

SPONSORSHIP SPENDING REPORT

WHERE THE DOLLARS ARE GOING
AND TRENDS FOR 2015



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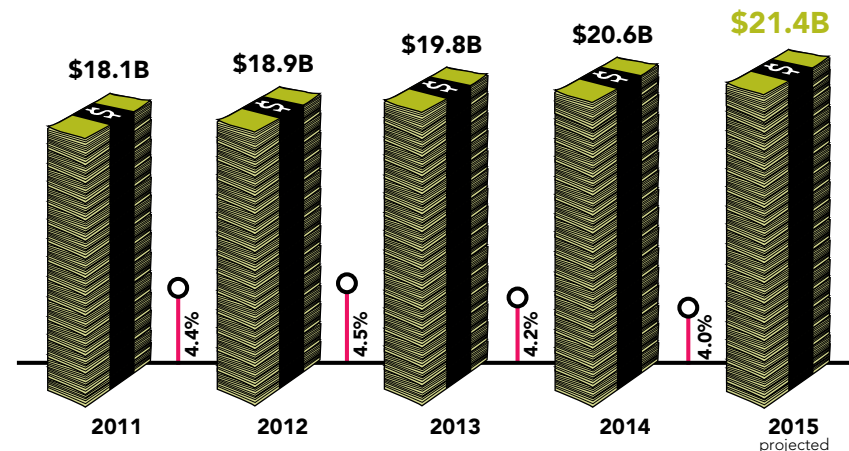
THE MAJOR TAILWINDS AND HEADWINDS THAT PROPELLED AND BUFFETED THE SPONSORSHIP INDUSTRY LAST YEAR WILL CONTINUE IN 2015, PROVIDING MARKETERS ACROSS SPORTS, ENTERTAINMENT, CAUSE, CULTURAL AND OTHER SECTORS WITH REASONS TO BE OPTIMISTIC BUT ALSO PREPARED TO FIGHT HARDER TO MAINTAIN AND GROW REVENUE AND RETURN FROM PARTNERSHIPS.

IEG's 30th annual year-end industry review and forecast shows continued steady growth in sponsorship spending. But for the second year in a row, the growth rate in North America is projected to be lower than the previous year, while global growth will remain at the same rate as 2014.

Spending by North American companies is projected to rise just four percent in 2015 to \$21.4 billion. Growth in 2014 was 4.2 percent, just below the 4.3 percent IEG forecast a year ago.

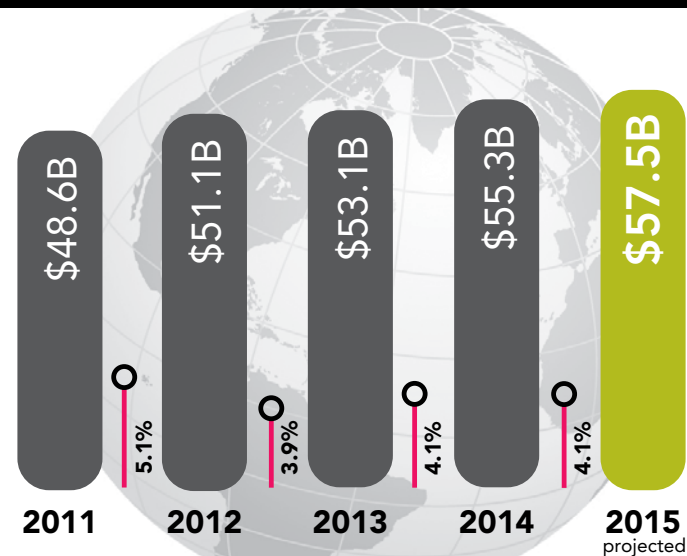
Globally, 2015 spending is forecast to rise 4.1 percent to \$57.5 billion, matching 2014's growth rate.

TOTAL NORTH AMERICAN SPONSORSHIP SPENDING



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TOTAL GLOBAL SPONSORSHIP SPENDING



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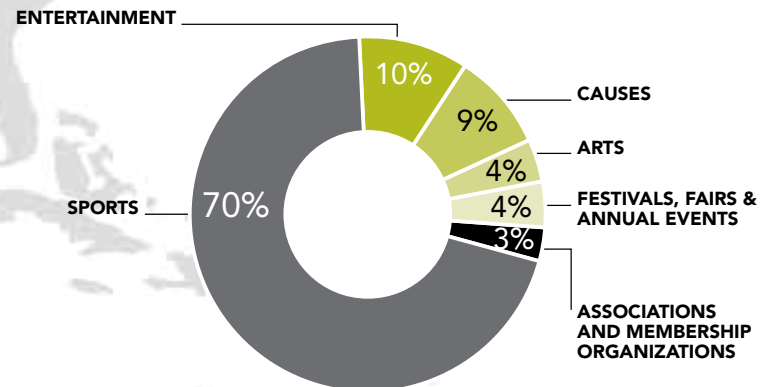
North America

NORTH AMERICAN SPONSORSHIP SPENDING BY PROPERTY TYPE

	2013 SPENDING	2014 SPENDING	INCREASE FROM 2013	2015 SPENDING (PROJECTED)	INCREASE FROM 2014 (PROJECTED)
SPORTS	\$13.68 BILLION	\$14.35 BILLION	4.9%	\$14.98 BILLION	4.4%
ENTERTAINMENT	\$1.97 BILLION	\$2.05 BILLION	4.1%	\$2.13 BILLION	3.8%
CAUSES	\$1.78 BILLION	\$1.85 BILLION	3.9%	\$1.92 BILLION	3.7%
ARTS	\$914 MILLION	\$923 MILLION	1.0%	\$938 MILLION	1.6%
FESTIVALS, FAIRS AND ANNUAL EVENTS	\$839 MILLION	\$847 MILLION	1.0%	\$859 MILLION	1.5%
ASSOCIATIONS AND MEMBERSHIP ORGANIZATIONS	\$568 MILLION	\$574 MILLION	1.1%	\$590 MILLION	2.8%

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PROJECTED 2015 SHARES OF NORTH AMERICAN SPONSORSHIP MARKET



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Key trend:
Put audience
engagement
at the heart of
everything.

AS NOTED IN IEG'S 2014 SPENDING REPORT, MARKETERS' FOCUS IS ON DIGITAL MARKETING ACTIVITY, AN EMPHASIS THAT WON'T WANE IN 2015. THUS THE GOAL FOR RIGHTSHOLDERS REMAINS POSITIONING THEIR COMMERCIAL PARTNERSHIP OPPORTUNITIES WITHIN THE NEW DIGITAL ECOSYSTEM.

To do this successfully, properties must recommit to the fundamental idea at the heart of sponsorship: Be the best at delivering the audience corporate partners seek.

That begins with the ability to collect, analyze and apply audience data in order to offer true understanding and insights. Rightsholders must then work with partners on creating value for fans, viewers, participants, members, etc. The end result, often achieved through digital and social means: partners that are relevant to and meaningfully engaged with audiences.

Following some or all of the recommended actions on the following pages will help rightsholders win the battle for hearts and minds—and the partnership dollars that follow.

WATCH **AOPA LIVE** THIS WEEK ON YOUR TELEVISION



USE TECHNOLOGY TO GET CLOSER TO THEM

Twenty years ago, the Internet provided revolutionary new ways to communicate with and provide information to audiences. Today, technology is enabling a further seismic shift that allows rightsholders and brands to go beyond mere communication.

In the digital world, everyone can create content and distribute it directly. Eliminating intermediaries and taking control of media and channels opens startling possibilities to entertain, educate, interact and more.

Consider the Aircraft Owners and Pilots Assn. and its AOPA Live channel of aviation news, training and lifestyle videos.

Already a groundbreaking example of a membership organization becoming a media producer, AOPA is taking full advantage of over-the-top distribution of content to expand AOPA Live from its original home on the association's website, delivering it directly to television viewers in partnership with streaming TV service Roku.

This pioneering channel adds an entirely new dimension to AOPA's corporate partnerships. Not only can partners advertise on AOPA Live, they can co-create and produce content that is valuable to and engages with the AOPA audience.





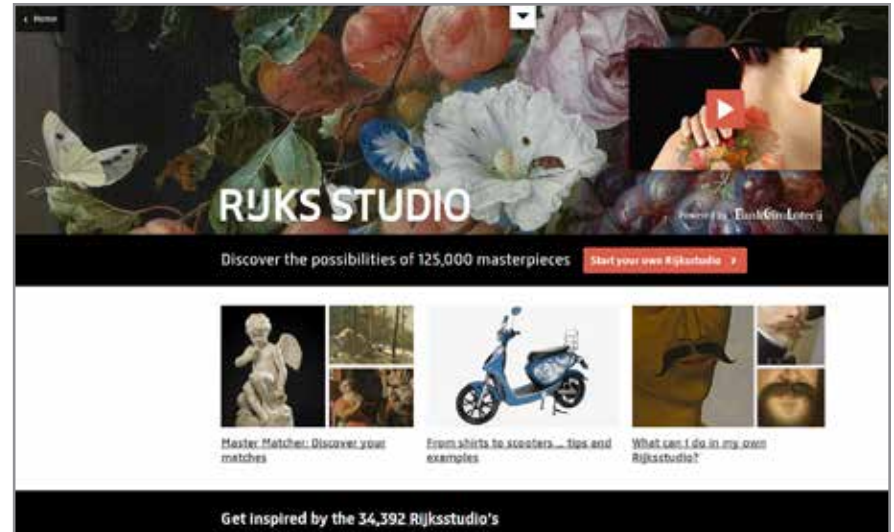
USE TECHNOLOGY TO UNDERSTAND THEM BETTER

Whether it's mining CRM data, monitoring and analyzing social conversations, tracking virtual fingerprints of on-site activity, or other methods, properties and sponsors can get to know their audiences to an entirely new degree.

The data trail delivers a clear picture of what audiences want and need. This gives marketers the ability to customize promotions and experiences based on known preferences and behavior—increasing the likelihood of success.

Wanting to provide experiential benefits beyond the commoditized face value of tickets, the Boston Celtics have moved to a membership model for their season ticket purchasers. The team can ensure those benefits are relevant by leveraging customer data. For example, it could offer experiences tailored to first-year buyers vs. longtime ticket holders, or fans of certain players, etc.

Corporate partners will increasingly require such data so they can plan meaningful activation programs that deliver return on investment.



USE TECHNOLOGY TO REINVENT THEIR EXPERIENCE

Amsterdam's Rijksmuseum is changing what it means to be a museum. Well known as the repository for works from the Dutch Masters, it created Rijksstudio, an online presentation of 125,000 works from its collection.

Online visitors are invited to download, manipulate and share images of artworks to create everything from wallpaper, furniture and clothing to greeting cards, animations and tattoos.

Rijksstudio brings the museum closer to everyone while also capitalizing on two key cultural trends: the craft and makers movements, and the rise of culture snackers—those who want to quickly sample and share images.



LET THEM BE INVOLVED

Audiences don't want to be passive observers. They want to actively participate with their favorite organizations and activities.

Involvement can take many different forms, but in general audiences want to have input, express themselves, share their experiences with peers and be influencers.

The Rolling Stones' *50 and Counting* tour developed a mobile app—presented by tour sponsor Citi—that among other elements allowed fans to influence the band's set list for each concert.

Zywiec beer, the primary sponsor of Poland's Male Music festival, allowed fans to create their own lyrics for a hit song and have their version sung on video by some of the most famous Polish rock artists. Users created 150,000 custom videos of their songs through the online interface.



MEET THEIR RAISED EXPECTATIONS

Social media has opened lines of communication and changed the dynamic of the relationship between audiences and the organizations and events they are a part of. Questions and concerns posted publicly demand timely and adequate responses.

Properties and partners can help each other be agile and nimble in responding to audience needs by working together to monitor social conversations. Even in those situations that don't require replies—a post about a lost hat—marketers can surprise and delight—providing a replacement courtesy of the sponsor.

Another way to build relationships with audiences is to anticipate needs before they are articulated. SXSW, for example, provided attendees access to the Avoid Humans application within the official festival app, understanding that some audience members would seek occasional relief from the crowds.

SPONSORSHIP GROWTH RELATIVE TO ADVERTISING AND PROMOTION

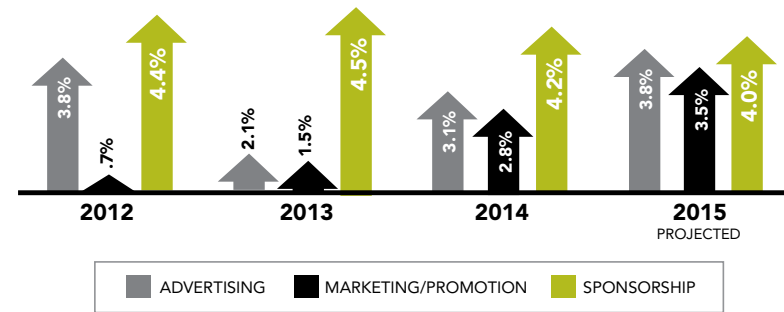
THE GROWTH RATE FOR SPONSORSHIP SPENDING IS EXPECTED TO HOLD ITS OWN VERSUS OTHER FORMS OF MARKETING IN NORTH AMERICA.

According to the worldwide media and marketing forecast produced by IEG parent company GroupM—the global media investment management operation of WPP Group plc.—North American ad spending will grow 3.8 percent in 2015. The rise will be driven by double-digit increases in digital spending, which should offset nominal growth for TV and out-of-home, and declines in radio and print advertising.

Spending on other forms of marketing—including public relations, direct marketing and promotions—is expected to grow 3.5 percent in 2015, according to the GroupM report.

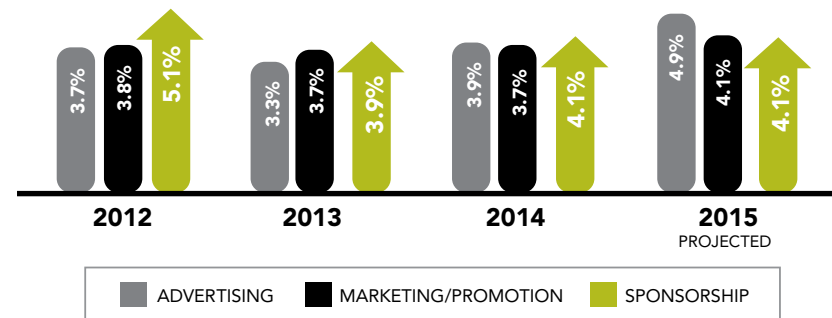
Internationally, GroupM expects advertising expenditures to rise 4.9 percent, led by nearly 10 percent growth in China, as well as strong spending in Brazil, the U.K., Japan and India. Marketing and promotion spending is projected to grow at the same 4.1 percent rate as sponsorship.

ANNUAL GROWTH OF ADVERTISING, MARKETING/PROMOTION AND SPONSORSHIP—NORTH AMERICA



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ANNUAL GROWTH OF ADVERTISING, MARKETING/PROMOTION AND SPONSORSHIP—GLOBAL



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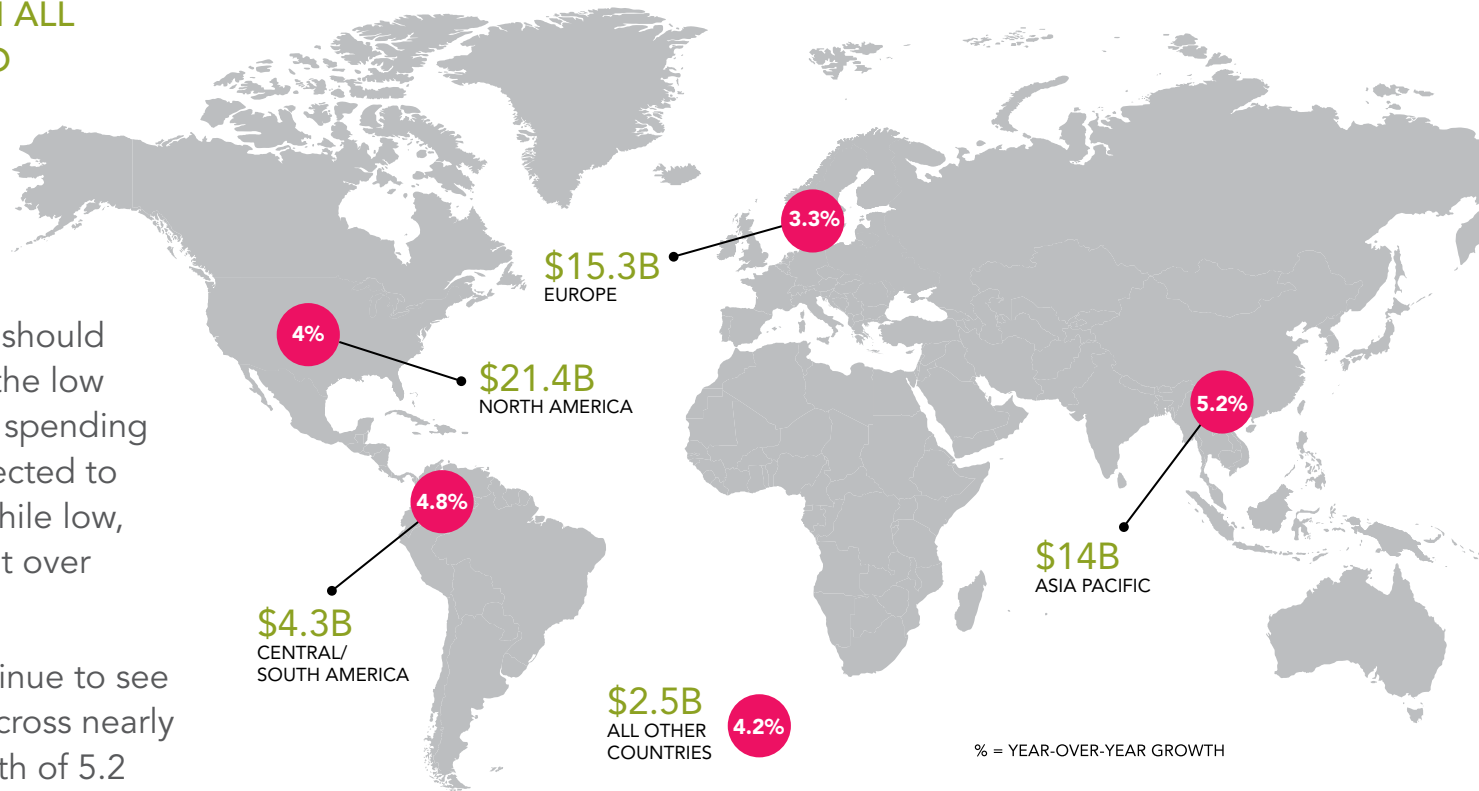
GLOBAL BREAKOUT

2015 PROJECTED GLOBAL SPONSORSHIP SPENDING BY REGION

EXCLUDING NORTH AMERICAN SPENDING, SPONSORS FROM ALL OTHER PARTS OF THE WORLD SPENT \$34.7 BILLION IN 2014. THAT NUMBER SHOULD INCREASE FOUR PERCENT TO \$36.1 BILLION THIS YEAR.

Economic conditions in Europe should continue to keep the region at the low end of the growth spectrum, as spending by European companies is projected to grow by 3.3 percent in 2015. While low, that is a significant improvement over 2014's 2.1 percent growth.

The Asia Pacific region will continue to see strong interest in sponsorship across nearly all countries. Its projected growth of 5.2 percent should outpace Central and South America, even with the contributions from sponsorship spending connected to the 2016 Olympic Games in Rio de Janeiro.



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ABOUT IEG AND ESP PROPERTIES

IEG has shaped and defined sponsorship over three decades. It is the globally recognized source for industry insights, trends, training and events via sponsorship.com, its annual conference, online publications, trend reports, surveys and webinars.

IEG is part of ESP Properties, a WPP company. As a commercial and creative advisor for rightsholders, ESP Properties helps organizations unlock greater value from their audiences and brand partnerships.

Our consulting team assesses and advises how to grow the value of rightsholders' commercial programs. We do this through a full range of services across data, digital and content development to better understand audiences and create more relevant ways to engage with them. This provides brand partners with new ways to connect with communities of fans and followers, growing the potential value of commercial partnerships.

Our sales team provides partnership strategy and sales representation to the world's most active sponsors, within and beyond the WPP network of brand clients. Through WPP we have extensive contacts and deep insights into what it takes to create successful partnerships.

For more information about the value of sponsorships and partnerships, IEG and ESP Properties, please visit www.sponsorship.com, www.espglobal.com, or call Jim Andrews at 312/725-5110.



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