OLD HABITS DO DIE: SPONSOR SURVEY SEES LESS RELIANCE ON ADS, SIGNAGE

While they embrace ways to engage better, sponsors still come up short on measurement.

The 12th annual IEG/Performance Research Sponsorship Decision-makers Survey indicates that sponsors are letting go of some of the more traditional and less engaging ways to communicate and evaluate their partnerships.

In terms of activation, traditional advertising was used far less as a leveraging tool than in any previous year. Although 72 percent of sponsors still buy media to activate, that figure is a long way from the high of 86 percent in 2005.

Chart 1: Which of the following marketing communication channels do you use to leverage your sponsor programs?

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Relations</td>
<td>77%</td>
</tr>
<tr>
<td>Internal Communications</td>
<td>77%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>75%</td>
</tr>
<tr>
<td>Social Media</td>
<td>74%</td>
</tr>
<tr>
<td>Traditional Advertising</td>
<td>72%</td>
</tr>
<tr>
<td>Online Promotions</td>
<td>60%</td>
</tr>
<tr>
<td>On-site Sampling</td>
<td>59%</td>
</tr>
<tr>
<td>Business to Business</td>
<td>51%</td>
</tr>
<tr>
<td>Sales Promotion Offers</td>
<td>44%</td>
</tr>
<tr>
<td>Direct Marketing</td>
<td>43%</td>
</tr>
</tbody>
</table>

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The survey added social media as an activation channel this year and not surprisingly it appears as one of the five most popular leveraging tools, alongside public relations, internal communications, advertising and hospitality.
Hospitality was significantly more popular this year (75 percent of sponsors using it vs. 63 percent last year), pointing to its resurgence after falling out of favor during the recession, especially among financial services companies.

Another old standby that fell somewhat out of favor this year was on-site signage. Just over half of respondents said it was a highly valuable benefit (giving it a score of 9 or 10 on a 10-point scale) compared to 63 percent in 2011.

**Chart 2: How valuable are the following benefits to you?**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category Exclusivity</td>
<td>62%</td>
</tr>
<tr>
<td>On-site Signage</td>
<td>51%</td>
</tr>
<tr>
<td>Access to Property Content</td>
<td>45%</td>
</tr>
<tr>
<td>Right to Property Marks and Logo</td>
<td>45%</td>
</tr>
<tr>
<td>Broadcast Ad Opportunities</td>
<td>45%</td>
</tr>
<tr>
<td>Presence on Property Web Site</td>
<td>44%</td>
</tr>
<tr>
<td>Title of a Proprietary Area</td>
<td>39%</td>
</tr>
<tr>
<td>Right to Promote Co-branded Products/Services</td>
<td>39%</td>
</tr>
<tr>
<td>ID on Property Collateral Materials</td>
<td>39%</td>
</tr>
<tr>
<td>Access to Property Mailing List/Database</td>
<td>33%</td>
</tr>
</tbody>
</table>

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Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable

Another exposure-related benefit—identification in the property’s media buy—fell out of the top 10 benefits this year, replaced by the right to promote co-branded products and services. Category exclusivity remained the most valuable sponsorship benefit.

Also, generating awareness is no longer alone at the top in terms of how sponsors are evaluating success. Two other measures—attitudes toward the brand and sales—moved into a virtual tie for the top spot among most valuable metrics.

**Chart 3: How valuable are the following metrics to you in evaluating sponsorships?**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitudes toward Brand</td>
<td>86%</td>
</tr>
<tr>
<td>Awareness of Company’s/Brand’s Sponsorship</td>
<td>83%</td>
</tr>
<tr>
<td>Awareness of Products/Services/Brand</td>
<td>82%</td>
</tr>
<tr>
<td>Product/Service Sales</td>
<td>81%</td>
</tr>
<tr>
<td>Amount of Media Exposure Generated</td>
<td>77%</td>
</tr>
<tr>
<td>Response to Sponsorship-related Promotions/Ads</td>
<td>74%</td>
</tr>
<tr>
<td>Customer/Prospect Entertainment</td>
<td>61%</td>
</tr>
<tr>
<td>Employee/Internal Response</td>
<td>60%</td>
</tr>
<tr>
<td>Lead Generation</td>
<td>56%</td>
</tr>
<tr>
<td>Response of Trade Channel Partners</td>
<td>47%</td>
</tr>
</tbody>
</table>

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Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable
Also of note, measuring televised logo exposure fell out of the top ten metrics, replaced by the response of trade/channel partners.

Finally, when assessing the importance of various objectives, increasing brand loyalty joined creating awareness and visibility as the top goals of sponsors.

**Chart 4: How important are the following objectives when evaluating which properties to sponsor?**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Brand Loyalty</td>
<td>72%</td>
</tr>
<tr>
<td>Create Awareness/Visibility</td>
<td>70%</td>
</tr>
<tr>
<td>Change/Reinforce Image</td>
<td>66%</td>
</tr>
<tr>
<td>Showcase Community/Social Responsibility</td>
<td>43%</td>
</tr>
<tr>
<td>Stimulate Sales/Trial/Usage</td>
<td>42%</td>
</tr>
<tr>
<td>Drive Retail/Dealer Traffic</td>
<td>39%</td>
</tr>
<tr>
<td>Access Platform for Experiential Branding</td>
<td>38%</td>
</tr>
<tr>
<td>Sample/Display/Showcase Products/Services</td>
<td>36%</td>
</tr>
<tr>
<td>Capture Database/Generate Leads</td>
<td>31%</td>
</tr>
<tr>
<td>Entertain Clients/Prospects</td>
<td>29%</td>
</tr>
</tbody>
</table>

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*Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable*

When asked about their 2012 plans, sponsors demonstrated the cautious attitude noted in IEG’s projections of slowed spending growth this year.

Although still a majority, the number of sponsors who said they were considering new sponsorships in 2012 dropped six percentage points from 2011.

**Chart 5: Is your company considering new sponsorships in 2012?**

- **Yes**: 72%
- **No**: 28%

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Similarly, the number of decision-makers who indicated they were looking to drop current deals not up for renewal rose six percentage points from last year, although remained in the minority.
Responses about the direction of 2012 spending were nearly identical to 2011’s, with just about half of sponsors holding budgets steady, while 36 percent will spend more and 17 percent plan to spend less.

Overall, spending on sponsorship fees—not including activation—will account for a smaller portion of total advertising, marketing and promotion budgets than last year—17 percent versus 19 percent.

When asked specifically about activation spending, about half of sponsors said they would shell out the same for leveraging this year as last, while 42 percent will allocate more money and 11 percent will lay out fewer dollars.
Chart 8: How will your 2012 leveraging and activation spending compare to 2011?

The average ratio comparing activation spending to the amount spent to acquire sponsorship rights rose for the third year in a row to $1.70 on leveraging for every $1 spent on rights fees. In 2011, the comparison was $1.60 to $1.

Chart 9: What is your company’s typical promotional spending ratio?

Despite other signs that sponsors are growing savvier about sponsorship, the survey reveals that more than one out of five still spend nothing on activating their partnerships.

More sponsors than ever indicated that their return from sponsorship was growing, with nearly six out of 10 seeing better results over the past few years, while just five percent saw a decline in their return.
Chart 10: Over the past few years, has your return on investment from sponsorship increased, decreased or stayed the same?

- Don’t Know 20%
- Increased 58%
- Stayed the Same 17%
- Decreased 5%

Another one out of five sponsors reported they had not determined whether their return was improving or not. That’s despite the vast majority of sponsors who say the need for meaningful results continues to grow.

Chart 11: Over the past few years, how has your company’s need for validated results from sponsorship changed?

- Decreased 1%
- Stayed the Same 13%
- Increased 86%

Continuing a long-term pattern of wanting better measurement but not allocating resources for it, this year’s survey found nearly one-third of sponsors allocating no money to measure the success of a given partnership, while another 44 percent spent an amount equal to one percent or less of the sponsorship fee to evaluate their return.
As for how properties can best service their partners beyond delivering the rights and benefits committed to, sponsors placed more value on property-provided research into audiences’ attitudes toward and images of sponsors, as well as research on the audiences’ propensity to purchase sponsor products.

**Chart 13: How valuable are the following property-provided services?**

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-event Report/Fulfillment Audit</td>
<td>50%</td>
</tr>
<tr>
<td>Audience Research on Attitude/Image</td>
<td>50%</td>
</tr>
<tr>
<td>Audience Research on Propensity to Purchase</td>
<td>49%</td>
</tr>
<tr>
<td>Assistance Measuring ROI/ROO</td>
<td>45%</td>
</tr>
<tr>
<td>Audience Research on Recognition/Recall</td>
<td>45%</td>
</tr>
<tr>
<td>Leveraging Ideas</td>
<td>37%</td>
</tr>
<tr>
<td>Audience Contact Information</td>
<td>33%</td>
</tr>
<tr>
<td>Third-party Valuation Statement</td>
<td>28%</td>
</tr>
<tr>
<td>Audience Research on Buying Habits</td>
<td>28%</td>
</tr>
<tr>
<td>Tracking of Promotional Offers</td>
<td>21%</td>
</tr>
</tbody>
</table>

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Chart 14: During which time period does your company determine its sponsorship budget?

- Fourth Quarter (Oct. – Dec.) 43%
- First Quarter (Jan. – March) 20%
- Second Quarter (April – June) 14%
- Third Quarter (July – Sept.) 23%

The survey was conducted online in February and received 105 responses.

Source:
Performance Research, Tel: 401/848-0111
KINGSFORD COOKS UP NEW SPONSORSHIPS

Clorox leverages music, community and grilling to promote Kingsford charcoal brand.

These are busy times for The Clorox Co.’s (“Clorox Brands Shop For More Sponsorships” 02.23.09) Kingsford brand.

The iconic charcoal brand has expanded its four-year-old music initiative with presenting sponsorship of the Country Throwdown music tour. The 17-stop tour kicks off May 18 and runs through July 1.

The sponsorship marks new ground for Kingsford, which previously sponsored tours by the Zac Brown Band and other major country acts. Country Throwdown features less established artists such as Gary Allan, Justin Moore and Josh Tompason in a day-long, festival environment.

In addition to Country Throwdown, Kingsford this year has launched new marketing extensions around its involvement with barbecue competitions and the MLB Network. Those include the brand’s first-ever proprietary barbecue competition and a new series of cooking vignettes on the baseball channel.

IEG SR spoke with Drew McGowan, Clorox senior group manager, about Kingsford’s sponsorship strategy, the thinking behind Country Throwdown, how the brand is using baseball to extend the grilling season and other topics.

Below are edited excerpts from the conversation.

IEG SR: Kingsford has sponsored music tours over the past four years, beginning with Tim McGraw (“Pennzoil Launches Integrated Partnership With Tim McGraw” 03.12.12) in 2009. What is appealing about music?

McGowan: We are very committed to music. Barbecue and music go well together. There is an organic relationship between music fans and people who love to barbecue in their backyard. There is a unique, communal quality that brings people together around the sights, sounds and smell that go with a charcoal grill.

IEG SR: Tell me about Country Throwdown.
McGowan: Country Throwdown has a different model than our previous music sponsorships. It features up-and-coming artists and offers a new way to engage people in a day-long experience. It gives us more time to spend with people than a nightly music tour where people tailgate for an hour and then go to the show.

One cool thing about Country Showdown is that grilling is embedded into the show in an organic way. After each show they pull out a grill and have one of the newer acts grill for everyone. It’s kind of like a hazing ritual.

This year the band will be Florida Georgia Line, and they’ll use a Kingsford barbecue pit to cook for everyone on the tour after each show. We’ll take videos to give people a behind-the-scenes look at what bands do when they get off stage.

IEG SR: How else will you activate the tour?

McGowan: We’re still tying up loose ends, but we’ll have exclusive content from artists like Gary Allan. We’ll post the content on our website, www.Grilling.com. Gary has already done a video for us. He’s very excited about the relationship.

At the end of the tour we’ll host a sweeps offering a trip to Nashville where the winner can host their own country showdown at The Bluebird Café.

IEG SR: Kingsford last year partnered with the MLB Network. What is the driver behind that partnership?

McGowan: Our goal as a brand is to extend the grilling season, which historically runs from Memorial Day through Labor Day. With daylight saving time, we want to extend the season from March through November.

Last year we partnered with the MLB Network on a media partnership during spring training. It’s focused on a TV show called 30 Clubs in 30 Days. This year we’re leveraging the show with a series of vignettes that feature regional recipes associated with each team. We posted the recipes on Grilling.com.

IEG SR: Kingsford also sponsors barbecue competitions. Tell me about those.

McGowan: We’ve sponsored barbecue competitions in the past, but this year we’ll sponsor the biggest events in the country. That includes Memphis in May, American Royal World Series of Barbecue and four other events.

We’ll host winners of the six competitions at the first-ever Kingsford Invitational barbecue competition. The event will team the competitors against each other in a winner-take-all championship. We’ll host the event at our plant in Belle, Mo. over Veterans Day weekend.

Sources
The Clorox Co., Tel: 510/271-7000
WHO DOES WHAT

WHO DOES WHAT: HEALTH INSURANCE COMPANIES

Rightsholders should offer platforms that support health and wellness when pitching the health insurance category.

While much has been said on how health care reform (“Just What the Doctor Ordered: Health Care Reform Prompts New Sponsorship Spending” 02.14.11) will impact sponsorship activity in the health insurance category, most players continue to use the medium to accomplish two primary objectives: Promote health and wellness and community involvement.

And companies are increasingly signing new deals to promote those objectives. Case in point: Humana, Inc. earlier this year kicked off its multiyear title of the Humana Challenge PGA Tour golf tournament, while Kaiser Permanente last year expanded a partnership with the NBA Golden State Warriors to become the team’s presenting sponsor for the 2011/2012 season.

In addition, UnitedHealth Group, Inc. recently came on board as the presenting sponsor of two 5K races hosted by Girls on the Run of Northern Virginia.

In keeping with their mission of promoting healthy lifestyles, health insurance companies typically activate sponsorship by promoting health and well-being. For example, Humana activated the Humana Classic by offering on-site health screenings, while Kaiser Permanente has leveraged the Golden State Warriors by creating healthy food options sold in Oracle Arena.

HEALTH INSURANCE SPONSORSHIPS BY NUMBER OF DEALS

- Sports 59%
- Cause 20%
- Entertainment 7%
- Festivals 6%
- Arts 6%
- Other 2%

source: IEG, LLC
**Aetna Inc.**
151 Farmington Ave.
Hartford, CT 06156

Floyd Green, vice president, community relations and urban marketing
860/273-0123

**Sponsorship/Activation Strategy:** Marketer of health, life and other insurance products has expanded its sponsorship portfolio over the past year, including new deals with the AHL Connecticut Whale and WTA New Haven Open at Yale. Aetna uses sponsorship to accomplish three primary goals: promote healthy lifestyles, improve local communities and engage minority populations. “Aetna is very much interested in making sure that all people get the information they need to make informed decisions about their health,” said Green. Aetna activates through educational messaging and activities that encourage healthy behavior, such as the Aetna Kids Zone at the New Haven Open. The company also leverages the event to engage employees through volunteer opportunities.

**Current deals:** AHL Connecticut Whale; The Bushnell Center for the Performing Arts, Hartford, Conn.; Dick’s Sporting Goods Pittsburgh Marathon; ING Hartford Marathon; Marine Corps Marathon, Arlington, Va.; Mercedes-Benz Corporate Run (Fort Lauderdale, Miami and West Palm Beach, Fla.); Musikfest, Bethlehem, Penn.; PGA Tour Travelers Championship, Cromwell, Conn.; Taste of Atlanta; Taxslayer.com Gator Bowl, Jacksonville, Fla.; USTA US Open; WTA New Haven Open at Yale.

**Additional comments:** Aetna over the past two years has promoted healthy cooking through the Aetna Healthy Food Fight mobile marketing program. The program visited four events in 2011 including the LA County Fair; State Fair of Texas and Taste of Atlanta. AHL Connecticut Whale sponsorship affords title of the team’s amateur hockey program and clean team of the month award. Uses Aetna Voice of Conscience Awards to honor people who emulate tennis legend Arthur Ashe’s commitment to humanitarian ideals; Ashe served on the Aetna board of directors from 1983 until his death in 1993.

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**Cigna Corp.**
900 Cottage Grove Rd.
Bloomfield, Conn. 06002

Patty Caballero, director of sponsorships
860/226-6000

**Sponsorship/Activation Strategy:** Cigna largely focuses on its four-year-old presenting sponsorship of the Walt Disney World Marathon Weekend, an event it uses to build visibility and position itself as a health advocate. The company activated the 2012 event with a tie-in with the Achilles Freedom Team, a running team comprised of wounded veterans. Cigna in 2011 announced a new partnership with the AHL Connecticut Whale, a sponsorship that affords title of the team’s Hockey in the Streets youth outreach program. Cigna in 2011 moved its corporate headquarters from Philadelphia to Bloomfield, Conn.

Additional comments: Cigna in 2011 partnered with www.DailyFeats.com to promote its Go You brand campaign. The company dropped title of Massachusetts’ Falmouth Road Race after the 2010 event.

Humana, Inc.
500 W. Main St.
Louisville, KY 40202

Ed Farley, director, brand advertising and sponsorship
502/580-1000

Sponsorship/Activation Strategy: Humana (“Humana Takes Sponsorship To Heart” 02.13.12) over the past few years has placed more focus on sponsorship to support its ‘well-being’ brand positioning and encourage consumers to lead active, healthy lives. The company this year activated its new title of the Jan. 14-20 Humana Challenge PGA Tour stop by distributing pedometers and offering body mass and other health screenings to attendees. “Sponsorship gives us the opportunity to connect with our audience and bring our brand to life,” said Farley. Hosts brokers and agents at the Humana Challenge and other PGA Tour events.

Current deals: Title: PGA Tour Humana Challenge, La Quinta, Calif. Presenting: Grand Ole Opry, Nashville, Ky.; Cosponsor: Bell Helicopter Armed Forces Bowl; Chicago Flower & Garden Show; Churchill Downs; Dollywood, Pigeon Forge, Tenn.; National Senior Games; Silver Dollar City, Branson, Mo.; PGA Tour; Taste of Chicago.

Additional comments: Sponsors Bell Helicopter Armed Forces Bowl on behalf of Humana Military Healthcare Services. Sponsors Dollywood and Silver Dollar City as a platform to promote Medicare products to seniors. Leverages Taste of Chicago by promoting healthy food options to attendees.

Kaiser Permanente
1 Kaiser Plaza
Oakland, Calif. 94612

Diane Gage-Lofgren, senior vice president, communications & public relations
510/271-5800

Sponsorship/Activation Strategy: Kaiser Permanente offers health care services through a network of more than 15,000 physicians and two dozen hospitals. While the company is national, it focuses sponsorship activity on properties located in California and Colorado. For example, Kaiser Permanente in late 2011 expanded its partnership with the NBA Golden State Warriors with presenting status of the team’s 2011/2012 season. The company titles marathons and other endurance sports events to support its ‘thrive’ brand campaign and promote healthy lifestyles.

Current deals: Title: Colfax Marathon, Colorado; Great Aloha Run, Hawaii; San Francisco Half Marathon & 5K Fun Run; Southern California Half Marathon & 5K. Presenting: AHL Lake Erie Monsters; California Int’l Marathon, Sacramento; NBA Golden State Warriors. Cosponsor: Cinequest Film Festival, San Jose, Calif.; MLB Cleveland Indians, Los Angeles Angels of Anaheim and Los Angeles Dodgers; Napa Valley Marathon; Nautica Malibu Triathlon; Pasadena Tournament of Roses Parade presented by Honda; San Francisco Fleet Week; San Jose Jazz Summer Fest.

Additional comments: Kaiser Permanente has leveraged the Golden State Warriors by creating healthy food options sold at Oracle Arena.
UnitedHealth Group, Inc.  
United Health Center  
9900 Bren Rd., East  
Minnetonak, MN 55343  

Diane Slayton, vice president, consumer marketing  
952/936-1300

**Sponsorship/Activation Strategy:** Like other health insurance companies, UnitedHealth Group has expanded its sponsorship portfolio over the past year. Deals include jersey sponsorship of the MLS New England Revolution and a renewal of the UnitedHealthcare Pro Cycling Team. The company uses both ties to promote healthy living: Members of the pro cycling team made more than 30 appearances at hospitals, schools and community events in 2011.

**Current deals:** Title: Momentum Sports Group pro cycling team. Cosponsor: Amgen Tour of California cycling race; March of Dimes; MLB New York Mets; MLS New England Revolution; New Jersey Marathon; Temple University athletics; University of Pennsylvania athletics.

**Additional comments:** UnitedHealthcare Pro Cycling Team runs through 2015.