BUILDING A SPONSORSHIP PROGRAM

DR. NORM O'REILLY, OHIO UNIVERSITY
PENNY JOYCE, DIVING CANADA

TODAY'S SPEAKER

Norm O'Reilly, MA, MBA, PhD, CPA/CGA
Robert P. & Joan S. Fox Professor of Business
Chair, Department of Sports Administration
College of Business, Ohio University

Assistant Chef de Mission, Rio 2016, Canadian Paralympic Team

WEBINAR PLAN

- Introduction
- Review of Webinar #1: Developing your Sponsorship Plan
- Tactical Aspects of Building Sponsorship
    - Servicing, Activation, Evaluation
- Case Study: Diving Canada
    - Penny Joyce, CEO
- Q & A
- Wrap Up and Key Takeaways

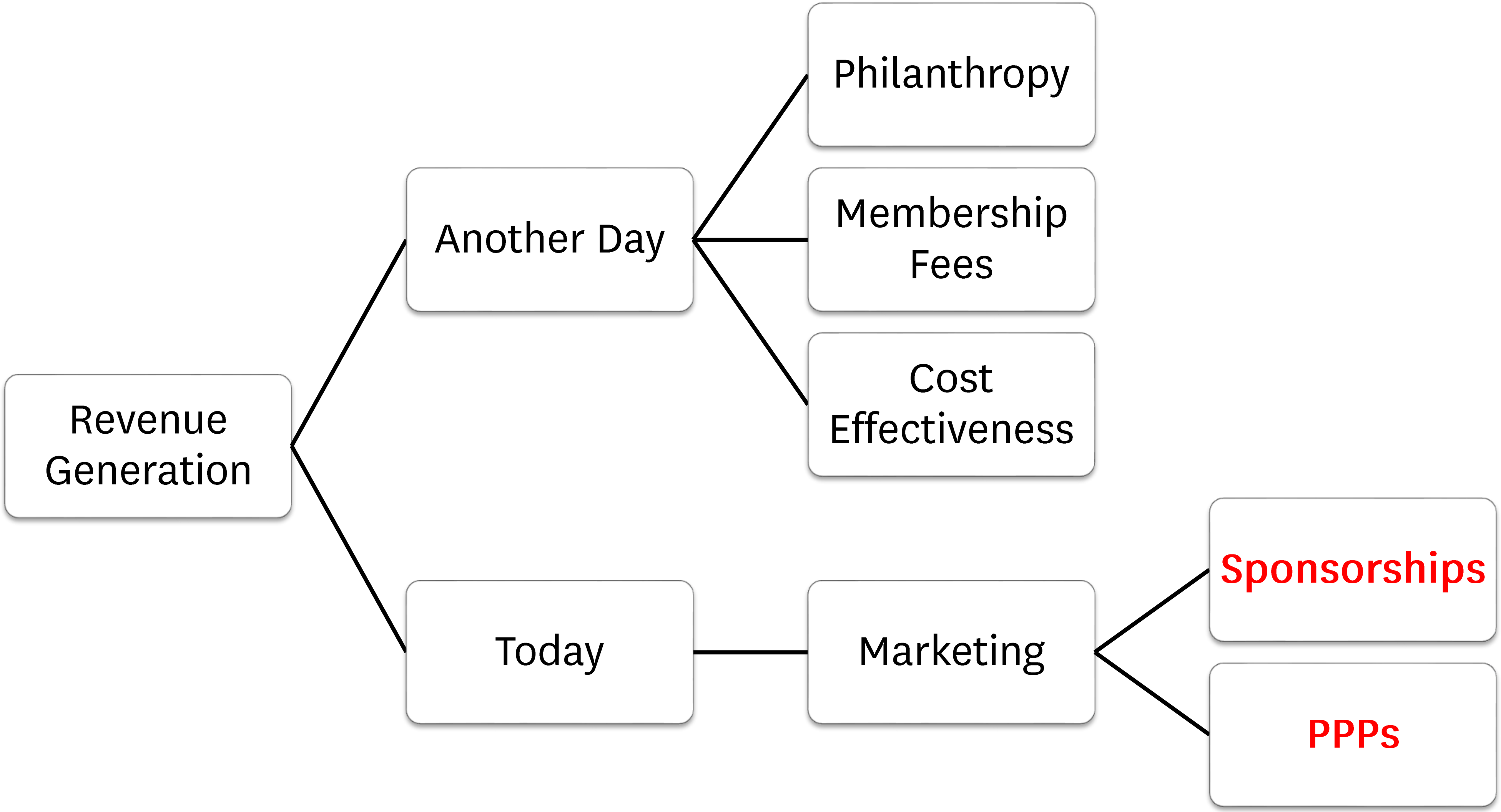
INTRODUCTION

GOAL FOR TODAY

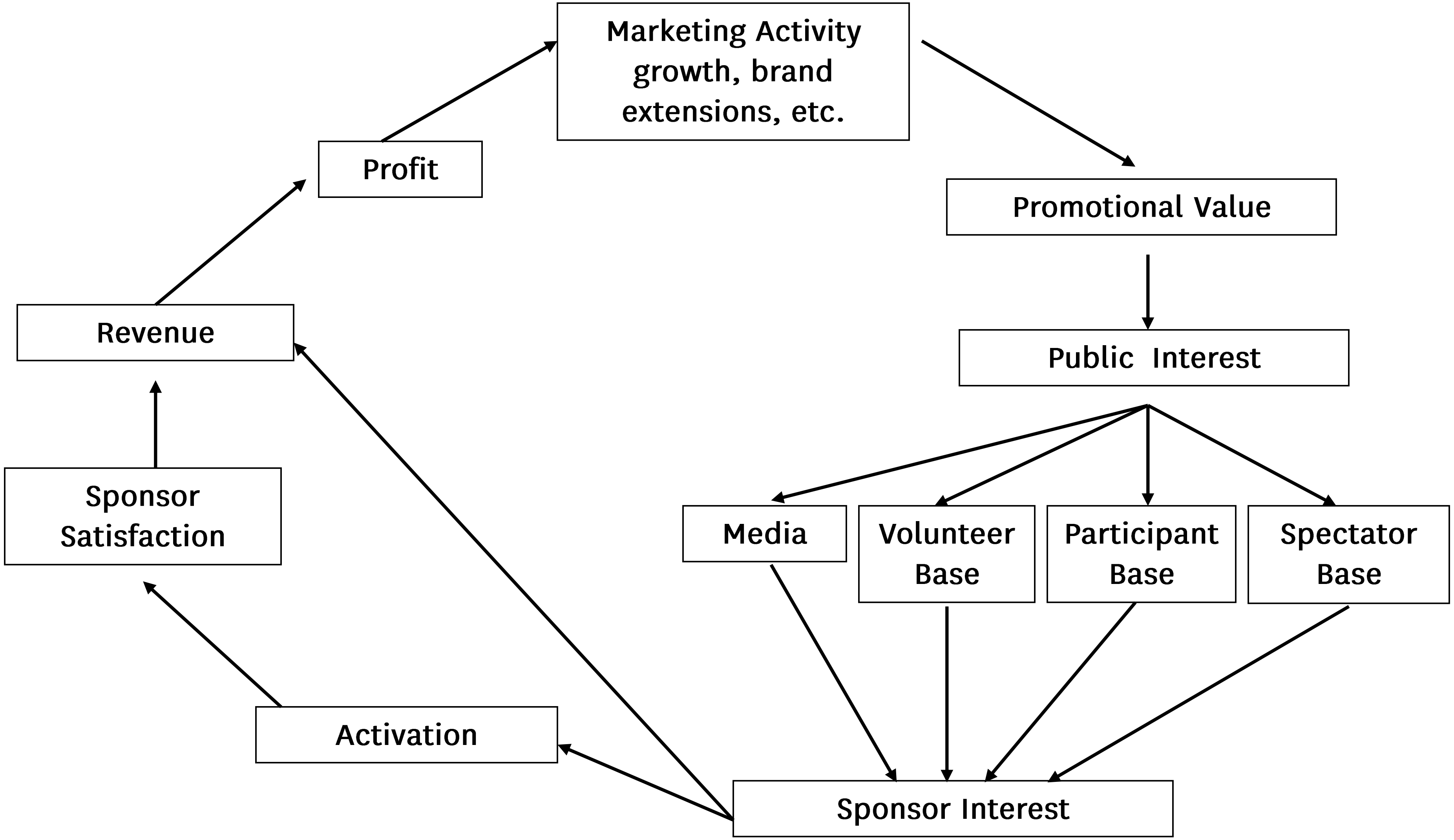
Share the tactical details on sponsorship and provide specific recommendations towards building a sponsorship program.

SUMMARY OF 2014 WEBINAR

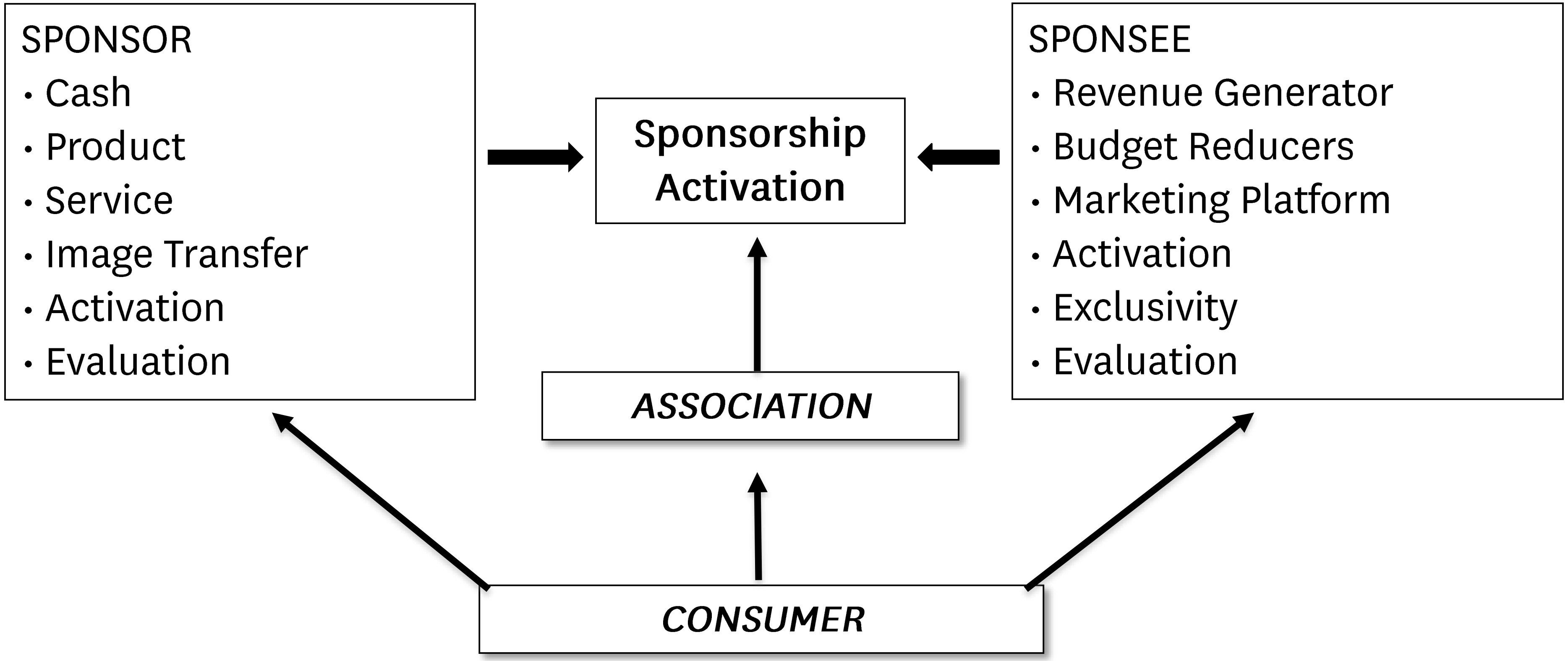
REVENUE GENERATION PATHWAYS



REVENUE VIRTUOUS CYCLE



REVENUE VIRTUOUS CYCLE



PPP DERIVATIVE

PARTICIPACTION TEEN CHALLENGE sponsored by Coca-Cola Canada

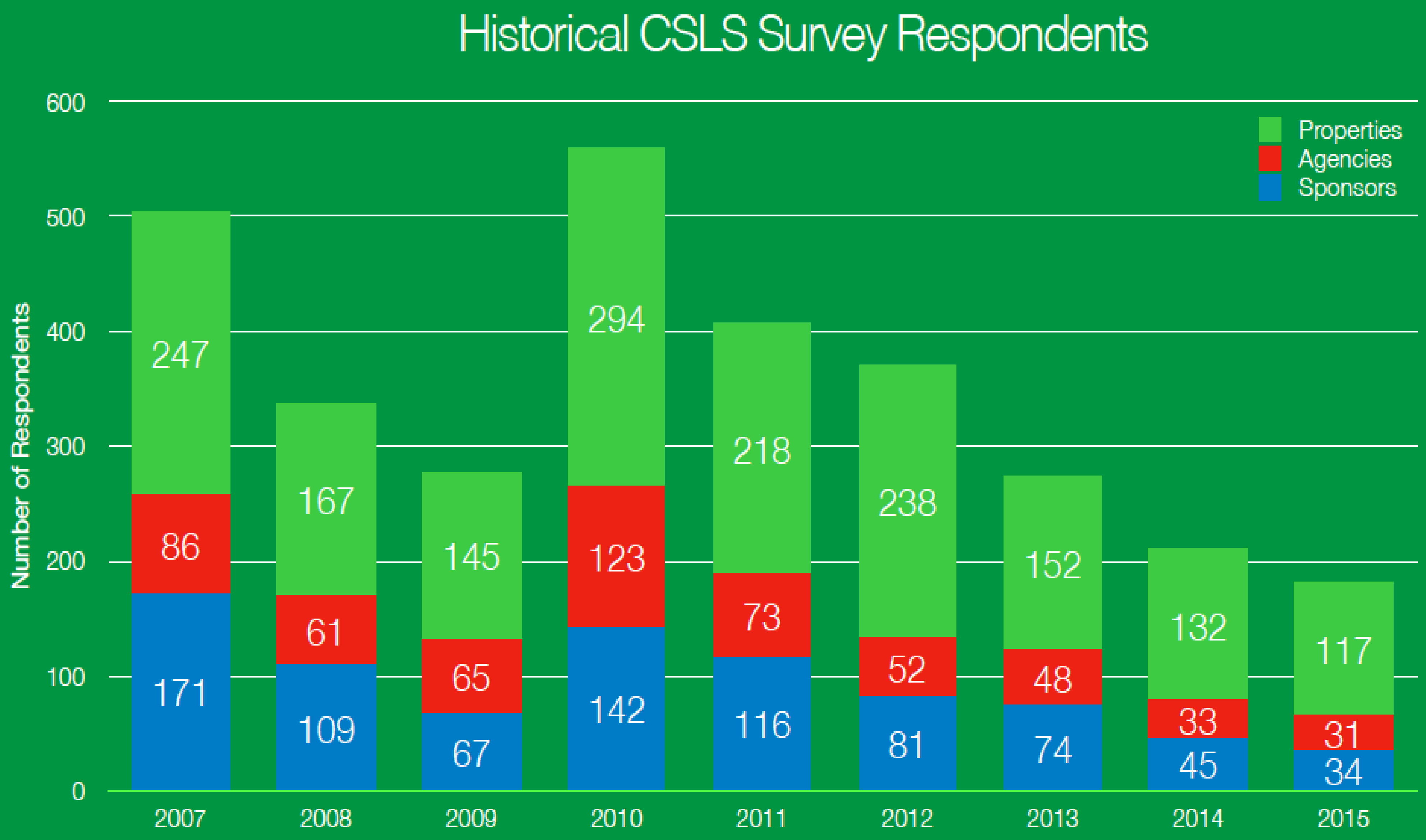
PURE PHILANTHROPY

PURE SPONSORSHIP

A marketing relationship that sits somewhere between pure philanthropy and corporate sponsorship on the partnership continuum

AN UPDATE FROM LAST YEAR

RESPONDENTS



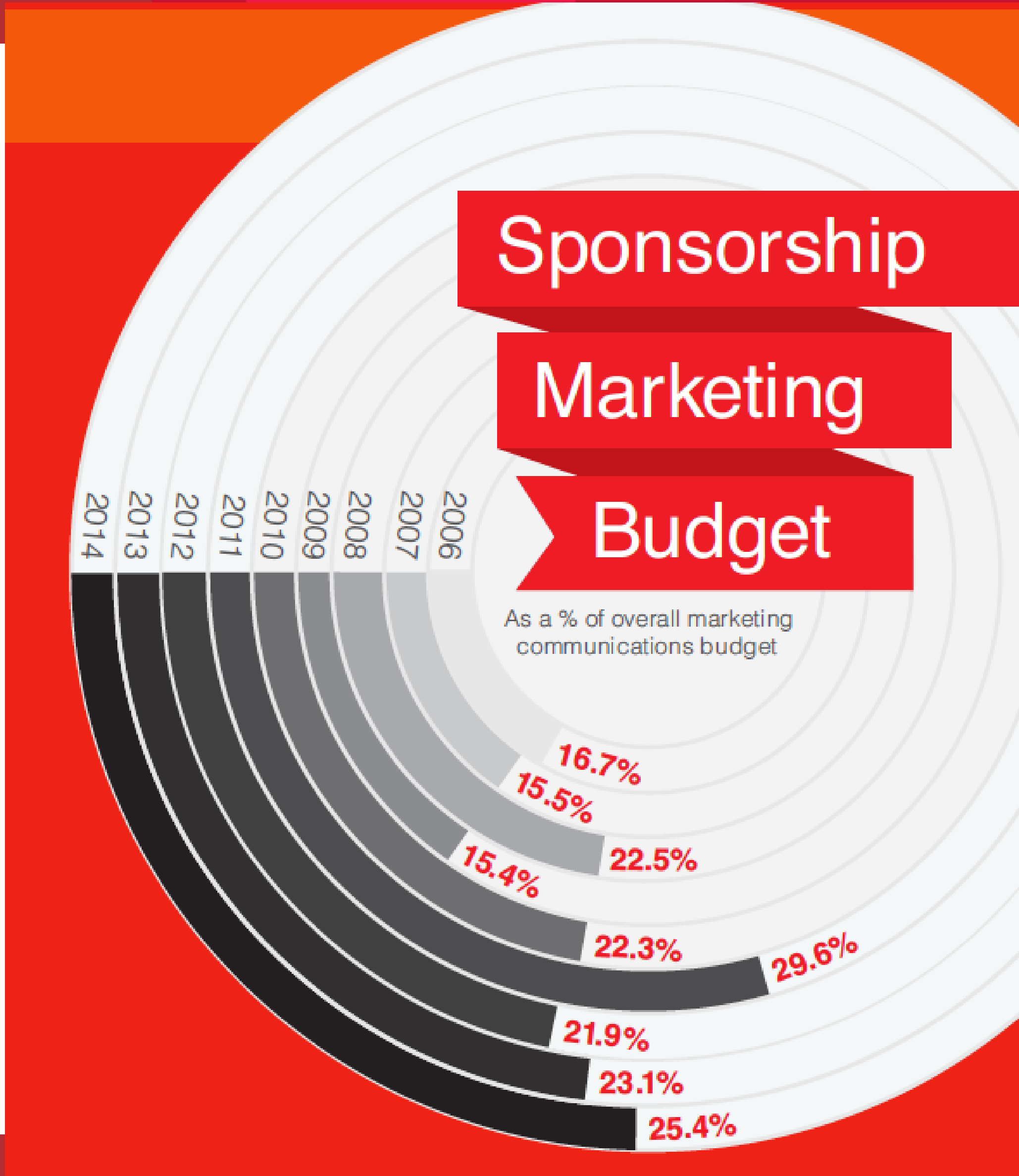
2015 Profile

182 Responses

34 Sponsors
117 Properties
31 Agencies

90% English
10% French [*↓]

Sponsorship increasing in importance for Canadian marketers



CANADIAN INDUSTRY SIZE

Industry Size

-6.7% from 2013

+49.6% from 2006

2014 **$1.66B**

2013 **$1.77B**

2012 **$1.57B**

2011 **$1.59B**

2010 **$1.55B**

2009 **$1.43B**

2008 **$1.39B**

2007 **$1.22B**

2006 **$1.11B**

Expected Change for 2015

6.7%

73.3%

20.0%

A MURKY OUTLOOK

GEOGRAPHICAL FOCUS

International 1.0%

National 24.4%

Multi-Provincial 6.6%

Provincial 18.1%

Regional 22.0%

Local 27.8%

CATEGORY OF PROPERTIES' LARGEST SPONSOR

20.5% Retail Trade
(22.1% in 2013)

20.5% Communications
(6.5% in 2013)

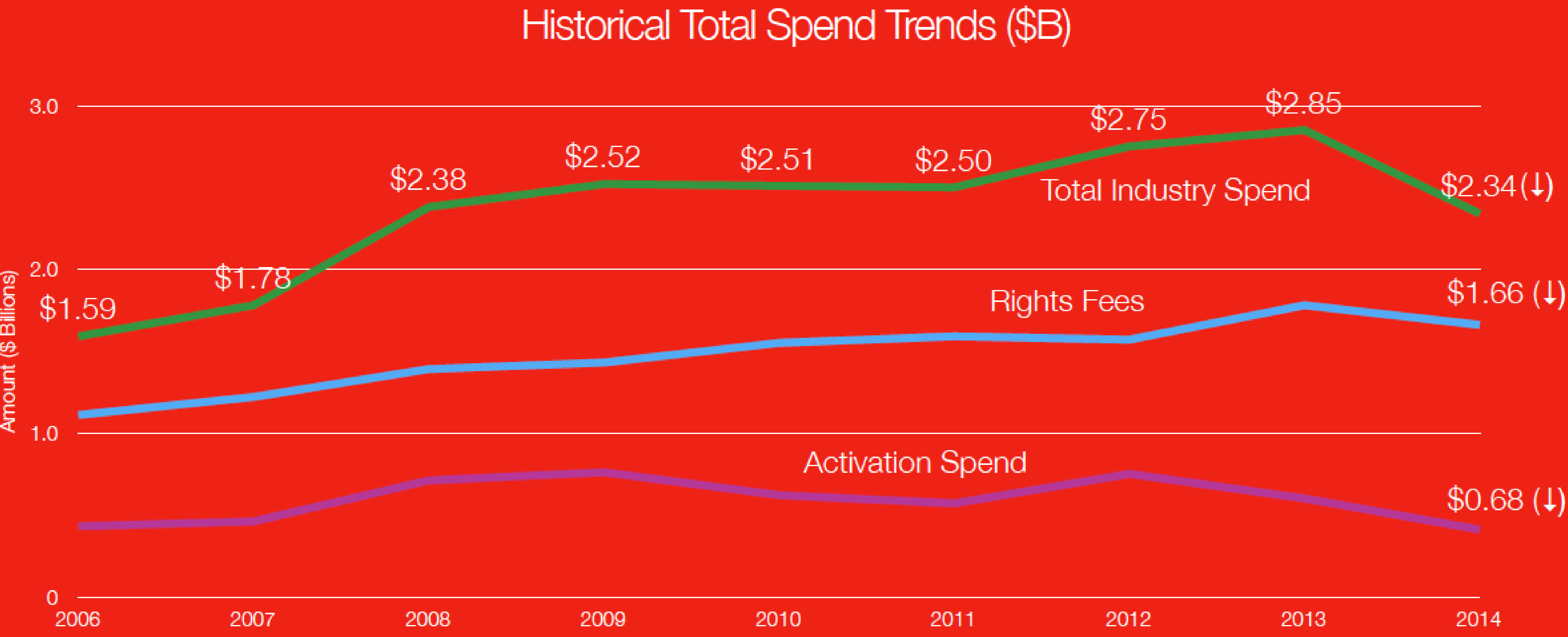
15.9% Finance
(12.3% in 2013)

9.1% Services
(12.9% in 2013)

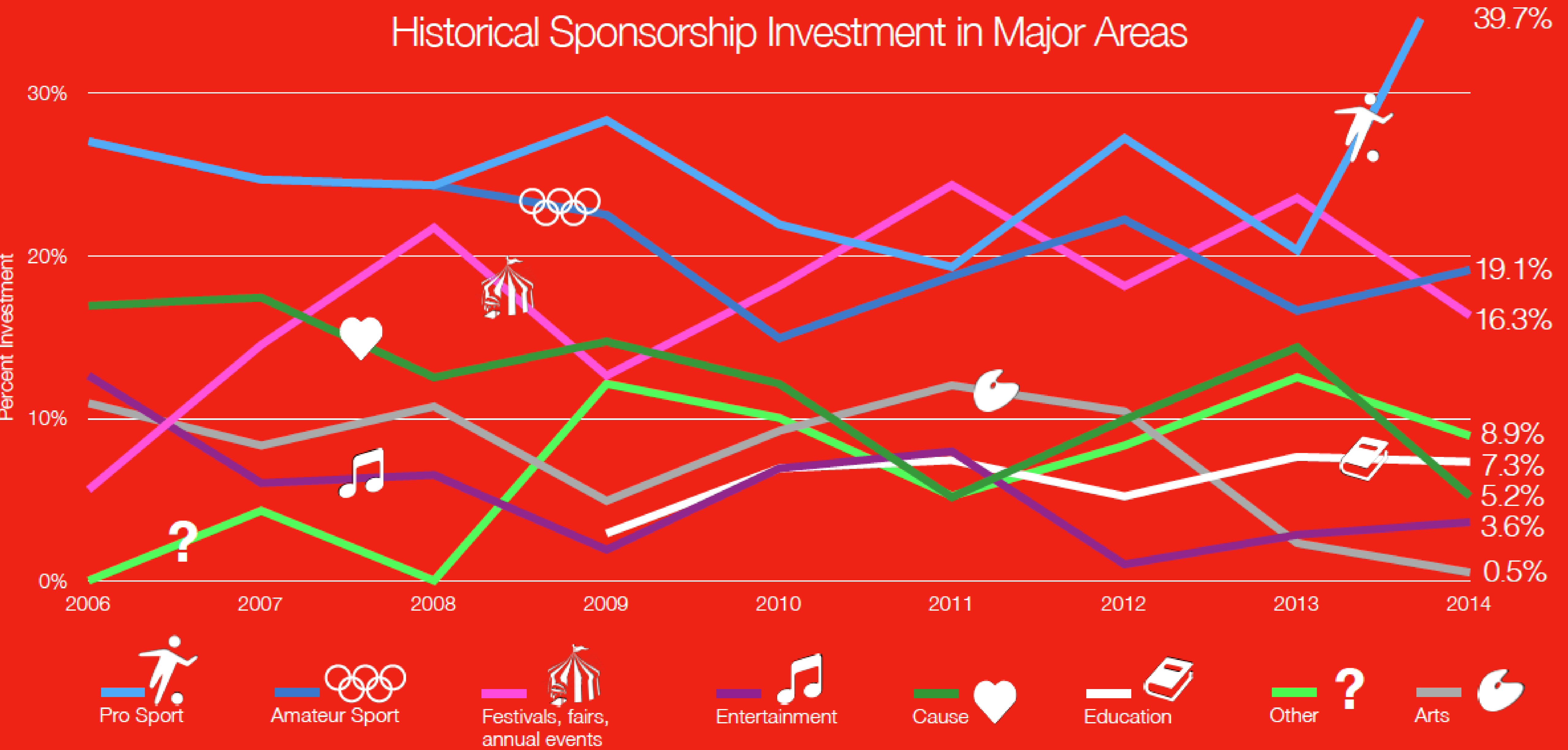
6.8% Manufacturing
(11.5% in 2013)

6.8% Public Administration
(3.1% in 2013)

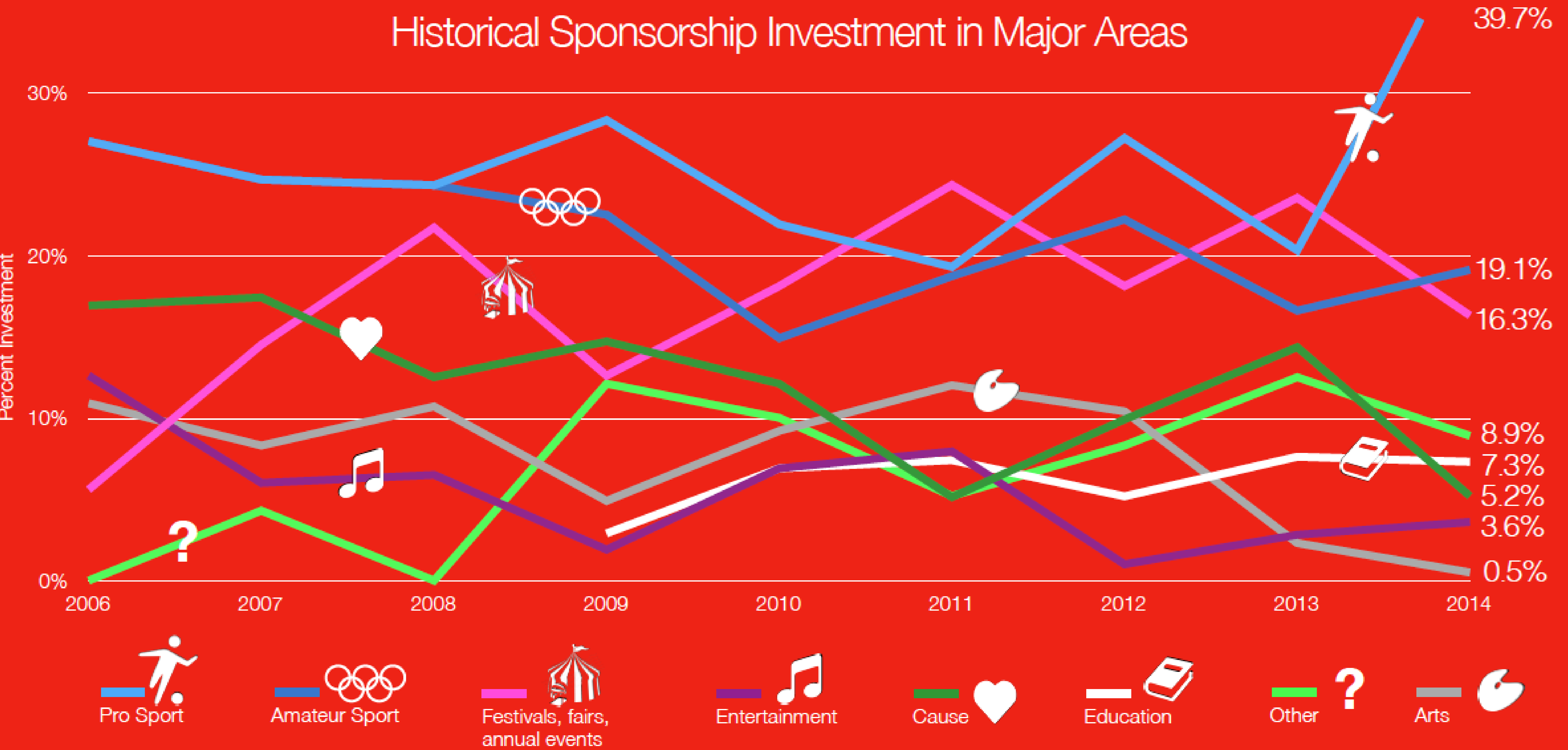
TOTAL INDUSTRY SPENDING



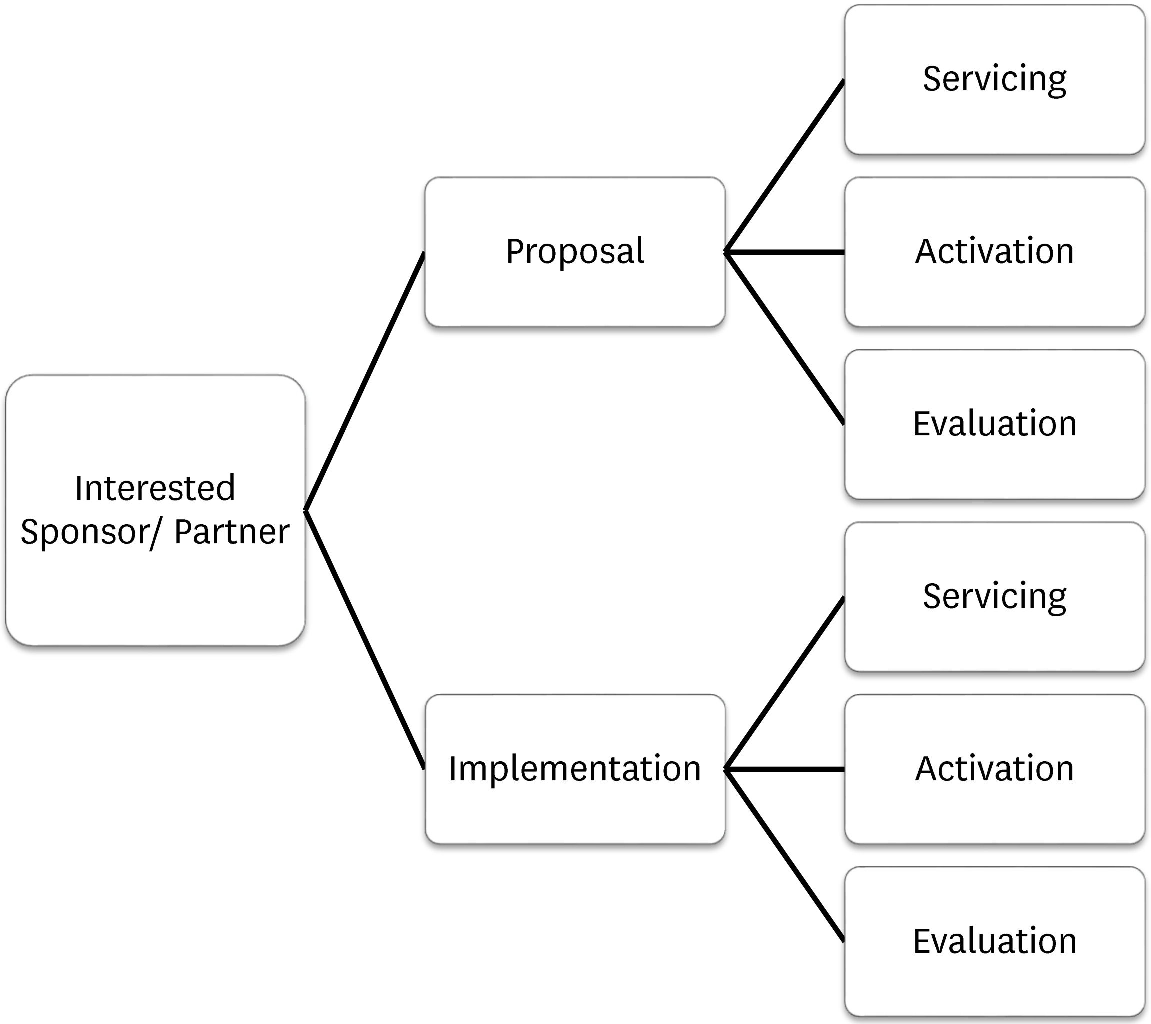
SPONSORSHIP MIX



SPONSORSHIP MIX



TODAY'S WEBINAR



PATHWAYS TO HERE

Assets

- Interest to Brands
- Athletes
- Events
- New Events

Leveragibility

- Structured to Activate

Relationships

- Sales Efforts
- RFPs
- Agencies

3 THEMES

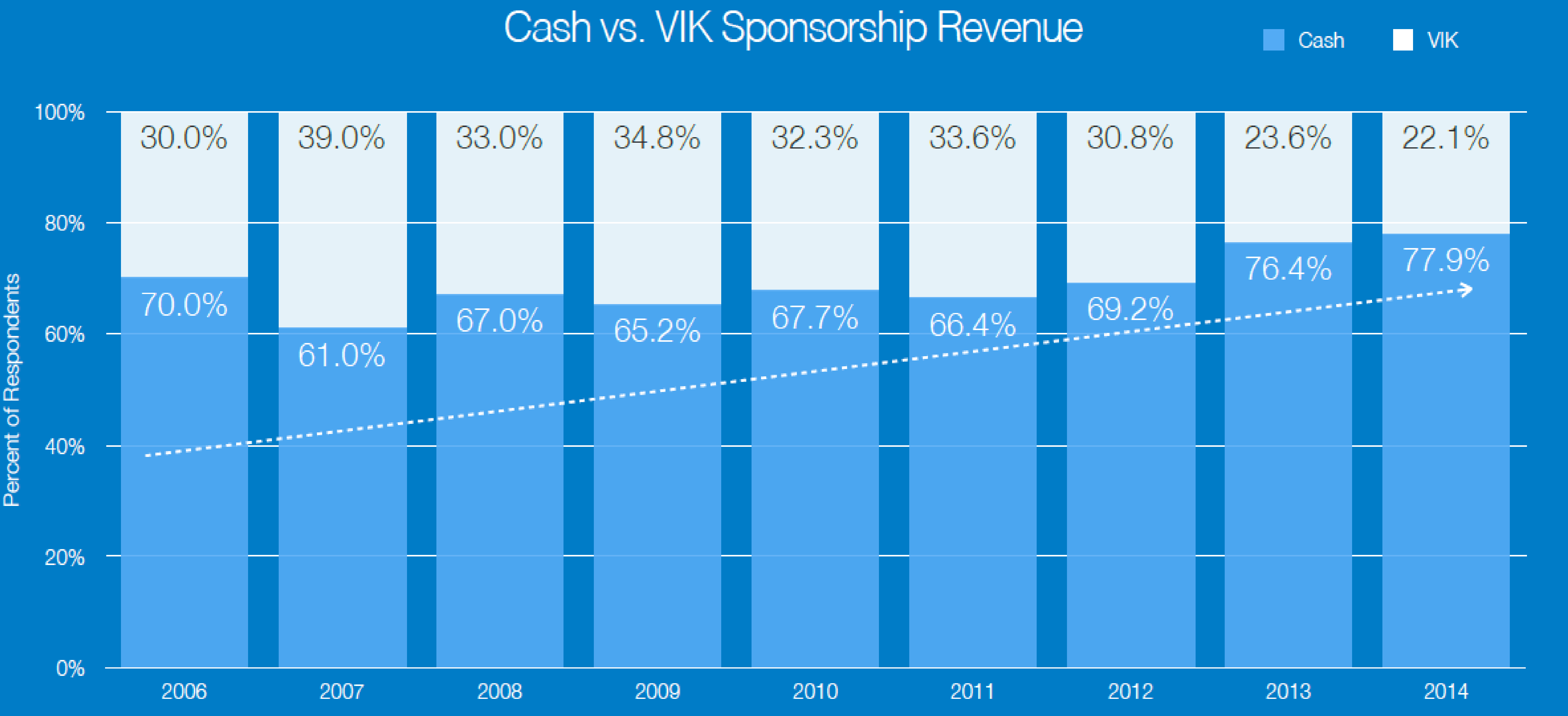
Servicing	• Delivery on promises • Meeting Expectations
Activation	• Investment by both Parties
Evaluation	• Assess Return on Investment (ROI) • Assess Return on Objectives (ROO)

SERVICING

SERVICING FACTORS FROM THE CSLS

- Final Report/Audit
- Sponsor Recall Stats
- Audience Loyalty Stats
- Co-Sponsorship Opportunities
- Sponsor/Property Activation
- Profile Information
- Rights Protection
- Activation Resources
- Ambush Protection

REVENUE TYPE



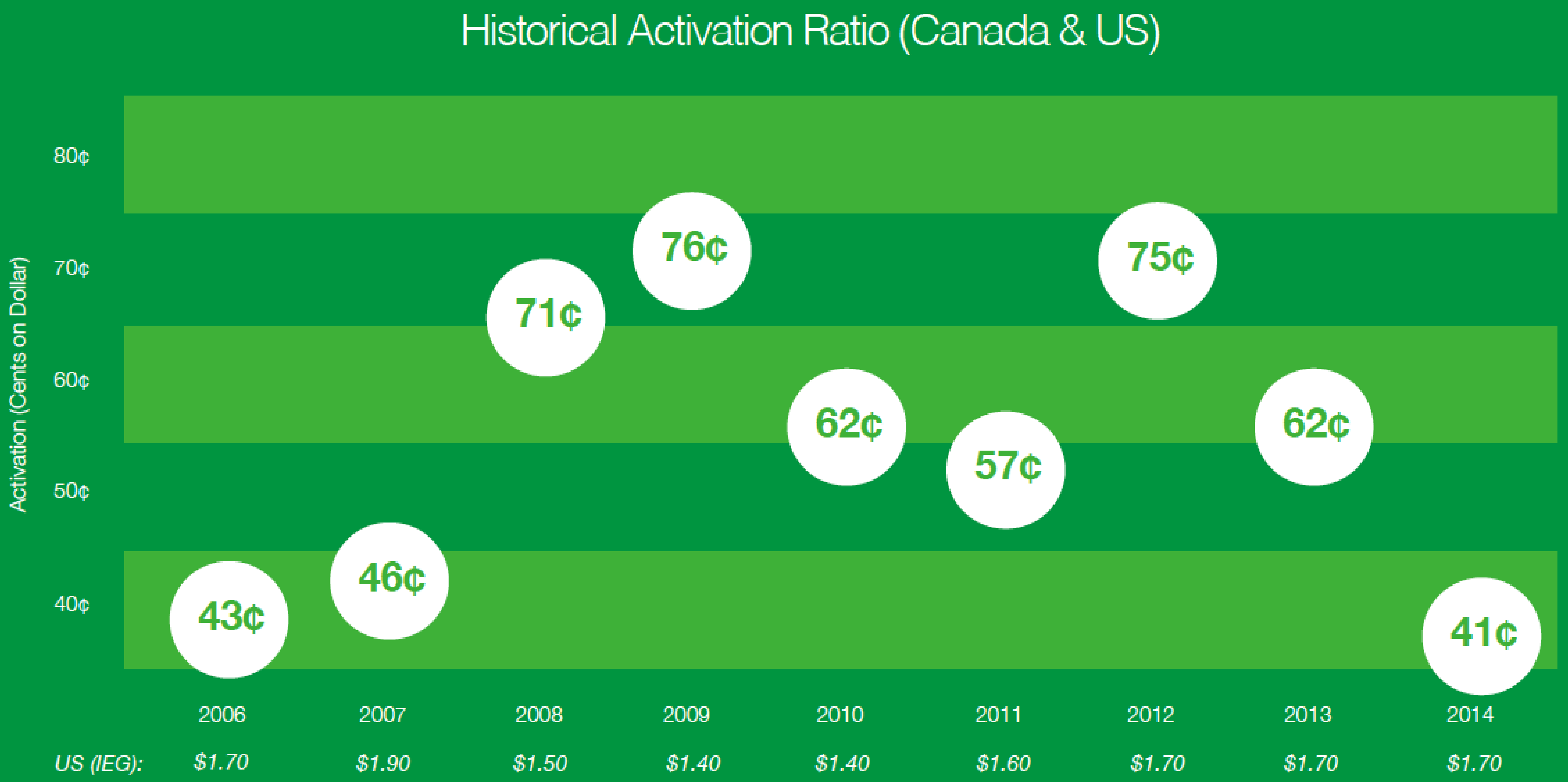
SPONSORSHIP (DIS)SERVICE

BETTER SERVICING STARTS TODAY

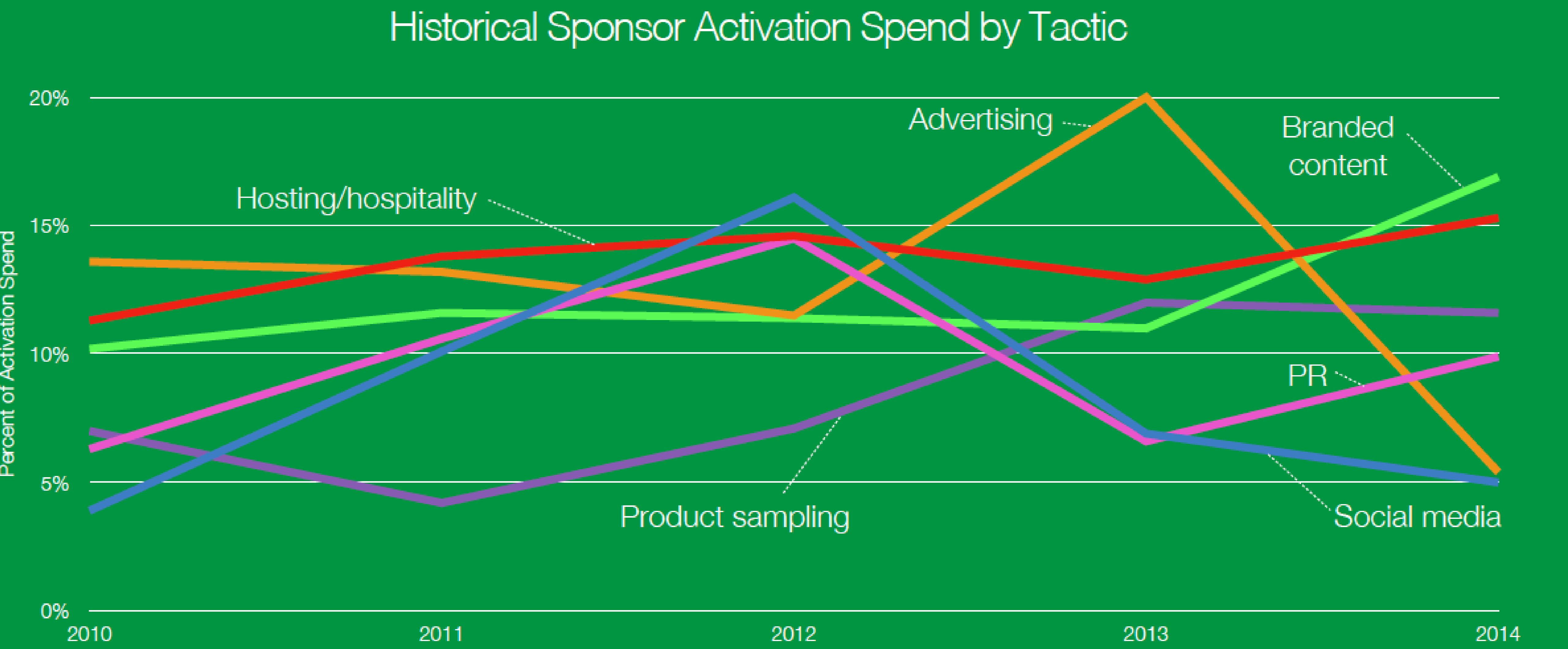
Allocate Revenue to Servicing	3%-20%, depending on importance of sponsorship
Ask for VIK	In original deal or during course of agreement
Communicate	Set up regular calls with sponsor
Make It Someone's Job	Assign competent staff (or volunteer) as account lead
Review Internally	Review quarterly internally to be sure you are servicing

ACTIVATION

ACTIVATION RATIO



ACTIVATION TACTICS

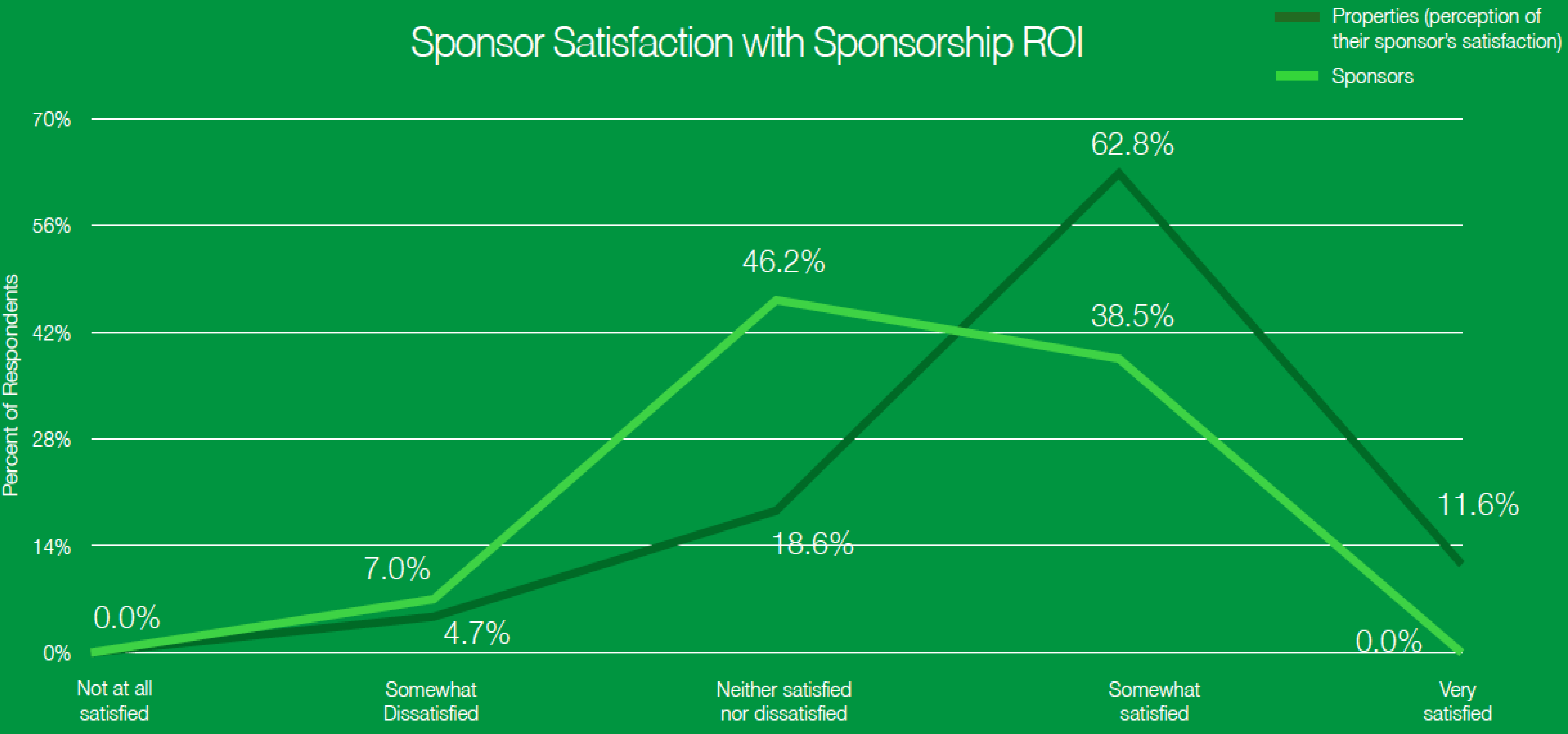


BETTER ACTIVATION STARTS TODAY

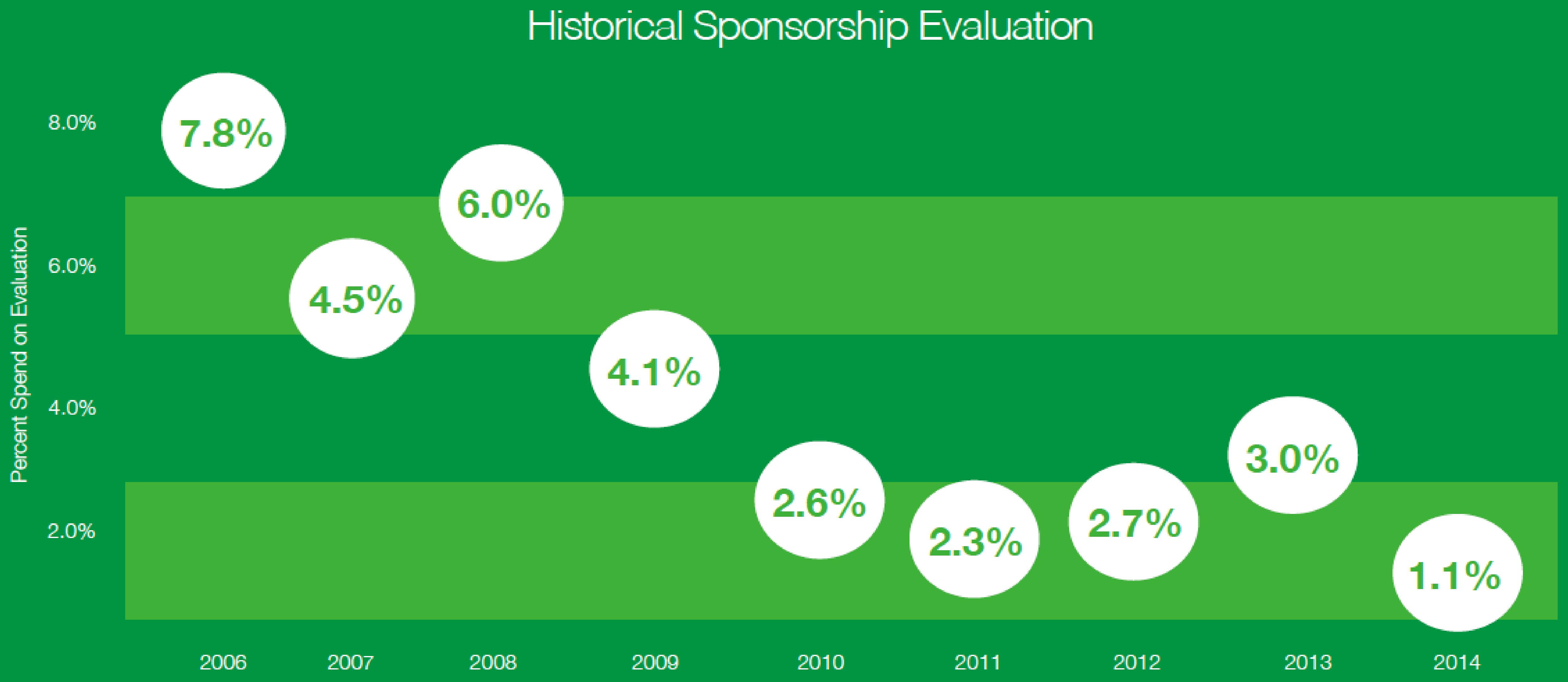
Invest in Activating	1-5% of Sponsor Revenue
Get In Front	Talk/learn about activation with partner right from the first meeting
You Are a Platform	Listen and be clear about sponsor goals to find ways to help meet them
Experiences First	Look for experiential activations – they are preferred by sponsors
Activations First	If sponsor wants to cut back, offer rights fee first. Protect activations over up front fees

EVALUATION

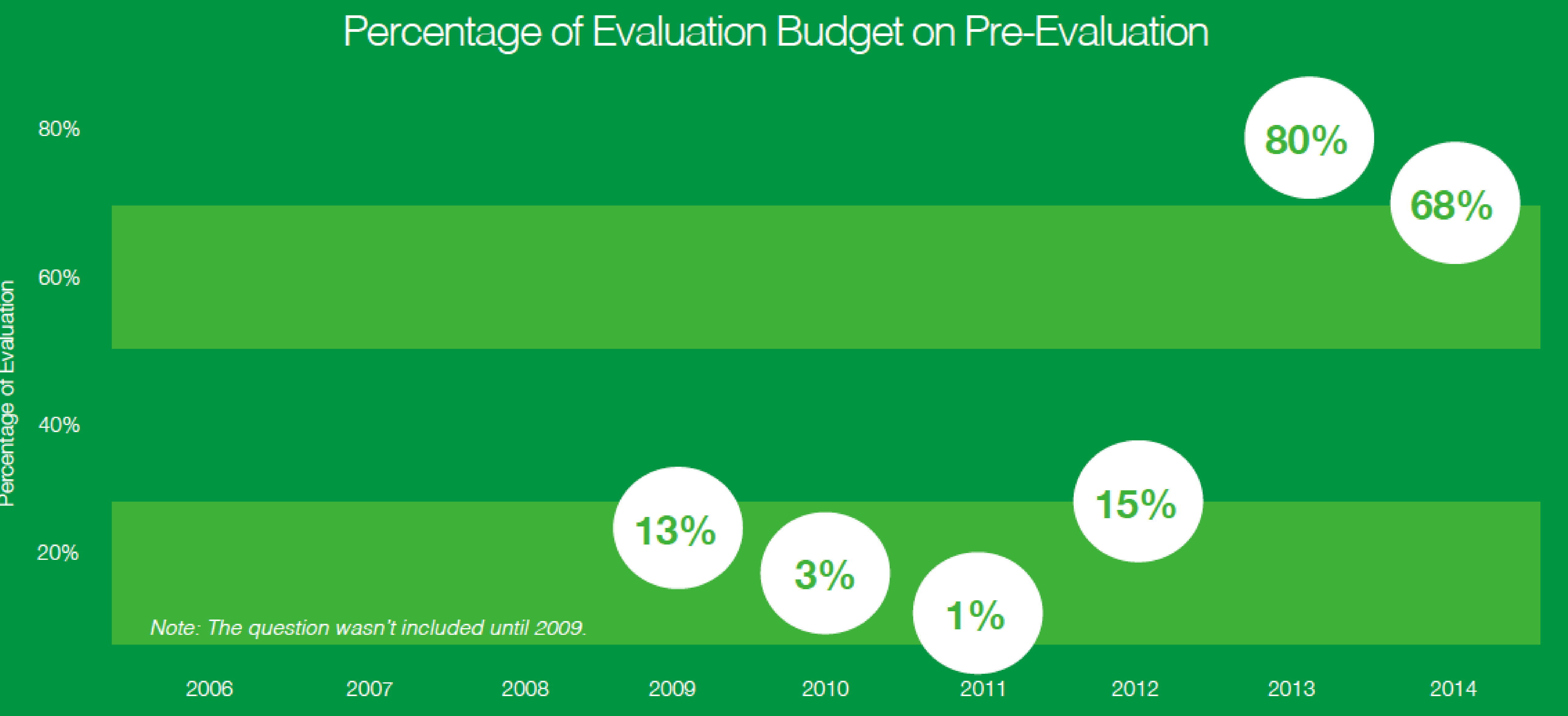
ROI SATISFACTION



EVALUATION


Historical Sponsorship Evaluation
Percent Spend on Evaluation
8.0%
6.0%
4.0%
2.0%
7.8%
4.5%
6.0%
4.1%
2.6%
2.3%
2.7%
3.0%
1.1%
2006
2007
2008
2009
2010
2011
2012
2013
2014

PRE-EVALUATION



NSF CASE STUDY – DIVING CANADA

FABW

TACTICS, TACTICS, TACTICS!

Branded Content

- Own > Rent

Women = Consumers

- Sport has strong female audiences

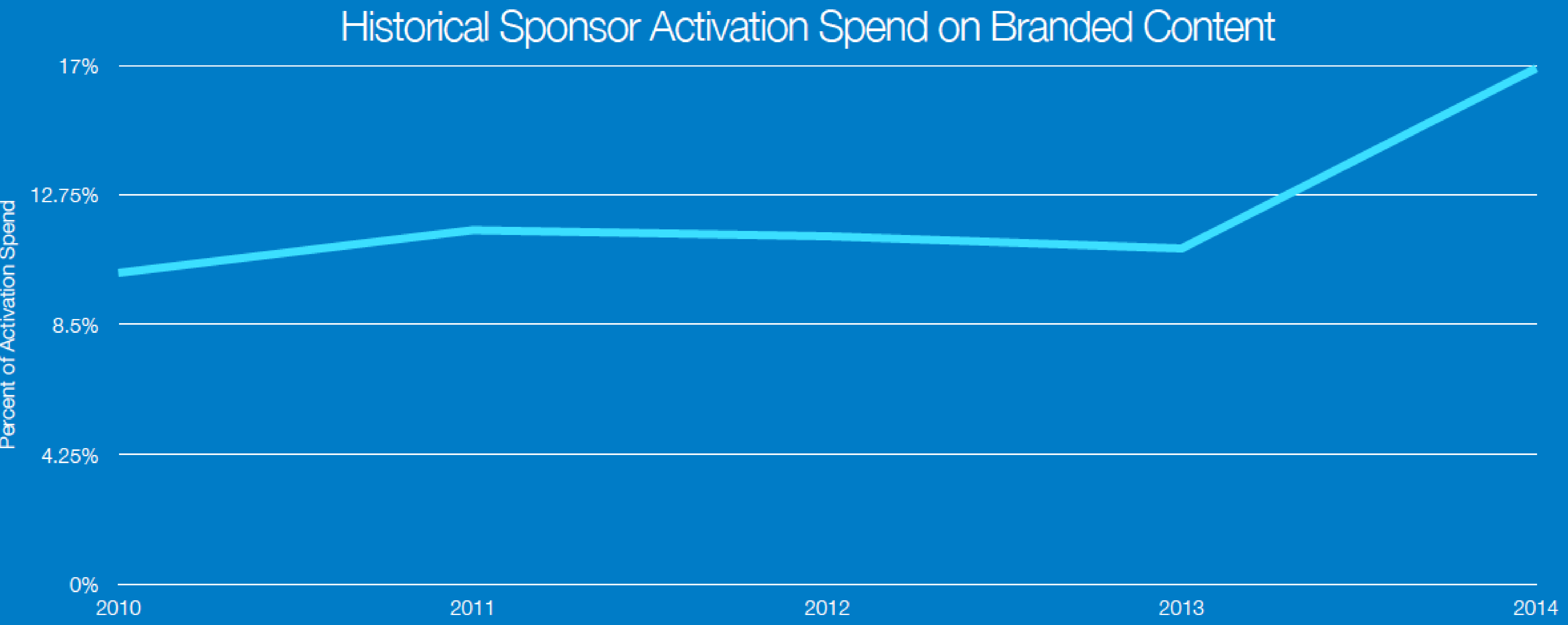
Youth Content

- Sport has strong youth audiences

Engage Technology

- Engage tech, embrace reality

GROWTH OF BRANDED CONTENT



ACTIVATION TACTICS

What activation tactic best drives business results?

Sponsors	Properties	Agencies
Creating Branded Content (25%)	Creating Branded Content (34%)	Creating Branded Content (44%)
Public Relations (25%)	Hosting/Hospitality (14%)	Athletes (16%)
Broadcast (25%)	Co-Promotions (14%)	Product Sampling (15%)
Sales/Consumer Promotions (25%)		Sales/Consumer Promotions (14%)
		Other (11%)

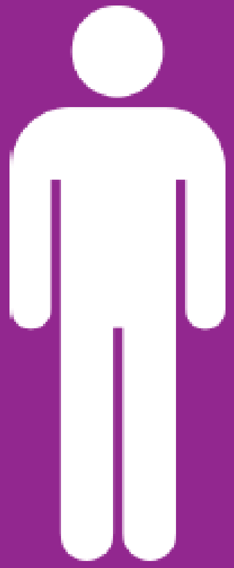
BRANDED CONTENT IN CANADA

HIGH SCHOOL
GRAND PRIX
DES ÉCOLES SECONDAIRES

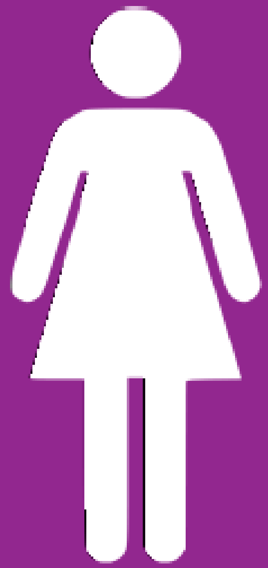
intact INSURANCE
DAY on SKATES

SPONSORSHIP INVESTMENT TARGET MARKETS

52.7%
of investments
not gender specific



30.0%
of investments
targeted at males



17.3%
of investments
targeted at females

WOMEN AND SPONSORSHIP

Metric		2012	2014	
		Female/Women	Female/Women	Male/Men
Sponsors	Sponsorships that target	4.8%	18.0%	43.0%
	Sponsorship investment that targets	17.2%	17.3%	30.0%
	Working in sponsorship	58.8%	74.5%	25.5%
Agencies	Sponsorships that target	35.0%	27.0%	31.0%
	Working in sponsorship	15.6%	29.3%	70.7%
Properties	Focus of property's target market	6.3%	4.8%	4.8%
	Volunteers	66.3%	64.0%	36.0%
All	Primary sponsorship decision maker	29.8%	53.7%	46.3%

RINGETTE ROADSHOW BY VOLKSWAGEN

DEMOGRAPHIC FOCUS OF PROPERTY

38.1% Adults

26.2% Children and Youth

26.2% Other

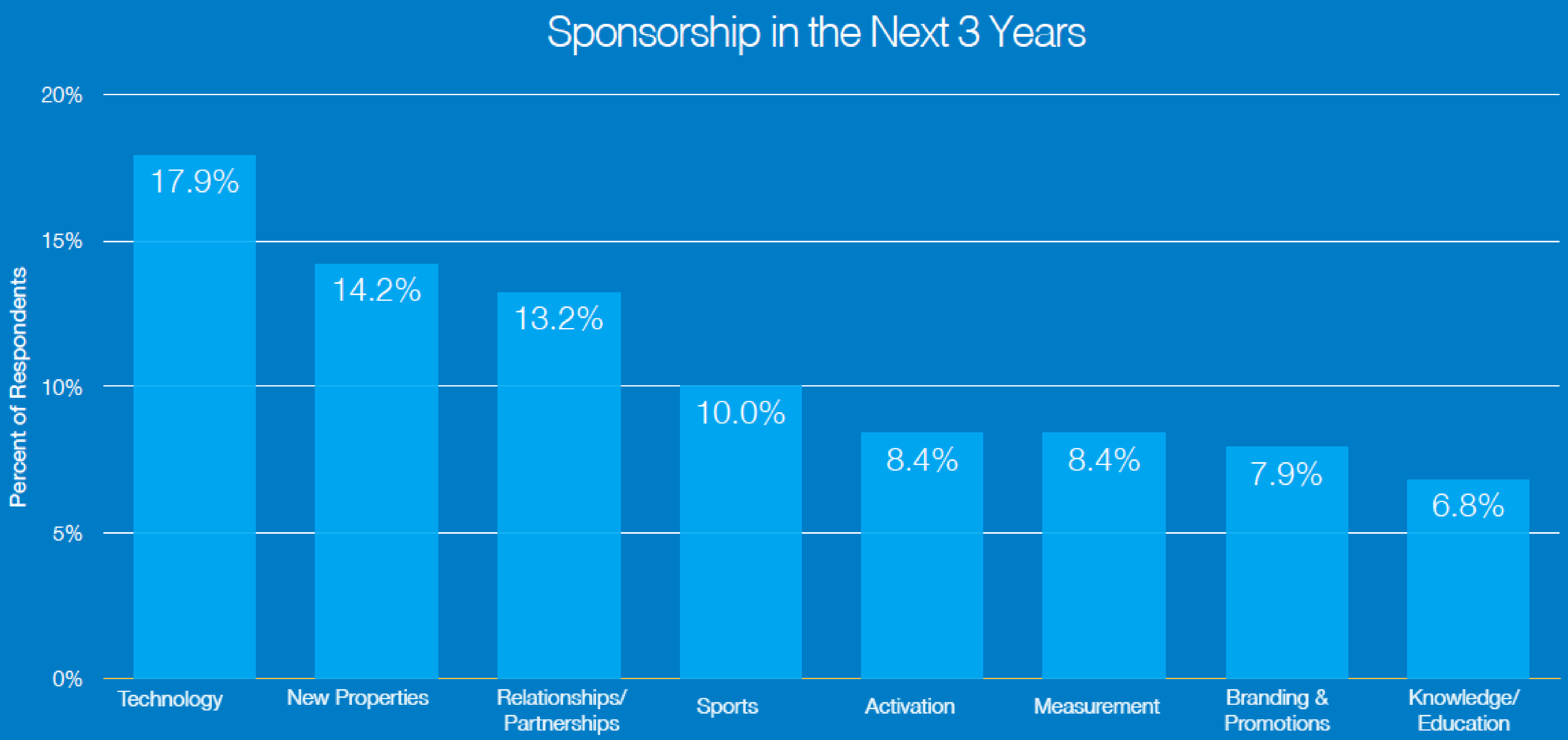
4.8% Women and/or Girls

4.8% Men and/or Boys

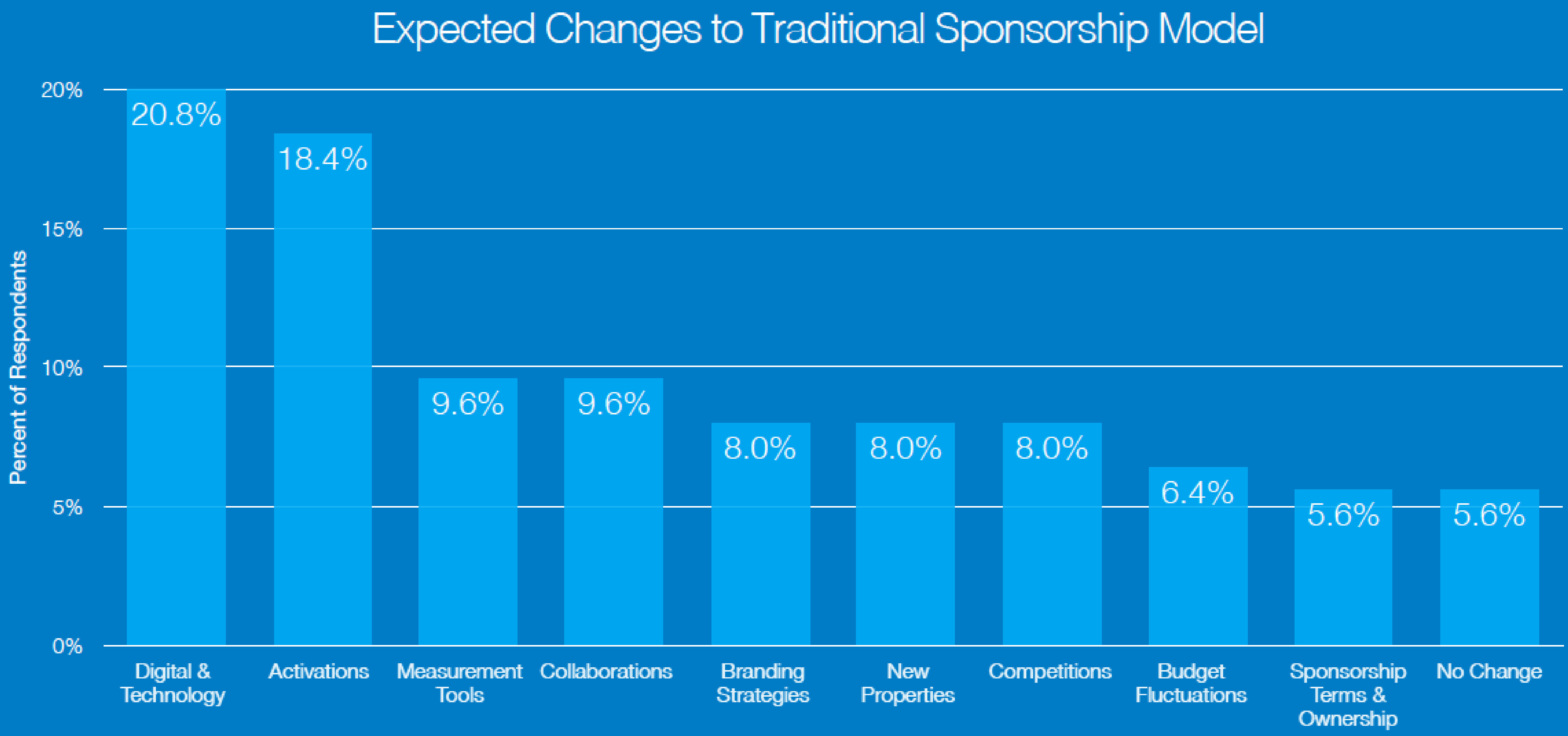
YOUTH CONTENT

mazda presents
SNOWBOARD JAMBOREE

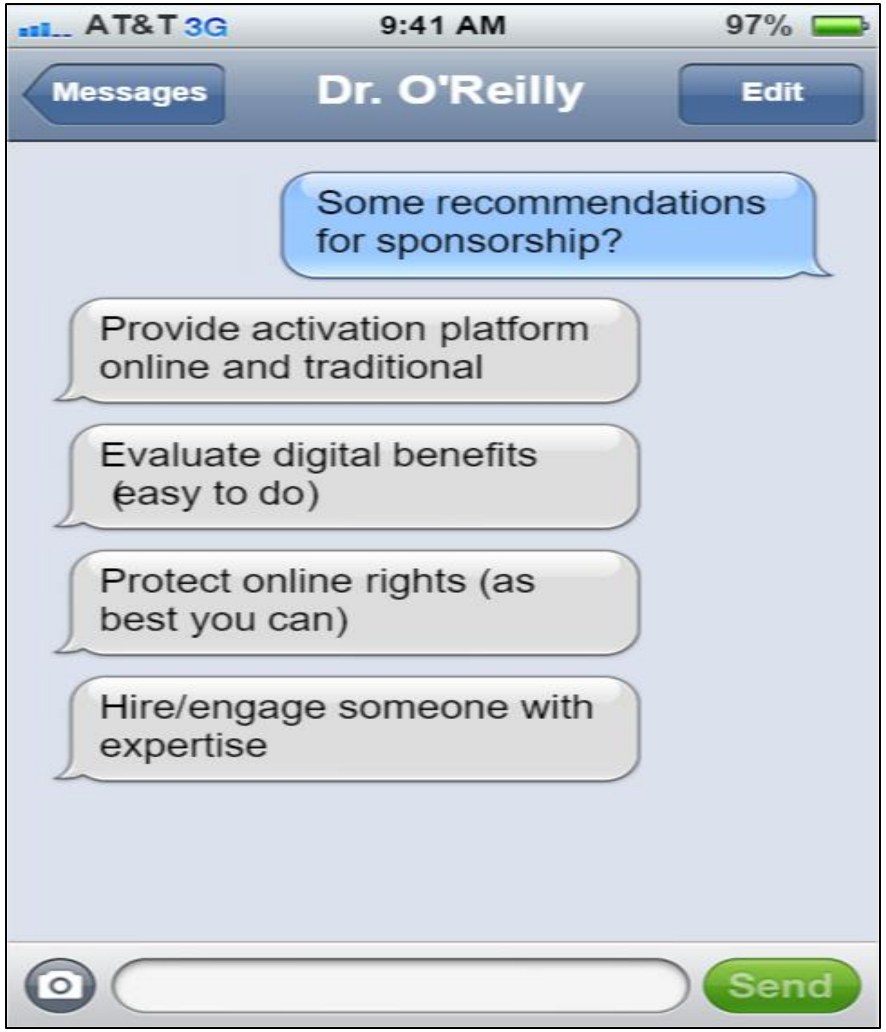
BIGGEST OPPORTUNITIES



CHANGES COMING



TECH & SPONSORS



MYTH #1 – YOUTH WANT WIFI
MYTH #2 – YOUTH PREFER TO WATCH ON DEVICES

REALITY – YOUTH WANT SPECTACULAR, MEMORABLE EXPERIENCE THAT THEY CAN SHARE

SUMMARY

- Over-Service
- Be a Platform for new or traditional media
- Evaluate – no matter how big or small
- Own Your Events/Content
- Celebrate Youth and Female

RESOURCES & LINKS

Leadership SIRCuit

http://issuu.com/sirc/docs/leadership-winter-2014/c/slylhdk

Webinar: Revenue Generation in Sport

http://sirc.ca/webinar/revenue-generation-sport

Canadian Sponsorship Landscape Study

http://www.sponsorshiplandscape.ca/

Revenue Generation in NSFs – Part 1

http://youtu.be/g8Qx3qV5XHo

	Service	Description
1	Concluding report/audit	A final, postsponsorship report that describes the sponsorship, outcomes, challenges, areas for improvement, media achieved, and other details pertinent to assessing the success of the sponsorship.
2	Sponsor recall statistics	Results from postsponsorship research on participants and/or spectators outlining their ability to recall sponsor(s).
3	Audience loyalty statistics	Results from postsponsorship research on participants and/or spectators outlining the impact of the sponsorship on their loyalty to the sponsor and/or the sponsor's products.
4	Partnering on sponsorship activation and activities with other sponsors	The provision, by the sponsee (or its agency[ies]), of the opportunity for the sponsor to work with other sponsors to enhance their activation efforts.
5	Partnering on sponsorship activation and activities with the property	The provision, by the sponsee (or its agency[ies]), of the opportunity for the sponsor to work with the property to enhance their activation efforts.
6	Profile/information on purchase behavior of sponsorship target group	Results from postsponsorship research to articulate the demographic characteristics and category-specific (for the sponsor) behaviors related to purchase.
7	Protection of sponsorship rights/exclusivity	The provision, by the sponsee (or its agency[ies]), of activities to ensure the category exclusivity for the sponsor.
8	Provide resources for sponsorship activation program	The provision, by the sponsee (or its agency[ies]), of the opportunity for the sponsor to activate.
9	Protection from ambush marketers	The provision, by the sponsee (or its agency[ies]), of elements to eliminate opportunities for competitors of the sponsor to ambush the sponsorship.