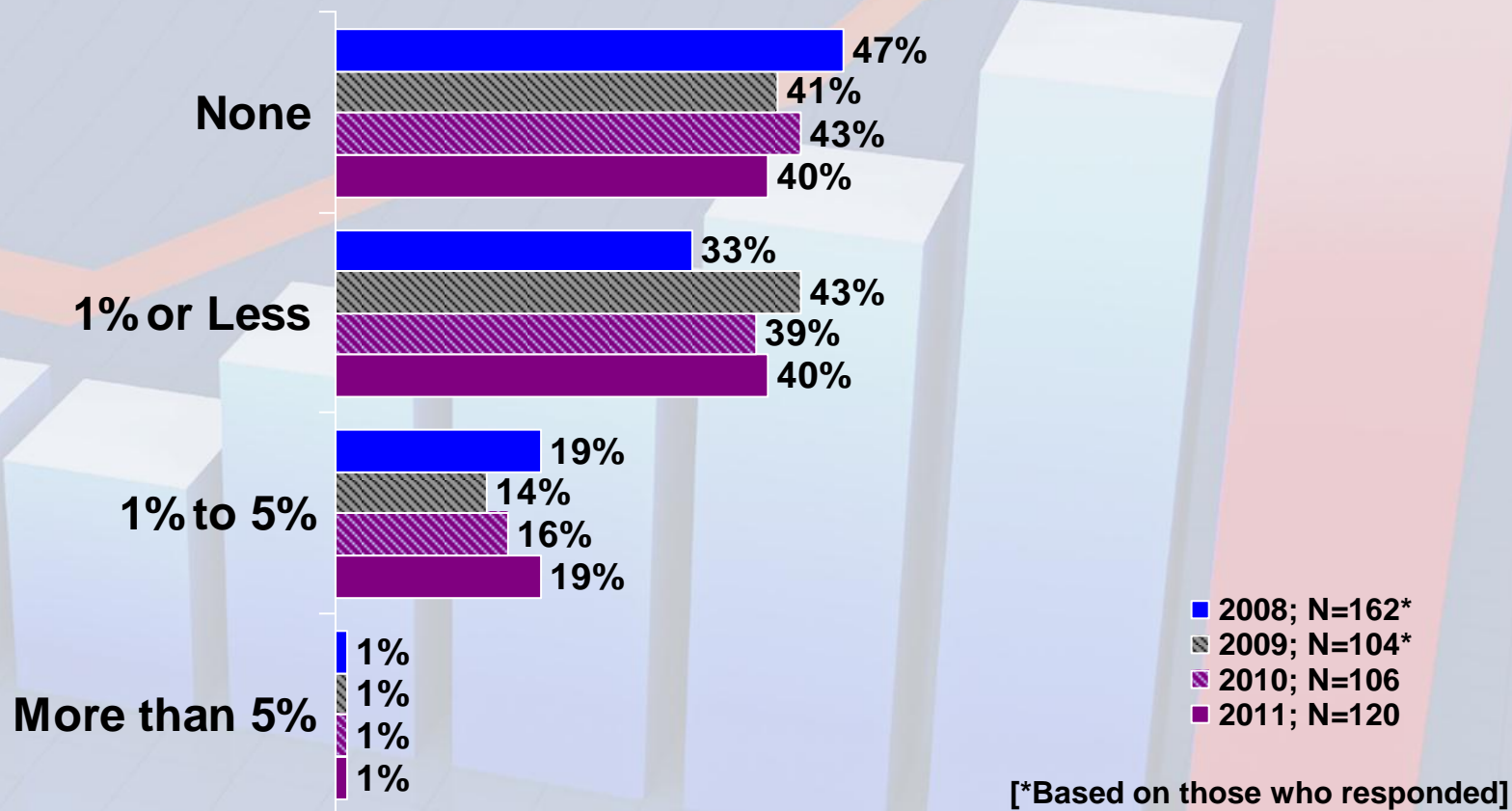
“Which of the following do you typically analyze when making your decision?”

Information Sought Pre-Sponsorship [Results 5-8]



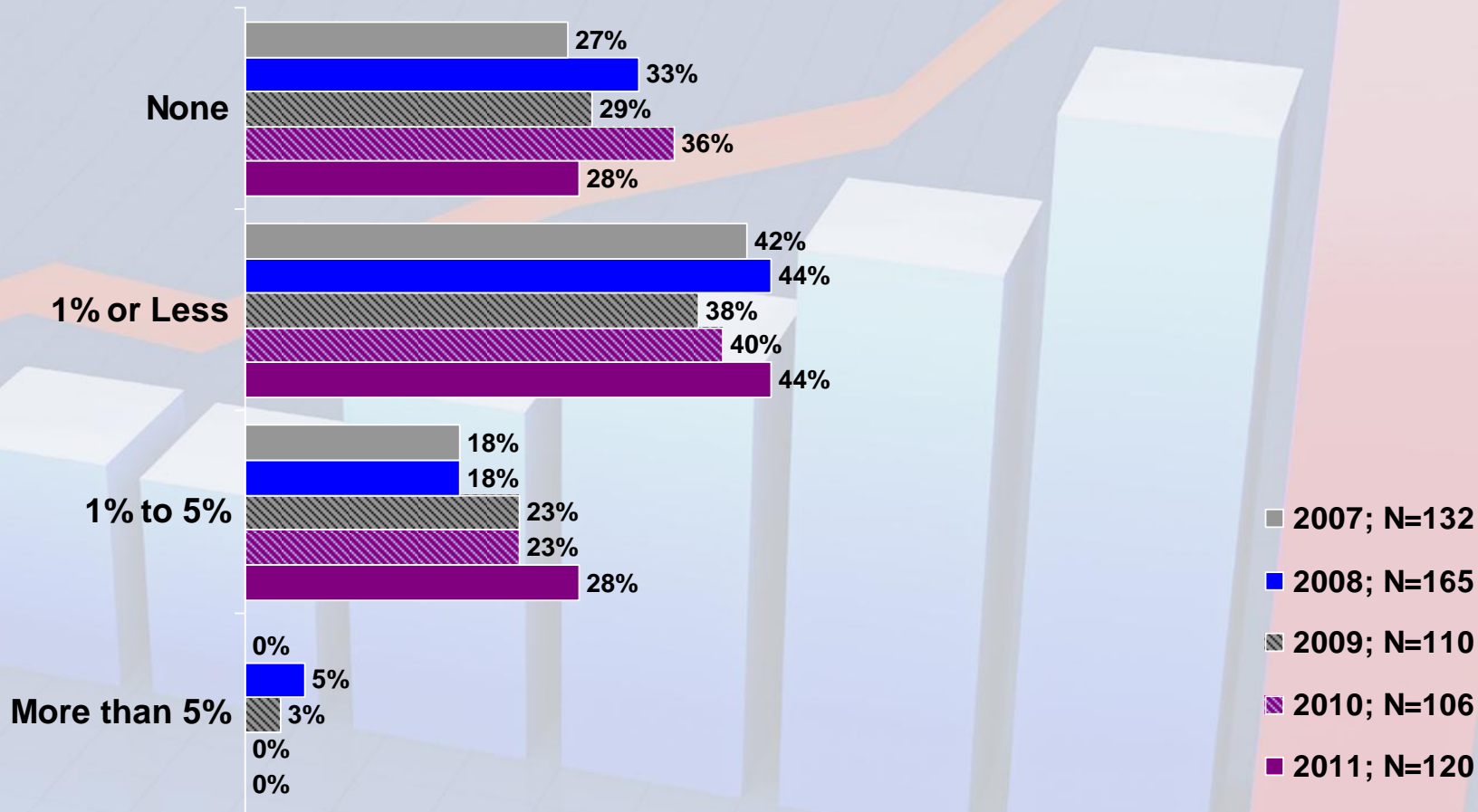
“Which of the following do you typically analyze when making your decision?”

% of Rights Fee Spent on Pre-Event Research to Evaluate Fit



“Approximately what % of a sponsorship’s total budget is typically spent on pre-selection research to evaluate fit?”

% of Rights Fee Spent on Concurrent / Post-event Research

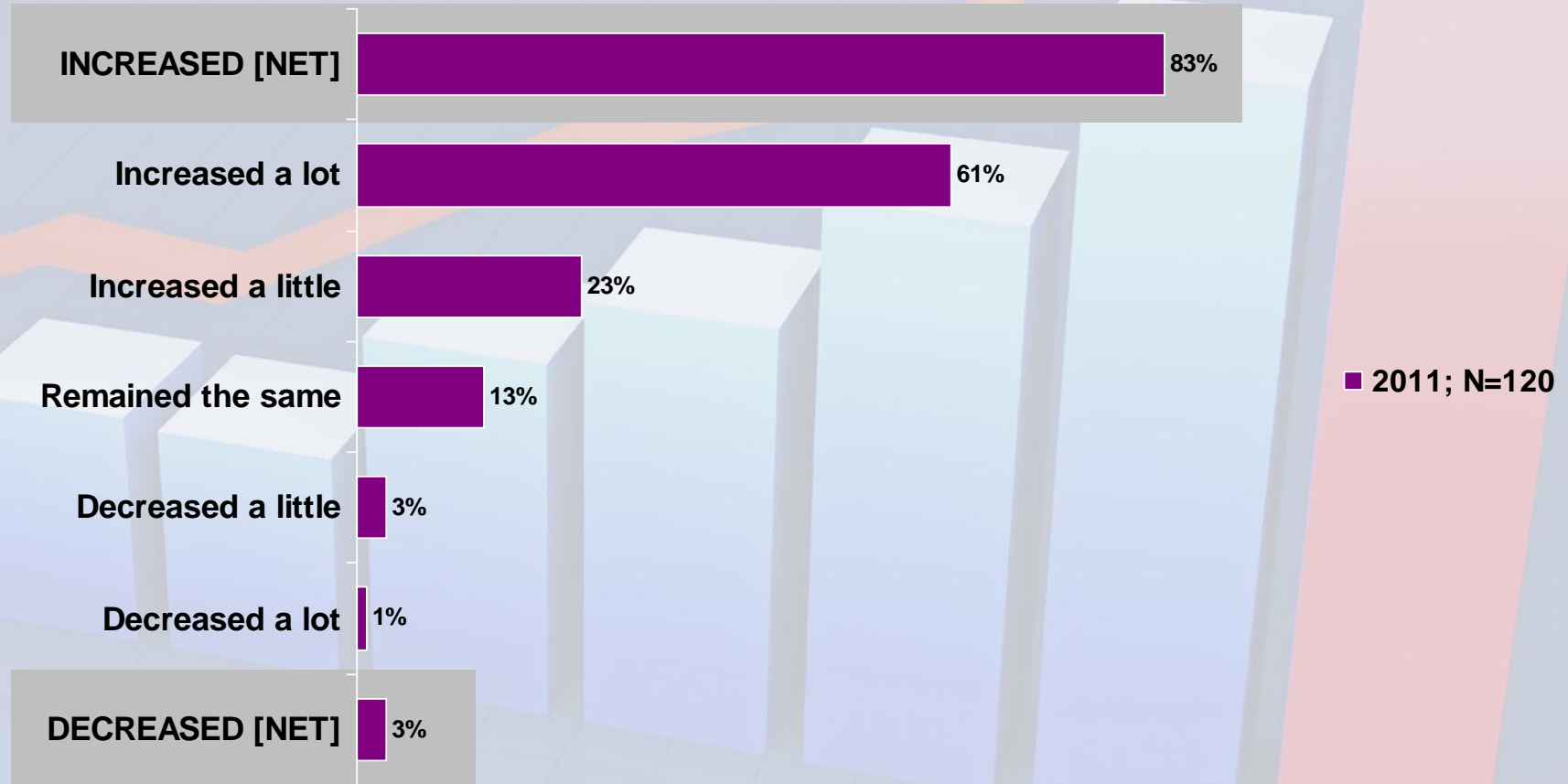


“Approximately what % of a sponsorship’s total budget is typically spent on concurrent / post-event research to measure success?”



Change in Need for Validated Results in Past 1-2

Years [New Q in 2011]



“How has the need for validated results from sponsorships changed in the past one to two years?”

Company Actively Measures Sponsorship Returns [New

Q in 2011]

Yes

67%

No

33%

■ 2011; N=120

“Does your company actively measure return from its sponsorships?”



Company Has a Standardized Measurement Process

[New Q in 2011]

Yes

42%

No

58%

■ 2011; N=101*

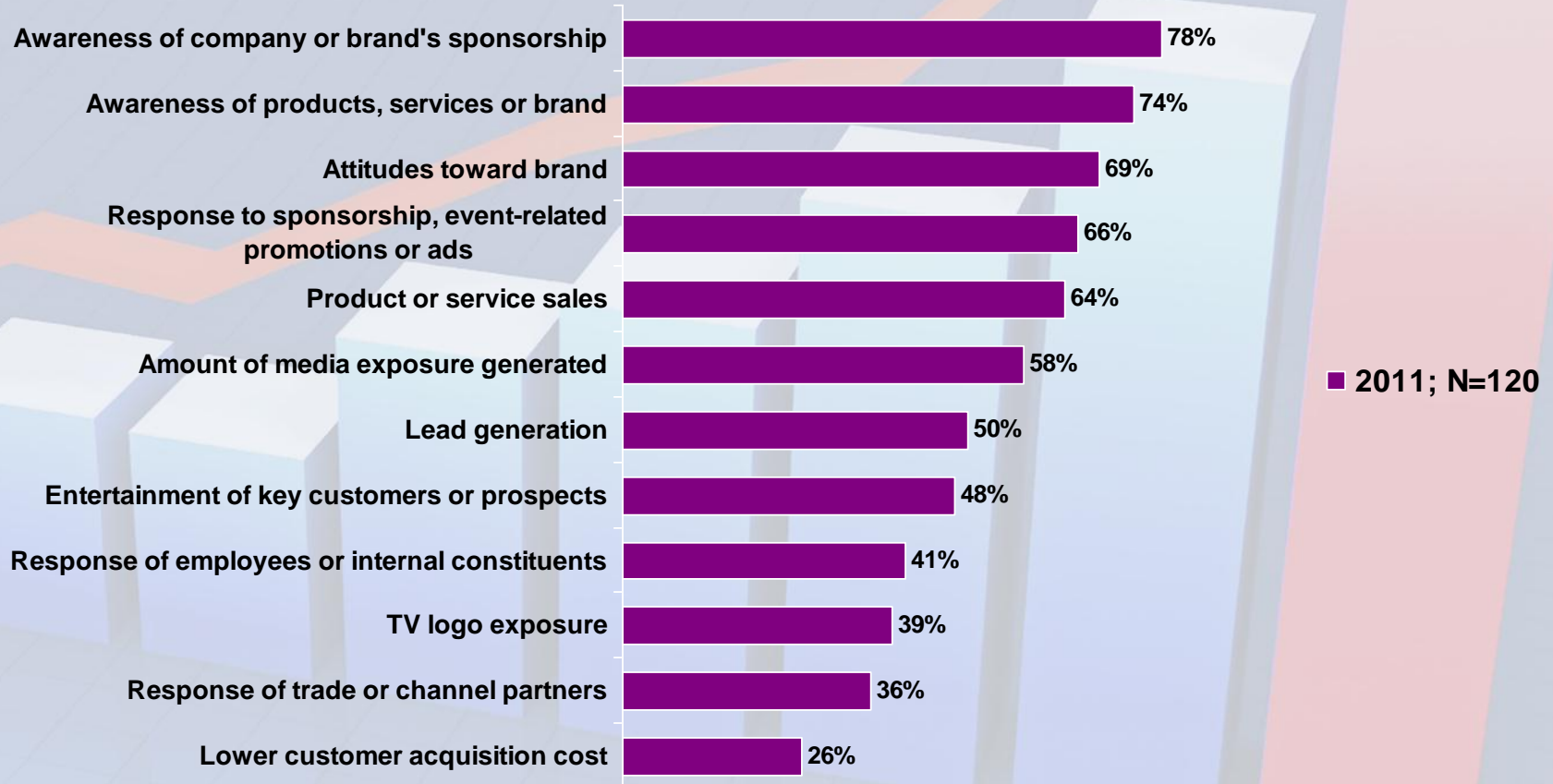
[*Based on those who responded]

“Does your company have a standardized process for measuring return from its sponsorships?”



Way of Measuring Sponsorship Return [New Q in 2011 / Top 2

Box on 5-point scale]



“How does your company measure sponsorship’s return on investment and/or return on objectives?”



VI. Property Perceptions

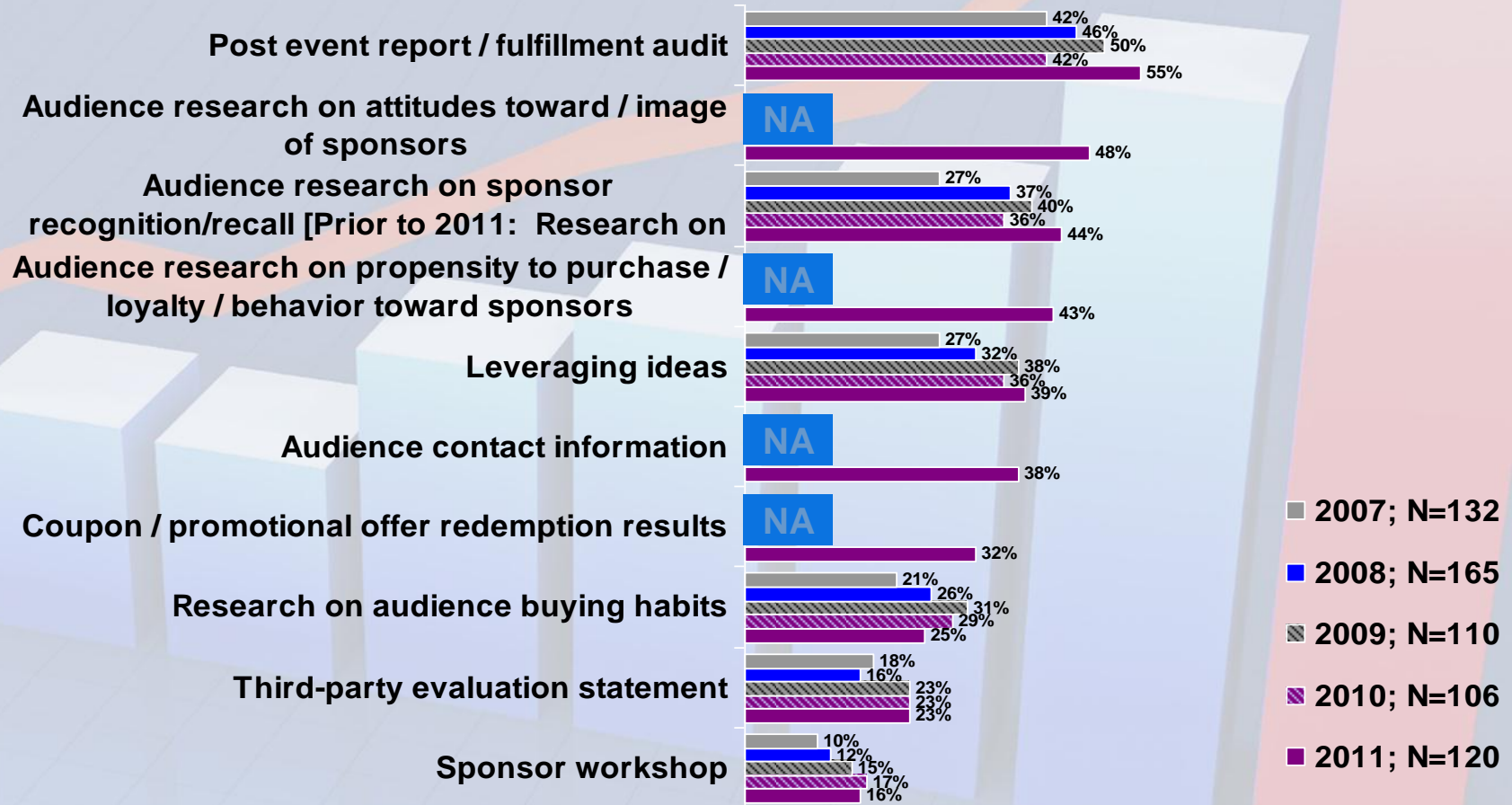
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Sponsorship Decision-makers Survey

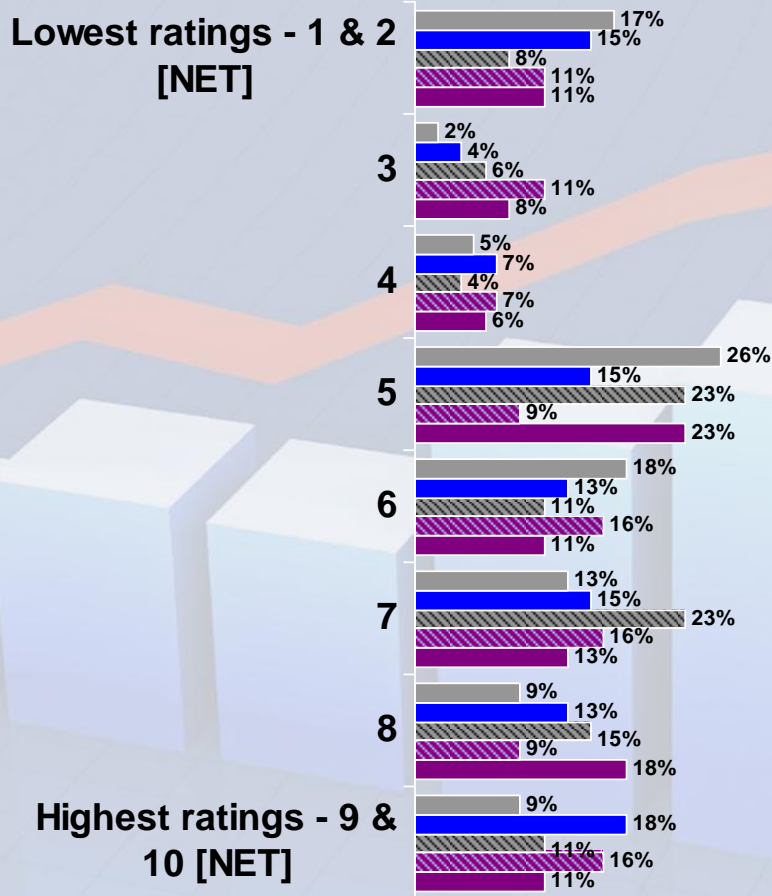
Value Placed On Property

Provided Services [“9” & “10” Ratings]

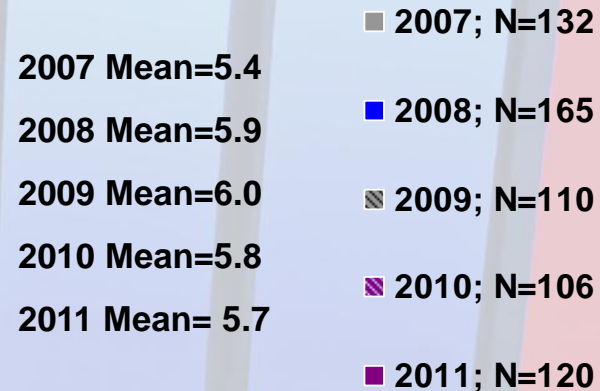


“Please rate the following ‘property-provided services’ as to how valuable they are to your organization.”

Extent To Which You Depend On Properties To Measure ROI



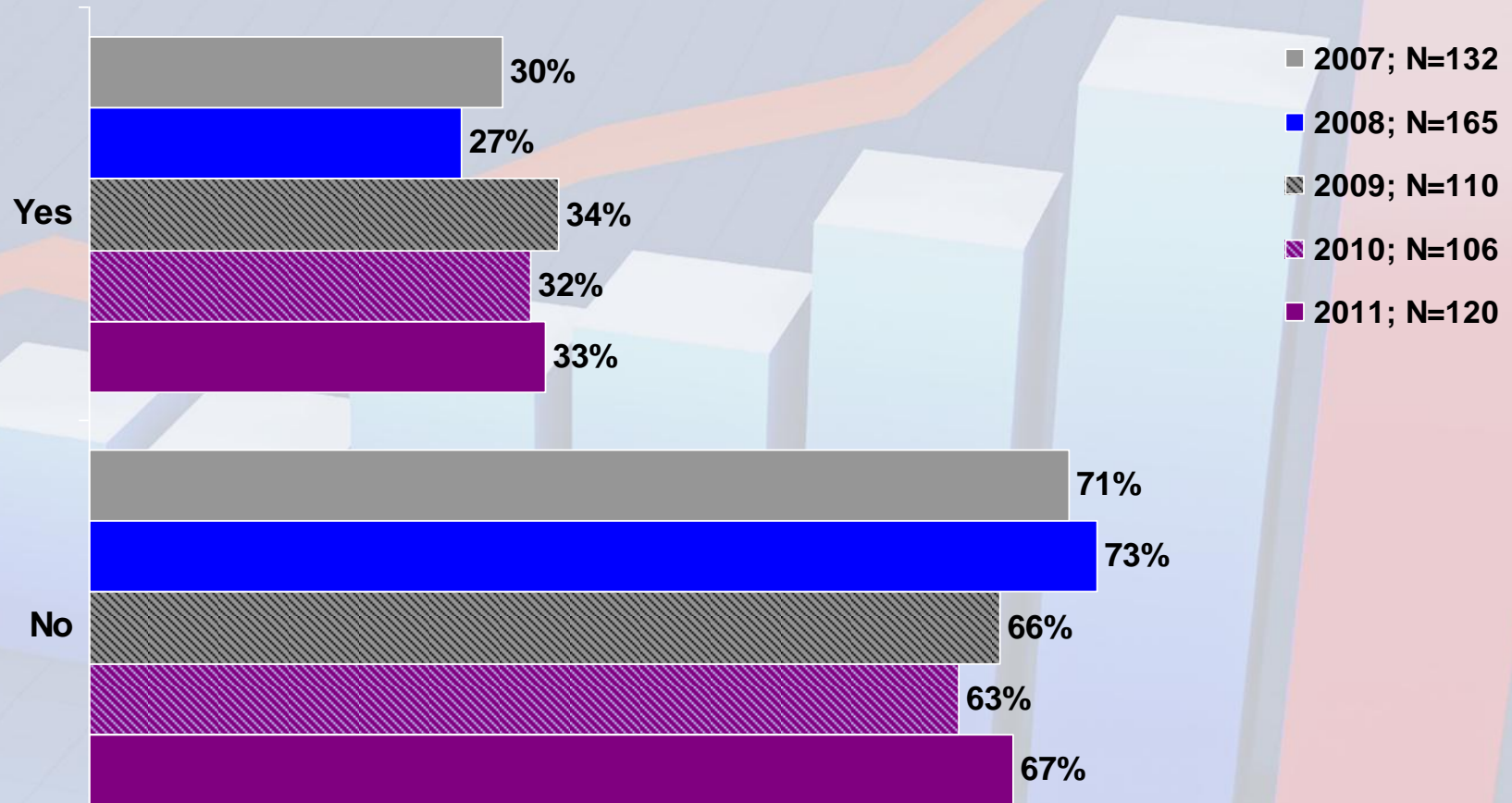
Average Ratio of Activation Spending to Rights Fees



2007 Mean=5.4
 2008 Mean=5.9
 2009 Mean=6.0
 2010 Mean=5.8
 2011 Mean= 5.7

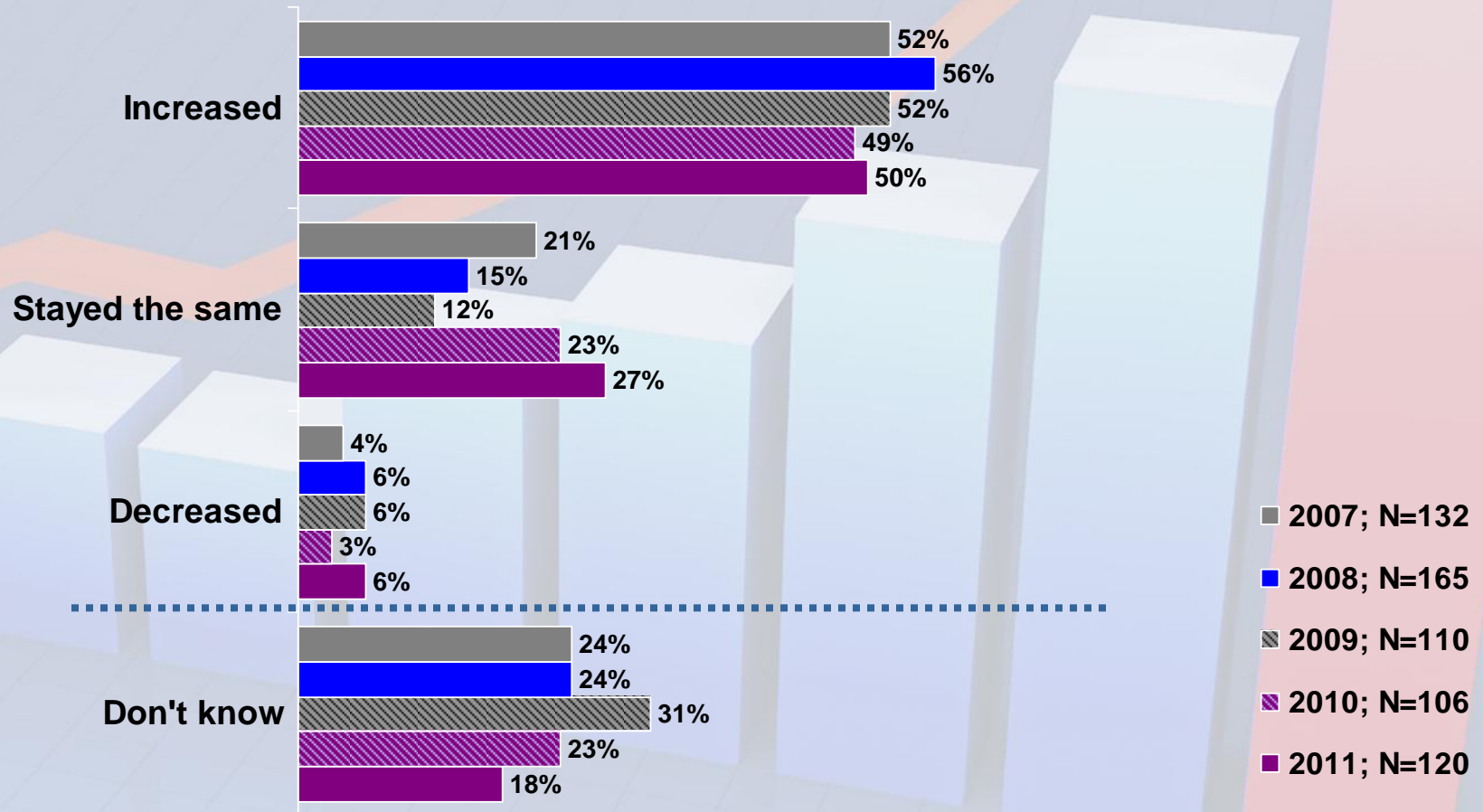
“To what degree do you depend on properties to help you measure your ROI during / after your sponsorship involvement?”

Properties Meeting Expectations



“Are properties meeting your expectations in delivering ROI measurement or research information?”

Perceived ROI From Sponsorship Over Past Few Years



“In general, over the past few years has your ROI from sponsorship...?”



Company Profile

Performance Research (Newport, Rhode Island) was organized in 1985 to provide quantitative and qualitative evaluation of event marketing programs to corporate sponsors, properties and their agencies.

Over the past twenty years, the company has conducted over 1 million on-site, on-line, and telephone interviews and more than 500 focus groups regarding corporate sponsorships of sports, leisure activities and special events. As a leader in custom sponsorship evaluation, Performance Research has in-depth experience with varied events worldwide, and is a primary research partner with many of the world's top corporate sponsors, including: Anheuser-Busch, Coca-Cola, Citi-Financial, R.J. Reynolds, Sony-Ericsson and UBS.



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