

WHAT SPONSORS WANT

AND WHERE DOLLARS WILL GO IN 2016



RESULTS OF THE IEG/ESP PROPERTIES SPONSORSHIP DECISION-MAKERS SURVEY AND OUR ANNUAL SPONSORSHIP SPENDING REVIEW AND FORECAST PROVIDE GUIDANCE ON 2016 PRIORITIES FOR RIGHTSHOLDERS AND BRANDS.

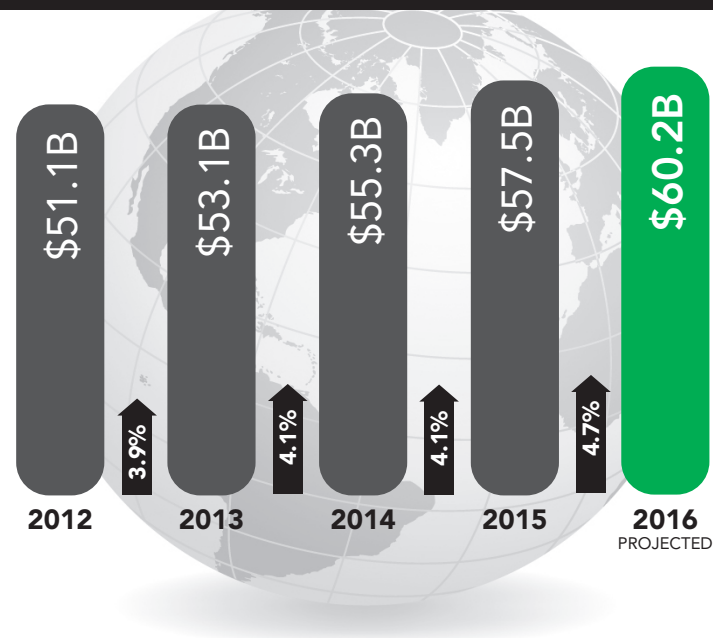
Driven by corporate interest in sponsorship as a platform to support international expansion—as well as increased opportunities for brands to partner with rightsholders beyond the properties' home markets—global sponsorship spending is projected to grow 4.7 percent in 2016, according to IEG's 31st annual year-end industry review and forecast.

At that rate, worldwide spending would grow faster than any of the previous three years and would top \$60.2 billion.

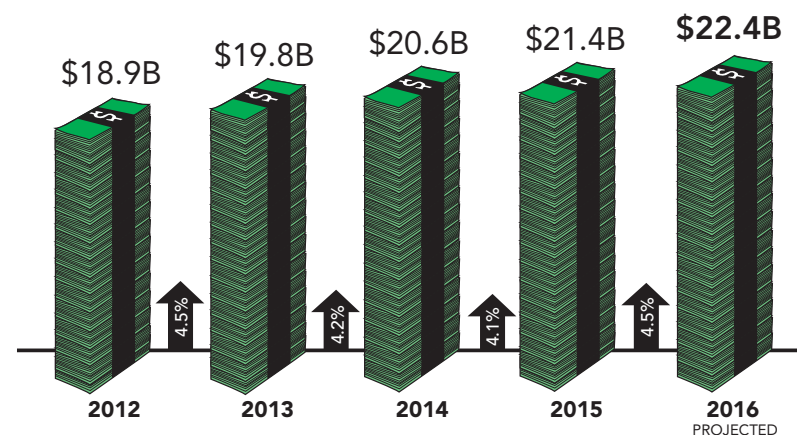
North America, the world's largest sponsorship market, should also see strong growth this year, with spending up 4.5 percent over 2015. This would be a rebound following two years in which the growth rate, while still above four percent, declined. Growth in 2015 was 4.1 percent, slightly higher than the four percent projected in last year's forecast.

North American sponsorship spending was \$21.4 billion in 2015 and is expected to grow to \$22.4 billion this year.

TOTAL GLOBAL SPONSORSHIP SPENDING



TOTAL NORTH AMERICAN SPONSORSHIP SPENDING





GLOBAL SPONSORSHIP SPENDING BY REGION

	2014 SPENDING	2015 SPENDING	INCREASE FROM 2014	2016 SPENDING (PROJECTED)	INCREASE FROM 2015 (PROJECTED)
EUROPE	\$14.8 BILLION	\$15.3 BILLION	3.3%	\$15.9 BILLION	3.9%
ASIA PACIFIC	\$13.3 BILLION	\$14 BILLION	5.2%	\$14.8 BILLION	5.7%
CENTRAL/SOUTH AMERICA	\$4.2 BILLION	\$4.3 BILLION	4.8%	\$4.5 BILLION	4.7%
ALL OTHER COUNTRIES	\$2.4 BILLION	\$2.5 BILLION	4.2%	\$2.6 BILLION	4.0%

While the aforementioned appeal of using sponsorship to build regional and global brands applies to marketers based in all parts of the world, Chinese and Indian sponsors have been particularly active, with brands such as Huawei, Haier, ZTE, Tata and Mahindra partnering with rightsholders in multiple countries. Those types of deals—combined with strong domestic spending in China, India, South Korea, Japan and other countries—are expected to make Asia Pacific sponsorship spending the fastest growing of any region in 2016 at 5.7 percent.

Central and South America should see strong growth as well (4.7 percent), while the more mature European market will experience the slowest growth (3.9 percent), despite a significant rebound from 2015's 3.3 percent rate.

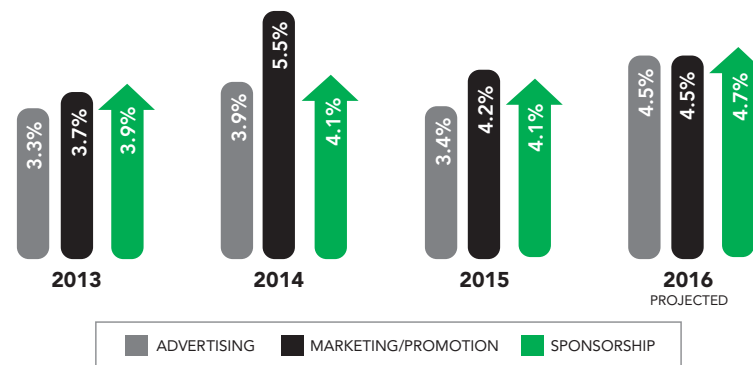
SPONSORSHIP GROWTH COMPARED TO ADVERTISING AND OTHER MARKETING MIX COMPONENTS

SPONSORSHIP'S GLOBAL GROWTH IS PROJECTED TO BE ON PAR WITH SPENDING FOR ADVERTISING, MARKETING AND PROMOTION.

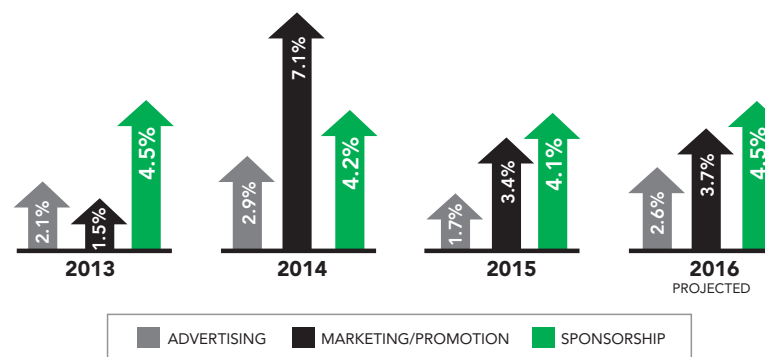
According to the worldwide media and marketing forecast produced by IEG parent company GroupM—the global media investment management operation of WPP Group plc.—global ad spending will increase 4.5 percent in 2016, while spending on other forms of marketing—including public relations, direct marketing and promotions—is also expected to grow by 4.5 percent.

In North America, sponsorship growth should outpace the other forms of marketing, with ad spending expected to grow just 2.6 percent and other marketing spending up 3.7 percent, according to the GroupM report.

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



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

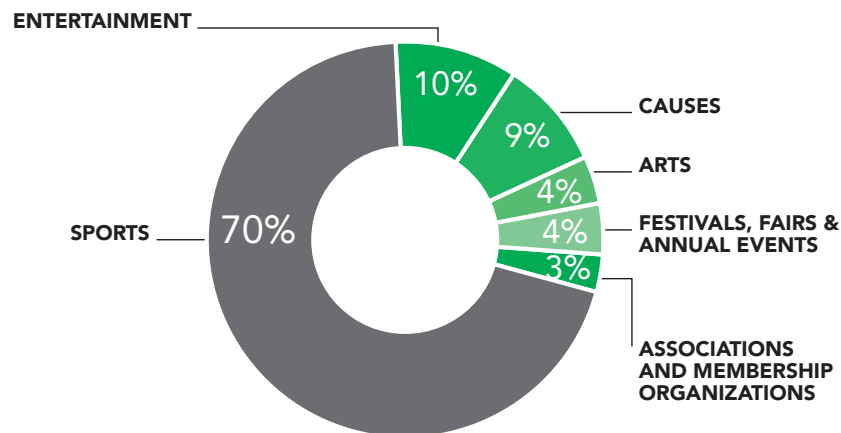


SPENDING ACROSS NORTH AMERICAN PROPERTY TYPES

In what has become a familiar story, the property types that receive the most dollars are expected to again grow at the fastest rates, as sponsors continue to invest marketing dollars in properties that can deliver customized benefits, integration with digital and social content, insights from audience data, and top-notch servicing.

NORTH AMERICAN SPONSORSHIP SPENDING BY PROPERTY TYPE					
	2014 SPENDING	2015 SPENDING	INCREASE FROM 2014	2016 SPENDING (PROJECTED)	INCREASE FROM 2015 (PROJECTED)
SPORTS	\$14.35 BILLION	\$14.99 BILLION	4.5%	\$15.74 BILLION	5.0%
ENTERTAINMENT	\$2.05 BILLION	\$2.13 BILLION	4.1%	\$2.22 BILLION	4.2%
CAUSES	\$1.85 BILLION	\$1.92 BILLION	4.0%	\$2 BILLION	3.7%
ARTS	\$923 MILLION	\$939 MILLION	1.7%	\$970 MILLION	3.3%
FESTIVALS, FAIRS AND ANNUAL EVENTS	\$847 MILLION	\$860 MILLION	1.5%	\$878 MILLION	2.1%
ASSOCIATIONS AND MEMBERSHIP ORGANIZATIONS	\$574 MILLION	\$591 MILLION	3.0%	\$612 MILLION	3.6%

PROJECTED 2016 SHARES OF NORTH AMERICAN SPONSORSHIP MARKET



Sports will see the highest growth rate of the six major property categories, followed by entertainment. The slight slowdown in projected growth for cause sponsorships reflects the ever-changing mix in the way partnerships with causes are funded, specifically a small shift away from marketing-funded programs to initiatives more appropriate for CSR and philanthropic budgets.

The other three sectors should all see more growth in 2016 vs. 2015, as marketers exhibit more confidence in spending thanks to improving economic conditions.

SPONSORS MAKE IT CLEAR THEY WANT DIGITAL BENEFITS, SERVICES

THE RISE OF DIGITAL VS. TRADITIONAL MEDIA IS REFLECTED IN IEG'S MOST RECENT SURVEY OF SPONSORS.

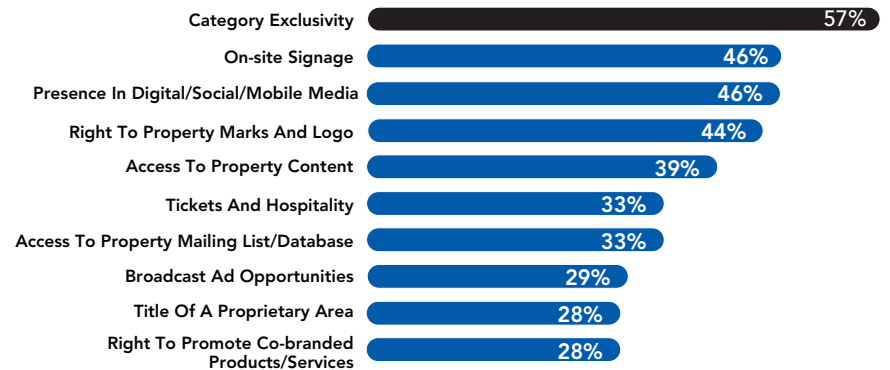
BEGINNING WITH THE IMPORTANCE OF VARIOUS BENEFITS, RESPONDENTS TO THE 15H ANNUAL IEG SPONSORSHIP DECISION-MAKERS SURVEY RANKED DIGITALLY RELATED ASSETS HIGHER THAN EVER, WHILE BROADCAST AND TRADITIONAL ADVERTISING ELEMENTS HELD LESS APPEAL.

Presence on and in a property's digital, social and mobile media, which did not appear in the top ten benefits in the 2014 survey, tied for second with on-site signage in 2015. Forty-six percent of respondents ranked those benefits as a 9 or a 10 on a 10-point scale of importance, placing them behind only category exclusivity, the perennial number-one.

Access to property content for digital and other uses also rose in importance, ranked highly by 39 percent of sponsors—good for fourth place—while broadcast advertising opportunities were highly valued by only 29 percent of sponsors, compared to 42 percent in the 2014 survey.

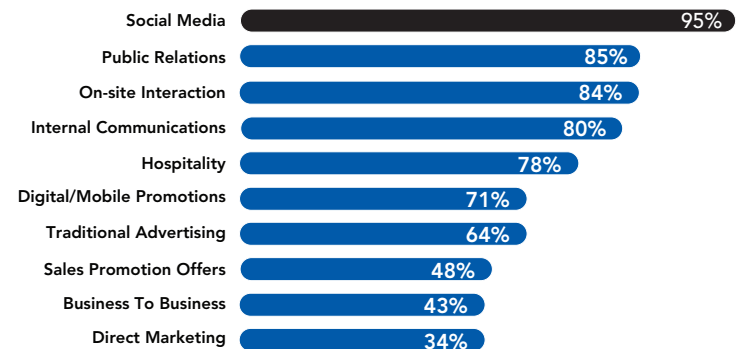
Digital's advance also was reflected in the marketing communications channels used to activate sponsorship, where traditional advertising buys—which long topped the list—slipped behind digital and mobile promotions for the first time ever, ranking seventh this year.

HOW VALUABLE ARE THE FOLLOWING BENEFITS TO YOU?



*Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable
Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey*

WHAT CHANNELS DO YOU USE TO LEVERAGE YOUR SPONSORSHIPS?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

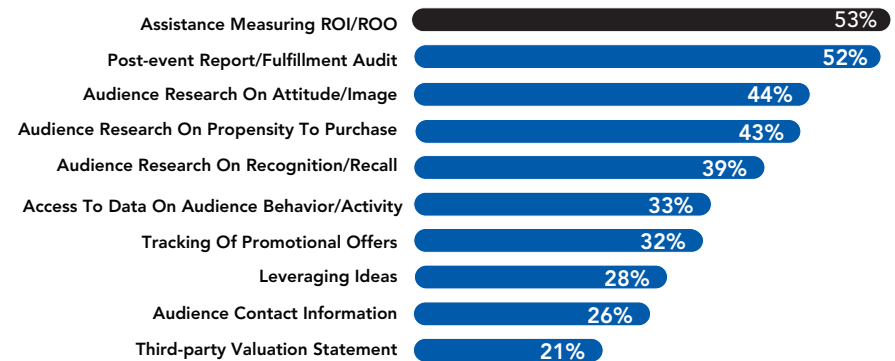
PROPERTY-PROVIDED SERVICES INCREASE IN IMPORTANCE

THE MAJORITY OF SPONSORS SAID PROPERTIES' ASSISTANCE IN MEASURING RETURN AND PROVIDING FULFILLMENT/RECAP REPORTS WERE EXTREMELY VALUABLE TO THEM, WITH THE NUMBER WHO SCORED FULFILLMENT REPORTS HIGHLY JUMPING FROM 32 PERCENT IN 2014 TO 52 PERCENT IN 2015.

In addition, significantly more sponsors this year saw value in properties providing access to CRM and other audience data, as well as tracking and reporting on promotional offers conducted through the property, such as ticket discount offers, gate redemptions, etc.

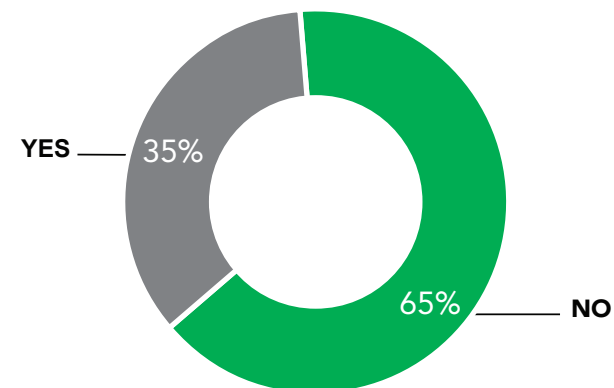
And while there was improvement in how sponsors judged their partners' ability to provide the top-ranked service, still nearly two-thirds felt that rightsholders fell short in meeting their needs.

HOW VALUABLE ARE THE FOLLOWING PROPERTY-PROVIDED SERVICES?



Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable
Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

DO PROPERTIES MEET YOUR EXPECTATIONS IN HELPING YOU MEASURE YOUR RETURN ON INVESTMENT/OBJECTIVES?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

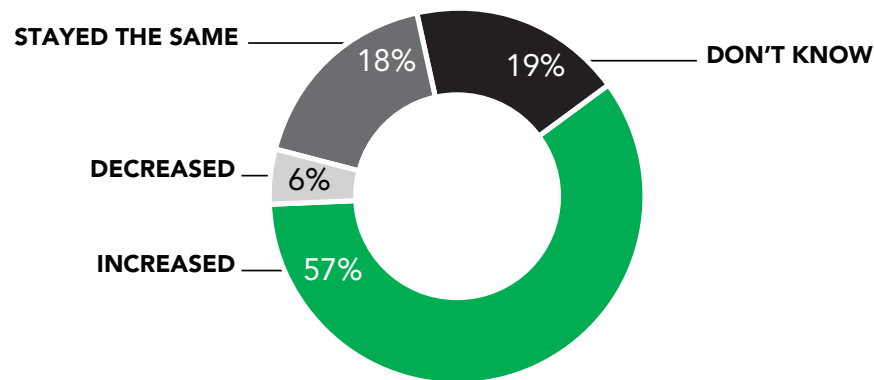
NEARLY ONE IN FIVE SPONSORS CAN'T SAY HOW ROI IS TRACKING

SPONSORS MAY BE TURNING TO PROPERTIES FOR HELP WITH MEASUREMENT BECAUSE THEY ARE NOT DOING A GOOD JOB AT EVALUATING RETURN ON THEIR OWN.

When asked how their ROI from sponsorship was tracking over the last few years, 19 percent of corporate marketers said they did not know, up from 15 percent in 2014.

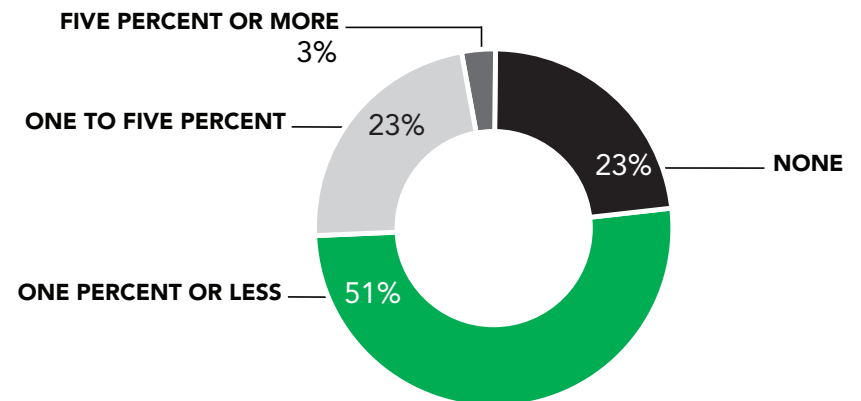
Sponsors continued to allocate little to no money for evaluating sponsorship performance—with nearly three-fourths spending one percent or less of a sponsorship's budget on measurement.

HAS YOUR ROI INCREASED, DECREASED OR STAYED THE SAME?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

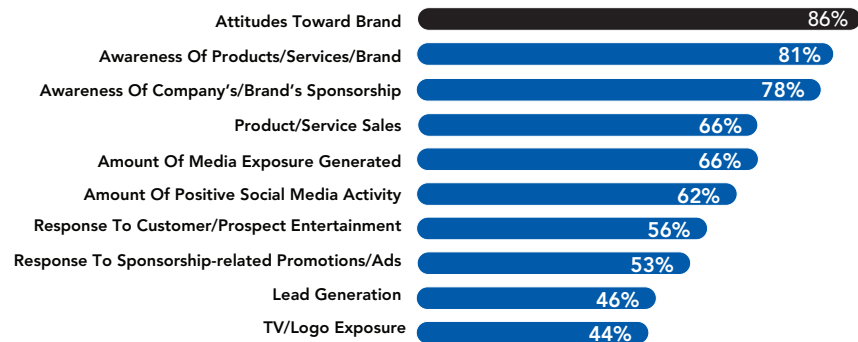
WHAT PERCENTAGE OF A SPONSORSHIP'S BUDGET IS SPENT ON MEASURING RETURN?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

Regarding performance measures most important to sponsors, top-of-the-purchase-funnel metrics such as attitudes toward and awareness of the sponsoring brand or company continue to be ranked as more highly valuable than tracking behaviors directly or more closely related to sales.

HOW VALUABLE ARE THESE METRICS IN EVALUATING SPONSORSHIPS?

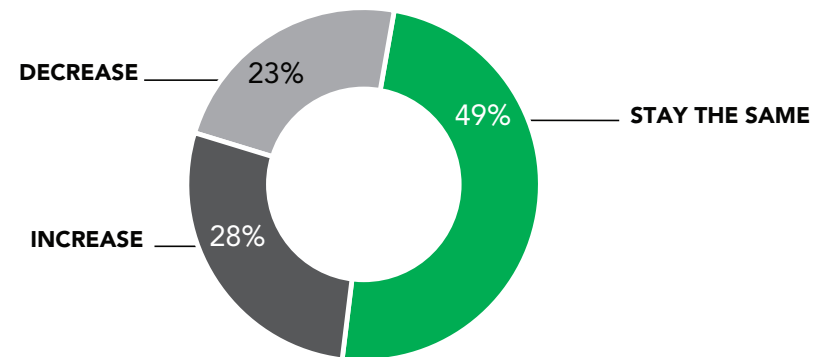


Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable
Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

SPENDING LEVELS TO HOLD STEADY

Just 28 percent of sponsors say their spending will increase in 2016, with 23 percent cutting spending and 49 percent maintaining budgets at 2015 levels.

HOW WILL YOUR 2016 SPONSORSHIP SPENDING COMPARE TO 2015?

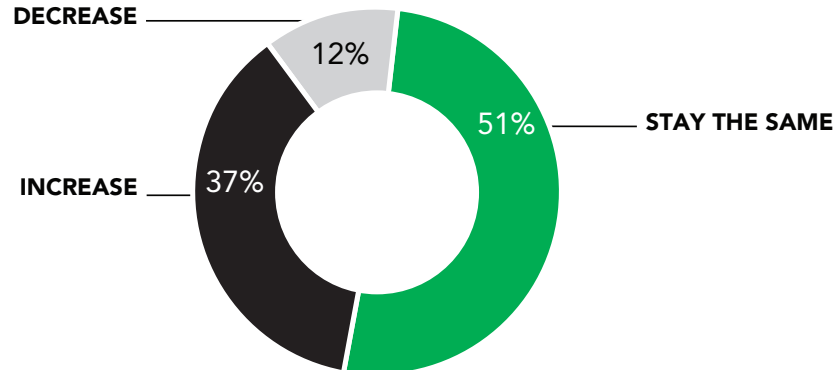


Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

As has been the trend in recent years, more sponsors are willing to increase spending on activation than on rights fees. Nearly four in ten sponsors will grow their leveraging budgets in 2016, while 51 percent are keeping spending on par with 2015. Only 12 percent will lessen their activation dollars.

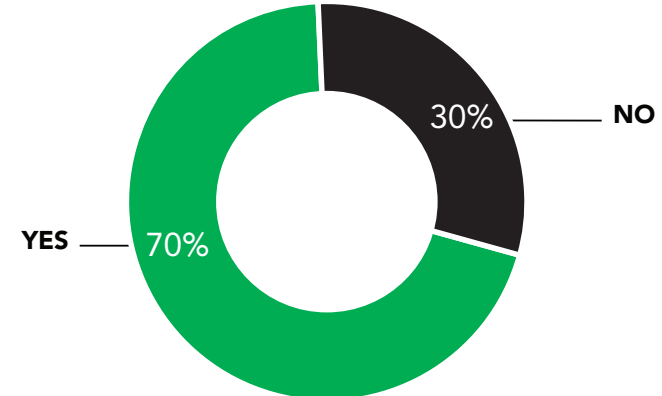
The number of sponsors seeking to add partnerships rebounded in this year's survey, with seven out of ten saying they are in the market for new deals, compared to just 63 percent in the 2014 survey. That number remains lower than two years ago, however, when 75 percent of sponsors said they were considering first-time deals.

HOW WILL YOUR 2016 LEVERAGING AND ACTIVATION SPENDING COMPARE TO 2015?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

IS YOUR COMPANY CONSIDERING NEW SPONSORSHIPS IN 2016?



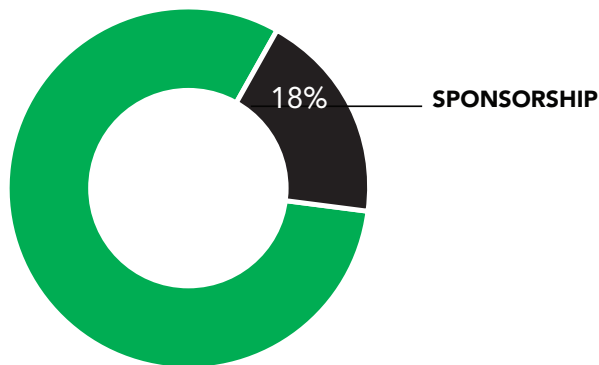
Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

Survey respondents allocated an average of 18 percent of their overall marketing/advertising/promotion budgets to sponsorship, a decline of five percentage points from 2014. While the average has fluctuated between 16 percent and 25 percent over the 15 years of the survey, this year's decline is most

likely due to an increased share of budgets going to digital marketing.

Sponsors report spending an average of \$1.80 on activation for every \$1 spent on rights fees this year, up from \$1.70 in 2014.

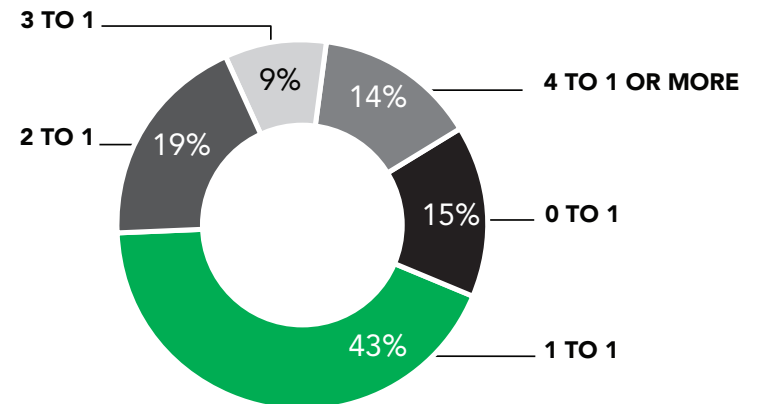
WHAT PORTION OF YOUR MARKETING BUDGET IS SPENT ON SPONSORSHIP RIGHTS FEES?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

WHAT IS YOUR COMPANY'S TYPICAL PROMOTIONAL SPENDING RATIO?

AVERAGE IS 1.8 TO 1



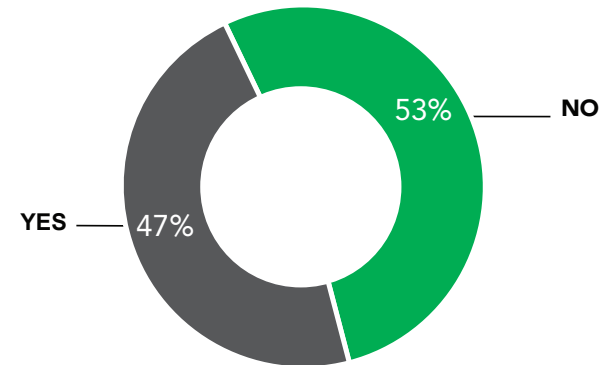
Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

Sponsors also reported being more satisfied with their current partners—to the extent they are not seeking an early exit from their agreements. In 2014, 57 percent said they were looking to drop out of current deals, but that number dropped ten percentage points in this year's survey. However, the 47 percent figure remains higher than the 41 percent of sponsors who wanted out of certain sponsorships two years ago.

In terms of the most important objectives, there was little movement among the top ten, with the somewhat surprising exception of “showcase community/social responsibility” dropping completely off the list, after having been as high as fourth just two years ago. In 2013, 51 percent of sponsors said that objective was a 9 or a 10 in importance; in 2015, the number dropped to just 21 percent.

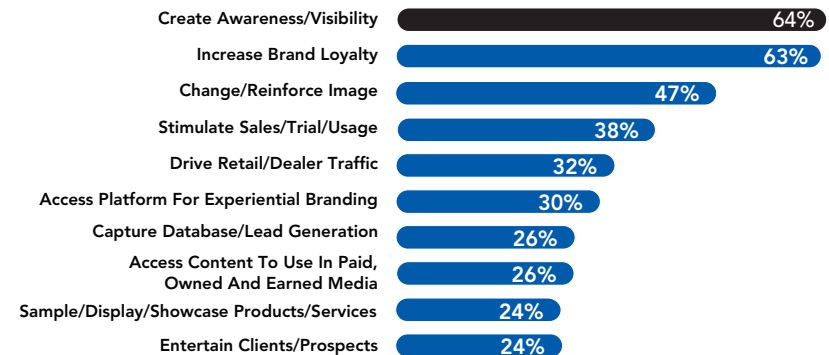
The objective “capture database/lead generation” replaced “showcase community/social responsibility” on this year's top ten list.

IS YOUR COMPANY SEEKING TO DROP OUT OF ANY CURRENT SPONSORSHIPS?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

HOW IMPORTANT ARE THESE OBJECTIVES WHEN EVALUATING PROPERTIES?



Source: IEG/ESP Properties 2015 Sponsorship Decision-Makers Survey

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 rightsholders with 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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