The Evolution of Sponsorship

In partnership with:

WFA World Federation of Advertisers

November 2023
Sponsorship has grown up. For many brands, sponsorship used to be viscerally driven, often without any strategy and often directed by passion points that sat with executives. A brand might have sponsored cricket, for example, because the president of the company liked cricket. Success metrics were along the lines of: the president was happy, the camera-visible signage looked good, the sales team brought people (maybe customers, maybe family, maybe colleagues) to matches, and everyone had a ‘good time’.

In this new era of sponsorship, data, insights, and business science now guide this powerful marketing tool. Sponsorship delivers target efficiency and can address multiple levels of the marketing/sales funnel simultaneously. It is measurable and can therefore be effective and efficient. It is dynamic. Sponsorship can distribute value to multiple stakeholder groups across the organisation, it is a rich vehicle for storytelling and brand values demonstration.

This WFA report, *The Evolution of Sponsorship*, in partnership with Lumency, was created to provide WFA members with insights and understanding around the current state of sponsorship, what challenges brands are facing and where sponsorship, as a form of marketing pressure, is headed.

**Ian Malcolm**
President and CEO
Lumency
Current state

“The future of sponsorship is bright; certainly, with more digital experiences offered to consumers, such as e-sports, virtual reality, metaverse and NFTs.”

Peter Greiner
Global Advertising and Communication Director Racquet Sports
HEAD Sport GmbH
Sponsorship accounts for an average of 12% of a brand’s marketing budget

In a splintered consumer connections landscape, it has grown more challenging for brands to reach their target audiences efficiently and effectively, especially cohorts in Generation Z and Generation Alpha.

Sponsorship offers brands the opportunity to establish an emotional connection by engaging with target audiences through their passions and enhancing their experiences as fans, patrons, guests, or attendees. Sponsorship allows brands to showcase their values by leveraging sponsored properties, using the activation around those properties as values demonstration points. Sponsorship can cover different types of activities and involve a wide range of partners that will vary from one brand to another.

**Of your organisation’s total 2023 marketing (incl. media) budget, what % is allocated to sponsorship (incl. rights fees and activation spend)?**

- < 2%: 6%
- 2-5%: 36%
- 6-10%: 19%
- 11-15%: 12%
- 16-20%: 9%
- 21-25%: 6%
- > 25%: 12%

*Weighted average assuming normal distribution within % ranges

**What types of sponsorships fall within your organisation’s definition of sponsorship? Select all that apply.**

- For profit organisations: 57%
- Professional or amateur status athletes, artists, performers: 57%
- Non-government, non-profit organisations that govern sport or deliver sport programming at various levels: 54%
- Media sponsorships: 54%
- Non-government, non-profit organisations that have made a mandate around social good: 17%
- Non-profit community organisations: 6%
- Other: 3%

*Weighted average assuming normal distribution within % ranges
Sponsorship will continue to grow in importance

Global sponsorship spending by brands was USD $97.4B in 2022 and is projected to grow to USD $189.5B by 2030, a compounded annual growth rate of 8.7%¹.

These projections are consistent with the survey responses: 36% of brands reported an increase in their sponsorship budgets over the next two to three years. This growth underscores the increasing importance of sponsorship in establishing emotional connections with consumers through shared passions and values.

However, some brands are seeing short and mid-term macro-economic uncertainty. This affects marketing budgets, which can make sponsorship challenging because of the long-term commitments that often come with it. This could explain why 33% of brands expect no change, while 31% of brands expect a decrease in their sponsorship budgets.

¹Global Sports Sponsorship Market, Research and Markets, April 2023
The way brands are approaching sponsorship is changing

How do you see your sponsorship initiatives evolving/changing in the next three to five years?

**IMPROVED PROCESS**

More data driven analysis, better evaluation, and stronger measurement tools

“Simplification of strategy, increased measurement, automated insights.”

“Continued evolution of sponsorship evaluation tools.”

“Increased focus on digital and virtual experiences.”

“Improving experiences through personalization, testing new technologies (AI, metaverse).”

“More targeted and focused on performance.”

“Much more scrutiny.”

“More rationale in the process of analysis – the potential impact and benefits for the brand.”

“Progressive expansion of new inventory that is custom to each industry/partner.”

**ENHANCED STRATEGY**

A more evidence-based approach to making decisions around sponsorship

“Becoming more important, getting more strategic, being more integrated as part of the marketing strategy.”

“Less exclusivity, more impact investment (DEI).”

“Ruthless focus on ensuring media sufficiency is delivered in partnership with sponsorship.”

“More emphasis on measuring ROI on sponsorships and defining our values of what constitutes a good return.”

“Larger focus on business reciprocity and tangible return on investment.”

“Shifting towards more holistic partnerships that support full funnel integration between sponsors and brands, stronger emphasis on alignment on values and social issues.”

**MORE SELECTIVE**

Fewer, bigger, more significant sponsorships that are better activated/leveraged

“Expecting a decrease in number of sponsorships overall and switching to partnerships or celebrity engagement instead.”

“Focus on fewer deals but really lean in on the markets and properties that matter.”

“Fewer but larger platforms that can scale across the funnel.”

“Greater emphasis on alignment on values and social issues.”

“Greater focus on targeting the right audience, making sure the brand is well represented, making the most of the limited resources, being as efficient as possible.”

“Focusing on leveraging existing partners, identifying the most appropriate new ones.”

“Greater focus on sustainable activities and partnerships who responsibly manage their events.”
Not all brands feel like they are keeping up

In 2023, just 5% of brands are very confident that the investments in their sponsorship portfolio are addressing the right audience, with the right assets and for the right spend, while 42% are somewhat confident, and 53% of brands are neutral, not so confident, or not at all confident.
Brands are experiencing pain points related to measurement, activation, governance, and property selection and evaluation, urging them to adopt data-driven strategies and enhanced accountability from property partners. As brands embrace the potential of sponsorship and overcome these challenges, they are poised to benefit from stronger emotional connections with their target audience(s), as well as from the attribution of enhanced fan/attendee/patron experiences.

**What are the top challenges your organisation is facing around its sponsorship activity?**

**MEASUREMENT**
- “ROI/attribution.”
- “Quantifying value.”
- “Lack of data.”
- “Demonstrating business return on investment and value back to the business.”
- “Proving short- and long-term ROI.”
- “Quality of leads/database received from property owners.”
- “Consistent measurement of assets.”
- “Cost/ROI; ROI = what we get for effort/resources we invest. Not necessarily directly tied to sales.”
- “Strategic alignment with business goals, and commitment for long-term growth.”

**GOVERNANCE**
- “Different stakeholders involved.”
- “Lack of connect between teams.”
- “Fragmented sponsorship activations by country.”
- “Few global platforms that have sufficient scale locally in all key markets.”
- “Relevance for local teams.”
- “Full visibility of all sponsorships as sometimes hidden in sales deals.”
- “Strategic changes in the organisation.”
- “Sponsor accountability.”
- “Lack of transparency in usage of sponsor funds.”
- “Internal procurement know-how.”

**PROPERTY SELECTION AND EVALUATION**
- “Competition on rights fees.”
- “Large portfolio, competing for available leverage dollars.”
- “Right sizing portfolio to fit our business today.”
- “Finding the right partner.”
- “Portfolio selection/strategy.”
- “Prioritisation of engagements.”
- “Prospects analysis – risks brand image and reputation.”
- “Finding the next creative idea.”
- “High cost of entry to access global players.”
- “Aligning with corporate objectives.”
- “Understand if we are investing in the right market.”

**ACTIVATION**
- “Securing incremental activation funds.”
- “Bringing the brand to life authentically within a sponsorship.”
- “Good content created by the rights holders.”
- “Staying connected to a younger consumer.”
- “Limited integration with the broadcast coverage included in rights packages.”
- “Building the business case for omni channel investment.”
- “Ensuring maximum reach and impact is delivered through assets bought.”
- “Internal budget pressures.”
Moving into 2024, a few trends in sponsorship are either nascent or gaining momentum

1. In a cookie-less world, brands are realising that after IP rights, the most valuable asset a property has to provide is data. The ability to, in a privacy compliant, consent provided manner, look into a property’s databases and identify brand category active consumers and a brand’s existing consumers/customers enables a brand to drive conversion and loyalty.

2. No longer ‘new’, variable compensation models are core to how brands compensate properties in the form of rights fees. On top of a base rights fee, a variable compensation model identifies key performance indicators (KPIs) that drive benefit and results for sponsoring brands. These KPIs can include attendance/viewership numbers, co-branded product or promotion success, social media performance, and others. Achievement of KPIs by the property increases their compensation. Failure to achieve those KPIs helps manage the brand’s downside risk.

3. Category exclusivity, once considered sacred in most country markets, is increasingly open for discussion between brands and properties. If activated effectively, a brand can recognise meaningful benefits through its association with a property, while forgoing the need to invest in category exclusivity.
“We don’t just sell beer; we sell fun and promote the joy of true togetherness. The Champions League is one of the top annual sports in the world, watched by billions of viewers. It has become one of the largest platforms for our organisation to connect with consumers. We look at how we insert our brand into conversations around matches and want fans to view our beer as the only one they associate with the tournament. The challenge today is not how to reach a wide audience, because digital media has made this possible, but how you amplify sponsorship deals to enhance the brand image.”

Rob van Stormbroek
Global Category Leader BTL & Sponsorships
Heineken
An average of 1%* of sponsorship budget is spent on measuring return

When brands were asked to identify their primary challenges related to sponsorship activity, the majority reported that measuring the return on investment (ROI) of their sponsorship spend is one of their top three challenges. In fact, most sponsors reported measurement as their most significant challenge.

Yet, for post-evaluation/impact (ROI) measurement, brands are spending an average of 1% of their sponsorship budget, with a quarter of brands (25%) spending nothing. Besides, there is a wide range of levels of satisfaction among brands regarding how well their organisation is measuring the impact of their sponsorship, with the average brand being neither satisfied nor dissatisfied with their organisation’s approach.

*Weighted average assuming normal distribution within % ranges
Sponsorship activity remains relatively unmanaged and unmeasured

For many brands, sponsorship is the second largest spend in the marketing budget, second only to media. Yet, for many brands, sponsorship activity remains relatively unmanaged and unmeasured.

Measuring the impact of sponsorship investments is simple, but it is not easy. As sponsorship, and its activation, can address multiple objectives across the sales and marketing funnel, from awareness and brand health to sales and loyalty, the data sources tend to be distributed across an organisation. There is no easy solution for measuring the impact of sponsorship and no off-the-shelf solution.

Do you use a model or framework to determine the commercial value of the rights and entitlements you are securing with your sponsorships?

- Yes: 55%
- No, and we’re not planning to have one anytime soon: 24%
- No, not yet but we are working on it: 9%
- Don’t know: 12%

“Determined in partnership with media and strategy teams.”

“Applying valuations to the assets and exposures that are promised.”

“Sometimes - depends on the type of sponsorship.”

“Sometimes by internal knowledge, sometimes with an agency.”

“AOR will execute a media evaluation.”

“We attach a value for each touch point/contact.”

“We work with an agency to look at the comparative ROI vs ad spend.”

“Identify key sources of value and apply a value to each with weighting for each asset.”

“We review each sponsorship individually and then benchmark against the industry.”
A major focus on upper funnel measures

The survey showed that sponsors that are measuring the impact of their sponsorships are mostly focused on upper funnel measures, including awareness (61%), consideration (48%) and intent to purchase (36%). Sponsors are less focused on lower funnel measures, including purchase (24%).

Many brands measure outputs rather than outcomes. Outputs are the intermediary measurements that a sponsorship will deliver. Outputs include things like number of attendees to an event, size of broadcast audience for a football match, number of contest entries from a co-branded sweepstakes. In comparison, outcomes are the measurable impact on a sponsor’s brand and commercial objectives – brand health, sales, retention/loyalty and so on.

Outputs lead to outcomes, but if a brand stops the measuring with outputs, they’ll fail to understand the real impact of a sponsorship on their brand and the business.

How does your organisation measure its sponsorships impact on commercial and brand objectives? Select all that apply.

- Awareness: 61%
- Consideration: 48%
- Intent to purchase: 36%
- Opinion: 33%
- Familiarity: 33%
- Purchase: 24%
- Advocacy: 18%
- Gross/net contribution on purchase: 15%
- Shopping: 12%
- Other: 18%
- We don’t have a clear measurement framework in place: 33%

‘Other’ objectives shared:
“What we measure depends on the objectives we want to achieve.”
“Sponsoring is mainly driven by achieving goodwill and positive reputation.”
“Brand DNA fit.”
“Individual per task, we use all of the suggestions provided.”
“Net sales.”
Several barriers to measurement

For the 33% of brands that do not have a clear sponsorship measurement framework in place, 42% cite cost as the reason, 42% say they lack a fulsome view of what they're investing in sponsorship and 37% say that they lack a methodology for sponsorship measurement.

Sponsorship measurement can be slow and expensive, and if not done effectively it can be imprecise. It erodes the credibility of the sponsorship team if the measurement analysis comes back too late to impact a subsequent year/season’s activation plan for a property, or if it is after the point where a decision around renewal needs to be made. It also erodes the credibility of the sponsorship team if the measurement is measuring the wrong outcomes—only focusing on upper funnel or only on lower funnel results.

Sponsorship is emotional. Senior executives may tolerate a lack of measurement of a brand’s sponsorship spend because they believe it ‘felt good’, and they have anecdotal evidence from within the organisation that the sponsorship ‘worked’. They would not give other forms of marketing pressure the same opportunity to go unmeasured.

Sponsorship measurement is not a single output proposition, i.e., for every currency unit spent on the rights fees and activation, some multiple of that currency unit is returned as an ROI output. Outcomes from a sponsorship are often related, but not correlated. For example, employee engagement and consideration with a consumer target audience may be measurable objectives for a sponsorship—both are important, but they are not correlated. That is why sponsorship is best measured from a dashboard, multiple outcomes from across the organisation that support measurable commercial and brand objectives.

Is there anything preventing your organisation from measuring sponsorship impact? Please select a maximum of three.

- Cost of measurement: 42%
- Lack of global view on total investment on sponsorship: 42%
- Don’t have a methodology: 37%
- Not a priority: 26%
- No clear internal owner/lead: 16%
- Don’t know what to measure: 11%
- Other: 11%

‘Other’ barrier shared:
“Lack of capability both internally and with the property.”
“Time, money and people resources.”
“It is difficult to gather form countries the results in commercial activities.”
“As a global company, we want to use our platform to help women thrive in the game, from the players leading the line at UEFA Women’s EURO, to talented coaches looking to break into football. We believe that the women’s game should be just as valued and celebrated as the men’s game, and our partnership with Women in Football is one example of how we’re hoping to make a meaningful and long-term difference to champion female participation at all levels.¹”

Fiona Tomlin  
CMO  
PepsiCo UK & Ireland

¹ Article from PepsiCo website, 6th July 2022.
Many stakeholders are involved, either from a support perspective or as value recipients.

Few initiatives within an organisation involve as many stakeholders as sponsorship can. Brand, sales, trade marketing, public affairs, customers, manufacturing/production, regulatory affairs, human resources, legal, community relations/CSR, procurement, investor relations, and others — all can be involved, either from a support perspective or as value recipients. By its nature, sponsorship can address multiple objectives and if executed well, a sound sponsorship strategy will distribute value to multiple stakeholders.
Many moving parts across different geographies

A sponsorship portfolio will be made up of different sized properties, across different geographies, with different contract dates, addressing different objectives, potentially for different brands. Brands tend to manage their sponsorship budgets based on how their business is organised and how marketing budgets are managed.

41% of brands administer their sponsorship budgets at the country market level, 29% from a central/global level, and 21% administer these budgets with a blend of global/regional and country market responsibility.

How are experiential activations generally managed in your organisation? Select all that apply.

Global/central team 58% 45% 52% 69% 59% 44% 27% 27% 29% 53% 50% 59% 45% 22% 25% 21% 31% 31% 31%
Regional team 27% 27%
Local team

How are sponsorship budgets generally administered?

“Both centrally as well as locally.”
“For global/international sponsorships from global budget, for local sponsorships locally.”
“At brand level.”
“The spending is shared between corporate centre and countries.”
“Our foundation has a separate budget from our corporate sponsorships.”
“Mix depending on the sponsorship.”
“Can be central or local depending on project.”
Strong governance requires implementation of processes and controls to manage sponsorship investments

Governance is the process and set of frameworks that a brand utilises to manage its sponsorship investments, from strategy to evaluation of opportunities, to internal alignment and approvals, to rights management, activation design and execution, to measurement. 58% of brands report having a sponsorship strategy in place, one that guides the properties that they source, review, or from which they divest. Even so, sponsors report their strategies as being inadequate and biased.

Without a thoughtful governance model in place to manage routines and stay grounded to a sponsorship strategy that is based on a set of sponsorship principles, those responsible for managing/coordinating the organisation’s sponsorship activity can be challenged to keep up on the necessities. The necessities include managing renewal cycles, ensuring organisational alignment around acquisition, renewal and activation commitment/design, and measurement.

The component of governance that manages the renewal of a sponsored property includes:

- Performance validation of what the property delivered to a business against the expiring term.
- Organisational alignment around renewal in support of a defined set of measurable objectives.
- A negotiation delivering the right mix of sponsorship assets for the right level of rights fee spend.
- A plan to optimise the sponsorship across stakeholder/consumer/target audience touchpoints.
- Performance management including a measurement scorecard.

“For it is more of a methodology that evaluates sponsorship opportunities for brand relevance and alignment with objectives.”

“We have pillars which guide our sponsorships; we also take a 3 year view on sponsorships to allow enough time to derive value. We also monitor sponsorships and if it’s not working, we divest.”

“Yes, but it’s variable and impacted by bias.”

“Based on trail makers and valuation methods.”

“Global partnerships that reach multiple markets where ROI is at least 5:1. Needs to fit with our brand and be mainstream and popular with our customers. Long term partnerships in order to build brand equity.”

“Properties that showcase performance of our products.”

“We align behind a central sponsorship strategy that sets out the criteria and metrics for any new sponsorship.”

“Aligns to organization’s strategic pillars and areas of focus.”

“Always embedded in a 3–5 year strategy.”

“We do, but also our Exec have some properties they want us to source regardless.”
Brands lack a framework – but are working to fill the gap

45% of brands do not have a governance framework in place, while 55% of brands do have one. Of the brands that do not have a governance framework, 60% are working on developing one.

Sponsorship winds up being out of step with the timing of other forms of marketing pressure, which can create complexity in how the organisation manages sponsorship. Sponsorship often requires a multi-year commitment. Other forms of marketing pressure might have 3-, 6- or 12-month time frames, making adjusting against changing objectives and changing budgets less tricky.
Framework

Your governance model itself (the red) is the ‘how’, the grey box is the ‘what’, a set of sponsorship principles that you develop for your organisation or for your brand. For a house of brands, or for a branded house with different business units, having different sets of sponsorship principles is very normal.

Sponsorship principles

Governance model

1. Sponsorship strategy
   - Sponsorship principles
   - Brand and commercial strategy
   - Short/long-term strategy

2. Pre-valuation & negotiation
   - Property valuation (expiring agreement/proposal)
   - Negotiation strategy
   - KPI setting

3. Property management & visibility
   - Development of contract asset management

4. Post-Measurement
   - KPI & scorecard
   - ROE
     - Quantify the short-term ROI of deals & activation
     - Optimise activation & minimize waste
   - ROE
     - Understand long-term equity impact of sponsorship
     - Optimise considering equity & ROI benefits

5. Best practice building
   - Centralised sharing of best practice and case studies

Current state

Measurement

Governance

Brand reputation

Property selection and evaluation

Activation

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"Helping to pave the way for more equitable opportunities in women’s professional sport and inspire a new generation of female athletes is part of how we are bolstering our communities and living our brand purpose: we are here to make life in Canada better.¹"  

Susan O’Brien  
Chief Brand and Customer Officer  
Canadian Tire Corporation

¹ Article from Yahoo! Finance, 7th March 2023.
Reputational risk associated with properties is addressed within contract language and force majeure clause

Sponsorship has inherent risks that other forms of marketing pressure don’t. Rights holder organisations can fall into scandal. Racing cars crash. Large public events with high visibility become the targets of terrorist attacks and live active shooters. Athletes and entertainers engage in misconduct and controversial behaviour. By association, this can impact the brand health of sponsoring brands. Brands should view reputational risk management not as a reactive duty, but as an integral part of their sponsorship strategy, fostering enduring brand credibility in the sometimes-unpredictable landscape of sponsorship.

Additionally, economic factors, such as financial instability or bankruptcy of the rights holder, pose risks. Ambiguities in contractual agreements, including disputes over sponsorship rights or breaches, may also arise. It’s crucial for sponsors to conduct thorough due diligence, anticipate potential pitfalls, and establish clear contractual frameworks to navigate these risks effectively. Establishing clear contractual guidelines, emphasising ethical behaviour, and implementing robust crisis communication plans are essential. Proactive monitoring of social media and public sentiment enables swift responses to emerging issues.

How are you addressing reputational risk for your organisation within your sponsorship contracts?

<table>
<thead>
<tr>
<th>RISK ASSESSMENT &amp; DUE DILIGENCE</th>
<th>CONTRACTUAL AGREEMENTS</th>
<th>COLLABORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>“We typically do a background check on the requesting organization, previous works done, alignment with our brand, values, media.”</td>
<td>“We apply terms and conditions specific to this area and if a sponsor rejects them, we evaluate risk and determine if we should engage with the sponsor.”</td>
<td>“We work with external partners and partners themselves as part of our discovery stage.”</td>
</tr>
<tr>
<td>“Careful selection of assignments, try to avoid any risks in mutual agreement, contractual penalties in case of infringement of obligations where possible.”</td>
<td>“Sub-section of force majeure. Not just acts of ‘God’ but intentional or unintentional behaviour on the part of the company or individual that would trigger a process of action or termination.”</td>
<td>“Compliance department, legal and risk management are involved in all the decisions.”</td>
</tr>
<tr>
<td>“We review the organization’s financial position and public reputation as well as asking for their strategy on sustainability.”</td>
<td>“Strong force majeure clauses in agreements, ongoing issues monitoring and escalation frameworks.”</td>
<td>“Responsible partner policy.”</td>
</tr>
<tr>
<td>“Before the start of the relationship there a risk management process that evaluates reputation, just after it’s approved, we can move to negotiation or contract.”</td>
<td>“We have included specific clauses in our sponsorship contracts that outline the expectations and obligations of both parties. These clauses cover a range of issues, including ethical, environmental sustainability, social equity, and criminal missteps.”</td>
<td>“Legal team involved on all contracts.”</td>
</tr>
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<td></td>
<td></td>
<td>“We have a specific reputational risk forum.”</td>
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</tbody>
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Sponsorship provides brands with the opportunity to showcase their values

42% of brands are not yet using their sponsorships and their activations to advance and demonstrate their sustainability and/or social equity agendas. Of those, 86% are making plans to do so moving forward.

Consumers expect brands to ‘do good’ and to communicate, as well as demonstrate, their commitments to the communities in which they do business. Sponsorship provides brands with the opportunity to showcase their values, ultimately reaping the benefits of this dynamic form of brand engagement. This includes aligning themselves with properties that share the same values around sustainability and social equity, for example. It also includes activating the brand’s sustainability and social equity commitments through its property partnerships, for example, using a grassroots programme associated with a sports property to communicate the brand’s belief in safe and inclusive sport.

Where gaps exist between a brand’s position on corporate social responsibility, and the chosen sponsorship activities, there is a reputational risk for the sponsoring brand.

Does your organisation consider and drive sustainability and/or social equity objectives through your sponsorships and their activation?

- Yes: 49%
- No, and we’re not planning to anytime soon: 9%
- No, not yet but we are working on it: 36%
- Don’t know: 6%

“Focus on women’s sport.”
“We are trying to find ways to tell this story more.”
“Through branding or activation initiatives. Both for social – D&I in music festivals, environmental – circular approaches or safety aspects.”
“We ask for our partners to demonstrate sustainability at their events.”
“Sustainability as a strategic pillar, aligning our brand with partners that have a sustainability focus and leveraging our sponsorships to promote our sustainability objectives.”
“This is entwined in everything we do.”
“New Balance wants to give back to the communities in which we operate and proudly partners with a variety of sports teams, leagues, and individuals. We follow a selective, boutique approach to sponsorship deals, focusing efforts on a few key athletes instead of a blanket approach. Our team works hard to stay connected to younger consumers and to find the next creative, inspirational idea.”

Dave Korell
Manager, Merchandising & Sports Marketing Canada
New Balance
Less than a third use a model or framework to determine the commercial value of the rights and entitlements they are securing with their sponsorships

Evaluation of sponsorship opportunities, both of net new and renewal properties, is one of the most important functions that a brand can undertake with respect to sponsorship. The right property that delivers target efficiency to the sponsoring brand, with the right assets and entitlements and at the right spend with the right activation plan is essential for success. Only 31% of the brands polled use a model or framework to determine the commercial value of the rights and entitlements they are securing with their sponsorships. 38% of brands do not have a model but are working on securing/developing one. 31% of brands do not use a model or framework, and do not have plans to develop one.

A valuation of the category rights of a sponsorship package is table stakes for effective evaluation and is critical in the development of a negotiation strategy. A comprehensive property sponsorship valuation runs between 200 and 1,200 lines of data. On top of a thorough valuation, an evaluation assesses brand fit, target efficiency, activation opportunity, reputational risk, and sets up for an effective negotiation strategy, with the limits for opening position, ideal settle point, and max. spend for rights and entitlements.

An evaluation considers market conditions, competitive threat and the strategic importance – or lack of – for a property as part of the overall sponsorship portfolio. A proper evaluation enables the conversation around internal alignment for a net new or renewing property and provides leadership with information needed to align to an acquisition or renewal plan. Not all evaluations are equal – the larger the spend, the longer the commitment, the more complex the internal set of stakeholders, the deeper the evaluation.
An audit of a brand’s sponsorship portfolio will help towards greater efficiency and better effectiveness

Here is how to tackle a portfolio audit:

1 Review

Each property in the portfolio, or properties above a predetermined spend level, are reviewed. An initial filter customised to the brand’s needs determines alignment of each property with current (not past) business and brand objectives. This primary filter provides a quick and efficient way to eliminate some properties from more thorough analysis.

2 Evaluate

Each triaged property (those left after the primary filter review) is evaluated through a set of analytics tools including property valuation (what the industry category rights are worth and what your organisation should be paying for those rights based on your unique business circumstance). A business case is built for each triaged property with a recommendation for which properties should be removed from the portfolio and which should remain.

3 Optimise

For properties that remain in the active portfolio after the business case phase of the property audit, an asset optimisation exercise is built that targets a better value proposition – assets and spend considerations, including activation considerations.

4 Plan

Concurrent with the business case phase of the portfolio audit, a competitive audit may be conducted to understand what properties competitors may currently have in their sponsorship portfolios, including what they are spending and the contact term for those properties. This creates visibility for which properties brands may want to target through an acquisition plan over the mid to long term.
A set of funding formulas is needed

81% of brands report that they have guidelines in place around spend approval and spend authority for sponsorship activity. 13% of brands are working toward implementing such guidelines. Only 6% of brands report that they do not have spend authority and approval guidelines in place and that they are not planning to. Sponsor organisations should develop a funding formula, or set of funding formulas, that senior leadership can align to and support, that clearly guide how sponsorship investments are funded.

A funding formula can take several forms, even within the same organisation. For example, a global property’s rights fee may be divided amongst country markets that will benefit from the sponsorship based on the reach that property has into each country market, with each country market then being responsible for activation spend. Another organisation might fund the sponsorship fee for the same property out of a global budget, with the country markets being responsible for activation, which might include a media spend commitment.

At the country market level, a sponsorship investment might be spread across business units against the value each receives from the sponsorship, with a commitment by each business unit to activate the sponsorship within its channels. Funding formulas should be well considered and equitable. When agreed to in advance as a standard operating procedure, they help eliminate the politicking and internal negotiating on a one-by-one basis to get each property investment and its activation funded.

Does your organisation have guidelines in place around approval authority by spend?

- 81% Yes
- 13% No, and we’re not planning to have this anytime soon
- 6% No, not yet but we are working on it
- 0% Don’t know

“Central approval in global communication when it comes to top 3 brands.”
“Global sponsorship approval process.”
“Approval authority is depending on the spend threshold. Several pre-conditions must be met in terms of background, scope and expected benefits.”
“Above all every deal goes through governance and validated in line with the policy, then shared with procurement to deal with it.”
“Approval based on spend threshold to procurement on purchase requests.”
“All sports and entertainment and any non-profit over 100k approved by CEO.”
“Full delegation of authority for approvals.”
“Different spend approved by different level.”
“Value of deal/spend, geographic location of sponsored property, line of business the sponsorship supports.”
“Now that you have invested in the partnership, have you thought of its activation? The corporate world is filled with great contracts that are not well or fully activated. This is not good for the organisation or the partner.”

Barry Byrne
Global Head of Employee Experience
EVP & Employer Branding
adidas
Brands spending below standard benchmarks on activation

43% of sponsors report not knowing/not tracking what they’re spending on activation of their sponsorships. 39% are spending less than 1:1 on an activation-to-rights fee ratio (i.e., for every currency unit they are spending on rights fees, they are spending less than a currency unit on activation).

Activation is the bridge between the value in a brand’s sponsorship deals and the return on investment, the measurable impact the sponsorships deliver to the brand and the business. Yes, a brand measures the visibility elements of the sponsorship (including signage, logo inclusion), that can deliver associative benefits, the earned media, the awareness but it is the activation that really drives attitude and behaviour change with the brand’s target audience(s).

Across your sponsorship portfolio, on average, for every currency unit (€$£, etc.) that your organisation spends on rights fees, what are you spending on omnichannel activation?

*Weighted average assuming normal distribution within % ranges
Different factors call for different activation-to-rights fee ratio targets

Sponsors often ask what the right level of investment in activation-to-rights is against their sponsorship portfolio (i.e., the activation-to-rights fee ratio). The answer to that question is: it depends. It will depend on the country market, the industry category that the brand competes in, the urban market or the region the property covers, the type of property, etc. If, for example, a brand is looking at a country market with a low average activation-to-rights fee ratio, the brand will need to do less work earning its share of voice within a particular property. Because other brands are not investing in activation to a significant degree, the sponsoring brand can outvoice them more easily.

Select country market/region activation to rights fee ratio benchmarks:

- Western EU – 1.1:1
- Brazil – 0.7:1
- US – 1.3:1
- Canada – 0.67:1
- Australia – 1:1

If the property a brand is activating is in an urban market or region where the brand outpaces the national market share, the brand may not need to put as much into activating the properties it holds in that market. Conversely, if the property is in an urban market or region where the brand posts under the national market share, it may want to invest more in activation as a marketing pressure wedge against its industry category competitors.

Different kinds of properties within a portfolio should call for different activation-to-rights fee ratio targets. For example, because of the significance of the weight of media in tier 1 sports deals, an activation-to-rights fee ratio might comfortably be less than 1:1. By comparison, small, local community events with a small investment in rights fees but with a need for experiential activation might require an activation-to-rights fee ratio above 1:1. Music festivals might call for a different activation-to-rights fee ratio than cultural festivals.

*Weighted average assuming normal distribution within % ranges
Opportunities for the procurement function

“Essity is committed to breaking barriers to well-being for people and the planet. Our work with NGOs for environmental and social matters plays an important part in achieving our company ambitions. Over the years, the Essity procurement team in close collaboration with Marketing and Communications has developed sponsorship guidelines to ensure our activities are built on our company strategy and brand position. As we provide operational support such as contract review or vendor creation, I see plenty of opportunities for procurement leaders to bring further value in that space.”

Guido Hoeller
Global Procurement Manager
Essity
A mid to top sourcing priority for most

Across organisations, the procurement function has varying degrees of involvement in marketing spend. Larger organisations may have a centralised procurement team that is closely involved in marketing spend, with dedicated marketing procurement support. Marketing procurement specialists may be involved in media and sponsorship contracts, managing vendor/agency partner relationships, handling pricing and payment terms negotiations. Of the brands that have procurement involvement in sponsorship spend, 81% consider it a mid-to-top sourcing priority.

Thinking of sponsorship initiatives in relation to other procurement categories, how much of a priority is this for your procurement organisation?

- Top priority: 69%
- Mid-level priority: 19%
- Not a priority: 12%

Does your organisation have a dedicated procurement resource or team for sponsorship?

- Yes: 47%
- No, and we’re not planning to have one anytime soon: 19%
- No, not yet but we are working on it: 6%
- Don’t know: 3%

Current state: Measurement Governance Brand reputation Property selection and evaluation Activation

Opportunities for the procurement function

Recommendations

About this document
In many cases, the procurement involvement is limited to negotiation of rights and contracting

Of the half (50%) of brands that have procurement involved, the involvement is only in some country markets and for the other half of brands, the involvement is dependent on spend threshold.

“Decisions taken purely by the business, procurement is supporting with contract review, vendor creation process and sharing sponsoring/donation guidelines with key stakeholders.”

“Procurement are involved in negotiation only and if additional investment exists like promotion, then saving KPI will be measured.”

“Initiator or global optimization strategy, providing and creating the tools to do so (valuation, benchmarking, optimization levers), being a centre of excellence.”

“KPIs are cost optimizations, reduction of sponsorships, amount of markets with implemented valuation methodologies, amount of properties with positive ROIs.”

“We are responsible for sourcing and managing supplier relationships, negotiating contracts, and ensuring that the organization is getting the best value for its investment.”

“Procurement newly involved from centralized perspective. KPIs are on savings and contract coverage mainly.”

“Our KPIs are diversity metrics, but we are working on developing other KPI’s to measure ROI on brand exposure, attendee data, media exposure, direct engagement, leads.”

“Full involvement from portfolio strategy, evaluation, negotiation, contracting, and ROI. Key KPIs consist of property value to fee ratio, ROI, activation ratio.”

“Within the budget secure as many deliverables, usage rights etc. as we can.”

“Bringing the outside in, identifying the right partners to deliver business objectives.”

“Procurement also drive value through media sufficiency modelling and savings/reinvestment opportunities.”

“To challenge thinking and ensure robust rationale for strategy.”

“Consultant on the deal.”

“Mainly negotiate the agency fees.”

“Optimise value for money.”

How would you describe the involvement of procurement in the category management of sponsorship investments? Select all that apply.

- Involved in all sponsorship projects
  - 6%

- Involved in some markets
  - 50%

- Involved depending on certain $ threshold
  - 50%

- Not involved
  - 6%

- Other
  - 19%

“Acting as consultant in terms of ‘best deal’.”

“Involved in the ‘procurement process’ from time to time.”

“Involved in any sports & entertainment sponsorships.”
Procurement teams can bring structure and governance

Sponsorship is a unique spend category. There are more variables over other categories of marketing spend in what drives commercial value. Intangible value (the associative benefits and borrowed imagery, the IP rights) being a large contributor to category rights value.

Sponsorship is a more complex buy, and a far more complex category to manage, than other forms of marketing pressure.

Procurement teams can bring structure and governance and can add value to the organisation’s sponsorship activity well beyond negotiation of rights and contracting. Process around stakeholder alignment, activation spend commitments, fulfilment tracking are all things that procurement can be well suited to support in collaboration with the team or teams that may be involved in sponsorship from marketing/brand/sales.

How are sponsorship initiatives generally handled by procurement?

- **31%** Combined strategy
- **19%** No procurement strategy in place
- **19%** Globally led
- **6%** Regionally led
- **25%** Locally led

“It’s challenging [for procurement to break into this category] because sponsorship is our stakeholders’ baby; and we’re basically asking them to be a co-parent.”

WFA member
6 key stages to design a strategic sourcing framework to sponsorship investments

In October 2019, the WFA brought together a group of marketing procurement practitioners, to discuss solutions they could put in place to optimise the management of sponsorship deals and produced a strategic sourcing framework to sponsorship investments. Examples of initiatives mentioned during the workshop, that sourcing teams can take the lead on, included:

1. **Stakeholder engagement**
   Build your knowledge and work with external partners to strengthen your understanding of the sponsorship category. This will help you increase your credibility. Involve marketing to ensure that there is an activation strategy supporting the sponsorship investment.

2. **Internal assessment**
   Audit your organisation’s current asset value and existing contracts, identify and analyse the overall spend, review the business objectives. Create a scorecard to evaluate – with objective KPIs, what has been done in the past – and identify what would need to change, or not, moving forward.

3. **Future needs**
   Partner with Finance & all your stakeholders to identify future budget and objectives, discuss the asset opportunities that your company wants in line with budgets and business objectives, tier your procurement involvement (e.g., strategic – high value v tactical, global v local, IP risks...).

4. **Market assessment**
   Research and discuss potential opportunities with all internal stakeholders including marketing and PR. What are the available properties? Identify the ones that are ‘nice to have’ vs ‘must have’; do they all fit with your brand DNA? Ask rights holders if there would be a testing option – in a smaller scope, in one market for instance. Decide with your stakeholders which sponsorship opportunities you want to keep moving forward. Gauge feasibility based on experience and previous deals coupled with inputs from external partners, assess for instance cost vs impact or ROI.

5. **Negotiation & contract**
   Refer to your scorecard and create an asset checklist that will be fleshed out by your stakeholders. Checklist can include basic rights packages to be used as reference point, contract terms, payment terms, global v local asset usage... standard contract templates; understand what you are buying and decide if you need everything that is in the proposed full package – avoid excess of services that your company won’t need; make your remuneration model attractive with risk & reward options.

6. **Supplier Relationship Management (SRM)**
   Agree on internal/external meeting cadence. Measure your company’s performance pre/mid/post sponsorship: there is no one single metric need for procurement flexibility. E.g., If the business objective was ‘media leverage’ then use media metrics; if the objective was ‘awareness’ then track performance of likes/reach. “Don’t only focus on the here and now”. Think mid/long term. Decide on the right length of time to measure performance. Monitor the (re) usage of assets & wastage.
### Recommended partners from WFA network

What would be the top sponsorship agencies or partners you would recommend working with?

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<th>Sponsorship strategy and planning</th>
<th>160over90</th>
<th>ApexPR</th>
<th>Behaviour</th>
<th>CAA</th>
<th>Cimoroni</th>
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<th>Lumency</th>
<th>Mrko Creative</th>
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<th>Sponsor Pulse</th>
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**Current state Measurement Governance Brand reputation Property selection and evaluation Activation Opportunities for the procurement function Recommendations About this document**
Recommendations from Lumency

Tier your sponsorship portfolio

It will vary for each industry category, but for properties at or above USD $4MM in annual rights fee spend, a fulsome measurement model should be deployed, measuring what matters for the brand’s category. For properties below USD $4MM, a portfolio approach makes good sense.

Measure what matters

What matters to an airline, a bank, a consumer-packaged goods company and an automotive brand are all going to be different, even if they are all sponsors of the same property. For example, one of the elements of a sponsorship activation that a consumer-packaged goods brand might want to measure is the sales lift from packaging that includes property IP/marks versus packaging that doesn’t include marks. An automotive company might want to measure the impact on purchase intent with fans of a sponsored property versus non-fans in the same market.

Consider efficiency and ROI separately

Deal efficiency is the ratio of rights fee spend to asset value and target efficiency. In short, through a particular sponsorship investment, are you putting your brand in front of the right audience(s), and do you have the right mix of assets from that investment and for the right spend. ROI is the measurable return on the brand and commercial objectives that you’ve set for that sponsorship investment.

Be choiceful

Focus on the properties that deliver measurable results, that deliver target efficiency and that enable you to demonstrate your brand values. Consider partnering with fewer properties but optimise those properties you do have across your entire connections mix. Sweat your assets.

Establish activation-to-rights fee ratio targets for the sponsorship portfolio, with variations by market and property type

These targets enable the organisation to look at the commitments being made to sponsorship investment with broader context, working spend (activation spend) and non-working spend (rights fee spend) and ensure its budget is not spent on rights fees, with little to nothing left for activation.

Sponsor less, activate more

Better for the sponsoring organisation to have ten well-activated properties in its sponsorship portfolio, than 50 poorly activated properties. Activation commitment extracts value from sponsorship deals and optimises for return on investment.
34 multinational advertisers shared their current approach to sponsorship investments

This report contains the results of an online survey conducted in Q2 2023 and enables WFA members to see where their current state and expected future state benchmarks against respondent results. It covered 34 multinational companies, with total global advertising spend of USD $51.3 billion.

### Respondent industry sectors

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<thead>
<tr>
<th>Industry Sector</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Beverages</td>
<td>20%</td>
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<tr>
<td>Finance</td>
<td>15%</td>
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<tr>
<td>Beauty, Health &amp; Hygiene</td>
<td>12%</td>
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<tr>
<td>Telecom</td>
<td>9%</td>
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<tr>
<td>Automobile</td>
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<td>Retail</td>
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<tr>
<td>Fashion &amp; Sportswear</td>
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<tr>
<td>Energy</td>
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<tr>
<td>Food &amp; Dairy</td>
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<td>Tech</td>
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<td>Gambling</td>
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<td>Aviation</td>
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<tr>
<td>Other</td>
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### What range below is the closest to describe your annual marketing (incl. media) budget?

- >US$1 billion: 34%
- US$501-$1 billion: 23%
- US$50-$100 million: 20%
- US$101-$250 million: 11%
- US$251-$500 million: 11%
- <US$50 million: 11%
Respondents represented brand, procurement, and sponsorship-specific roles within their organisations.

Which of the following geographies best describes your area of responsibility?

- Global: 44%
- USA & Canada: 31%
- Europe: 17%
- China: 3%
- Middle East & Africa: 3%
- LATAM: 3%

What is your role in the organisation? How long have you worked in, or been adjacent to, the sponsorship function?

- Dedicated sponsorship strategy, planning, rights management, execution: 30%
- Marketing procurement: 22%
- General marketing/brand management: 19%
- Indirect procurement: 11%
- Dedicated sponsorship procurement: 11%
- Other: 8%
- Less than a year: 49%
- 1-3 years: 27%
- 4-6 years: 14%
- More than 6 years: 11%
Lumency’s Glossary of Sponsorship terms is intended to provide the reader with an overview of key terms used within the world of sponsorship marketing. As industry leaders, we’ve worked to ensure all areas of sponsorship are covered. Terms are broken out into relevant categories to help navigate.

GENERAL TERMS

Sponsorship - A cash and/or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with that property.

Property - An event or entity with exploitable commercial assets that seeks sponsors. Also referred to as a “Rights Holder”.

Rights fee - An agreed upon fee which is paid to a property from a sponsor for the right to activate a partnership marketing program.

Asking price - An initial rights fee requested by a property as part of a sponsorship proposal. This figure may or may not be close to the actual spend agreed to by the two parties in negotiations.

Escalator - An annual percentage increase built into the sponsorship fee paid over the course of a multi-year contract. Escalators can be tied to key performance indicators (KPIs) including event performance, audience measures, inflation or any other pre-determined qualifier.

Value-In-Kind (VIK) sponsorship - A non-cash sponsorship agreement where a brand gives product or services (rather than cash) in exchange for sponsorship rights.

CONTRACT & NEGOTIATION TERMS

Pass through rights - Benefits that the property allows a sponsor to transfer to another company (often a customer, supplier or distribution partner).

Right of first refusal - A contractual clause that offers a sponsor protection from a competitor outbidding and taking over the sponsorship agreement upon expiration of the contract. It also allows, but does not require, an existing sponsor the right to match a competitive sponsor’s offer to a property within a pre-defined period of time.

Exclusive Negotiation Window - A time-frame in which two parties negotiate in attempt to reach an agreement. During this window, a property cannot be in discussion with other potential sponsors in the same category.

Letter of Agreement (LOA) - A document used to outline the terms of an agreement between two or more parties. This document is used as a ‘placeholder’ until a long-form agreement is created and signed by both parties.

Contract Term - The period a sponsorship Agreement is valid for, typically reported in years from an initial date (effective date) when the Agreement began.

Direct Revenue - The income a company earns which they would otherwise not have received without affiliation with the property. This can be achieved by having the right to sell its product or services on-site, or by a brand selling its products or services directly to the sponsor.

Sales Deal vs. Activated Partnership - The primary purpose of a sales deal is to receive direct revenue; an activated partnership is where a sponsor intends to fully utilize all assets in the partnership, seeking to interact with consumers on-site. Sponsorship deals can be one or the other, or a combination of both.

Share of Voice - A term used to describe the amount of ‘real estate,’ visibility, or influence a sponsor has compared to other sponsors for the same property.
VALUATION TERMS

Valuation - A sponsorship valuation is the assessment of the realistic value of a sponsorship, and the assets, rights and benefits provided therein. Quality valuations use an established system/model to provide a consistent approach to valuing sponsorship deals and assets.

Lumency’s sponsorship valuations include both tangible valuation (specifically measurable assets and intangible valuation (qualitative contextual elements) which are added together to determine a property’s actual dollar value. This valuation forms the basis for contractual negotiations regarding sponsorship fees.

Tangible Asset Value - The value of specifically measurable assets of a sponsorship property. These assets include:

- Direct Revenue (if applicable)
- Sponsor ID in Earned Media
- Guaranteed Sponsor ID in Measured Media/Broadcast
- Guaranteed Sponsor ID in Digital Media
- Advertising Assets
- Guaranteed Sponsor ID in On-Site Property Components
- Guaranteed Sponsor ID in Support Collateral
- Consumer Engagement
- Sponsor Inclusion in Property Research
- Hospitality

Intangible Asset Value - The value of intangible qualities of a sponsorship property, which amplify the strength of an association between a sponsoring brand and the property’s marks. Intangible asset characteristics can include:

- Prestige of the property
- Reorganizability and awareness of its marks
- Level of category exclusivity being offered
- Level of audience interest, loyalty and passion
- Ability to activate
- Level of cross-promotional opportunities available with other property sponsors
- Degree of sponsor clutter
- Protection from competitive ambush
- Established track record of the property
- Media coverage potential
- Opportunity to engage sponsor’s employees
- Geographic reach

Value Drivers - An asset or asset class that provides strong value within the sponsorship and/or supports the needs of the category.

Property Value-to-Rights Fee Ratio - The summation of a property’s total value versus the rights fee paid by the sponsor. The ratio provides insight into how closely the assets in the sponsorship package match the rights fee.

Activation-to-Rights Fee Ratio - A ratio calculation of a sponsor’s investment in activation initiatives for a specific sponsorship versus the rights fee it pays. This ratio reflects just how much a sponsor is leveraging the sponsorship assets it pays for through other integrated marketing/communications programs.

DIGITAL MEDIA TERMS

Reach - Refers to the number of people exposed to a medium during a given period at least once. Reach includes anyone who may have seen an asset, without accounting for the likelihood that they did see that asset.

Impressions - Measures the recognizable visibility of a sponsor ID in association with a sponsored property, from a consumer perspective. Used in quantifying sponsorship valuations – assets are assigned a quantifiable value (cost per impression), which when multiplied by the number of people who will see that asset provides a calculable value of that asset.

Engagements - Typically referring to social media, an engagement is a desired interaction with the content a company publishes. Engagements are more than a consumer just seeing the content, but rather require interaction and deeper involvement (e.g. “like”, “share”, “comment”, etc.).
Dedicated Post – A post where the brand receives full ownership and content is tailored to its messaging. This differs from inclusion in a post, where only a sponsor’s name or logo might be mentioned.

Inclusion in a Post – A post that promotes the property (or a program/platform of the property) that features restricted sponsor inclusion (e.g. logo on graphic, hashtag, mention, etc.). This differs from a dedicated post, where the content is owned/tailored to the sponsor brand and messaging.

Click Through Rate (CTR) – The percentage of people visiting a digital asset (e.g. webpage, e-newsletter, social post) who click and access a hypertext link to another digital location (e.g. website, landing page, advertisement). In sponsorship, a click through rate is important to understand to accurately predict how many consumers will access sponsored content.

Sponsored Content – A way of informing rather than convincing a sponsor’s target audience. By aligning with pre-existing or property-driven content, companies and brands look to transfer and transcend the brand values within the content to their own brands in hopes of building brand equity.

TRADITIONAL MEDIA TERMS

Measured Media Value – The value of sponsor exposure in a property’s media plan or planned broadcast coverage.

Earned Media Value – The value of sponsor exposure in news coverage and publicity related to the sponsored property. This can include anything from logo exposure in a newspaper photograph of an event to brand mention during a radio discussion of the property.

Media Plan/Media Buy – The dedicated media plan and associated spend for a specific program/platform as part of the property (e.g. social media campaign, digital content series, promoted contesting, etc.). Paid for by the property, the media may include sponsor ID.

Media Bank/Credit – A dollar amount specified in a sponsorship contract that can be used toward media assets owned or paid for by the property. Value banks are typically refreshed each year of the contract.

Average Minute Audience (AMA) – The average number of individuals (or homes/target groups) viewing a TV channel. AMA is calculated per minute during a specified period of time over the program duration. This information is commonly provided about a target market demographic that a company would buy against (i.e. 25–54).

Spot Rate – The price for a unit of advertising on a media network, billboard, or other advertising outlet. A spot rate is calculated through viewership/listeners, inventory of the ad space, demand for the ad space, and prestige of the outlet. The common unit of measure is in :30 increments.

Equivalent Spots – The total seconds of exposure received by a visibility asset in-broadcast is equated to a number of equivalent spots (equal to 30-seconds, variation by country) to compare the in-broad-cast value of that asset with the value of an advertising spot on that same channel.

Cost per Thousand Impressions (CPM) – CPM refers to the cost per thousand impressions by digital and traditional media buying agencies (e.g. a $2.00 CPM means the brand/advertiser pays $2.00 for every 1,000 impressions for that asset).

Cost per Impression (CPI) – CPI refers to cost per individual impression (i.e. CPM divided by 1,000).
Competition compliance policy

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to.

As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise.

Please note that the recommendations included in this document are merely meant as suggestions or proposals. They are not binding in any way whatsoever and members are free to depart from them.