

Sponsorship measurement



Sponsorship is a fast growing industry, but what factors should you consider when measuring success?

Sponsorship measurement is more important than ever

Sponsorship is a powerful tool for many organisations. The European Sponsorship Association (ESA) recently announced that the European sports sponsorship sector was worth over \$20 billion* in 2018, representing the third successive year of growth.

With this increase in the sector value, it must surely follow that those businesses investing more into sponsorship are experiencing the positive impact it brings to their bottom line. Therefore, it seems timely to consider the factors impacting on the success of sponsorship measurement, as this is an area that many brands and rights holders find difficult to get right.

Here at SQN, as a sports sponsorship agency with nearly 20 years experience, we feel that the basis to effective measurement is being clear on your sponsorship objectives from the very beginning.

We've outlined three areas (opposite) to consider when thinking about sponsorship measurement.

*source: <https://sponsorship.org/wp-content/uploads/2019/04/2019-ESA-Sponsorship-Market-Overview.pdf>

"We really need everybody to be in the mindset of objective setting, which is to be really clear on what good looks like and be really ruthless about measuring it."

Andy Westlake, ESA Chairman



Lifecycle of a sponsorship



A structured approach to measurement setting



Partnership building

Sponsorships require different success

measures at different stages in their lifecycle.

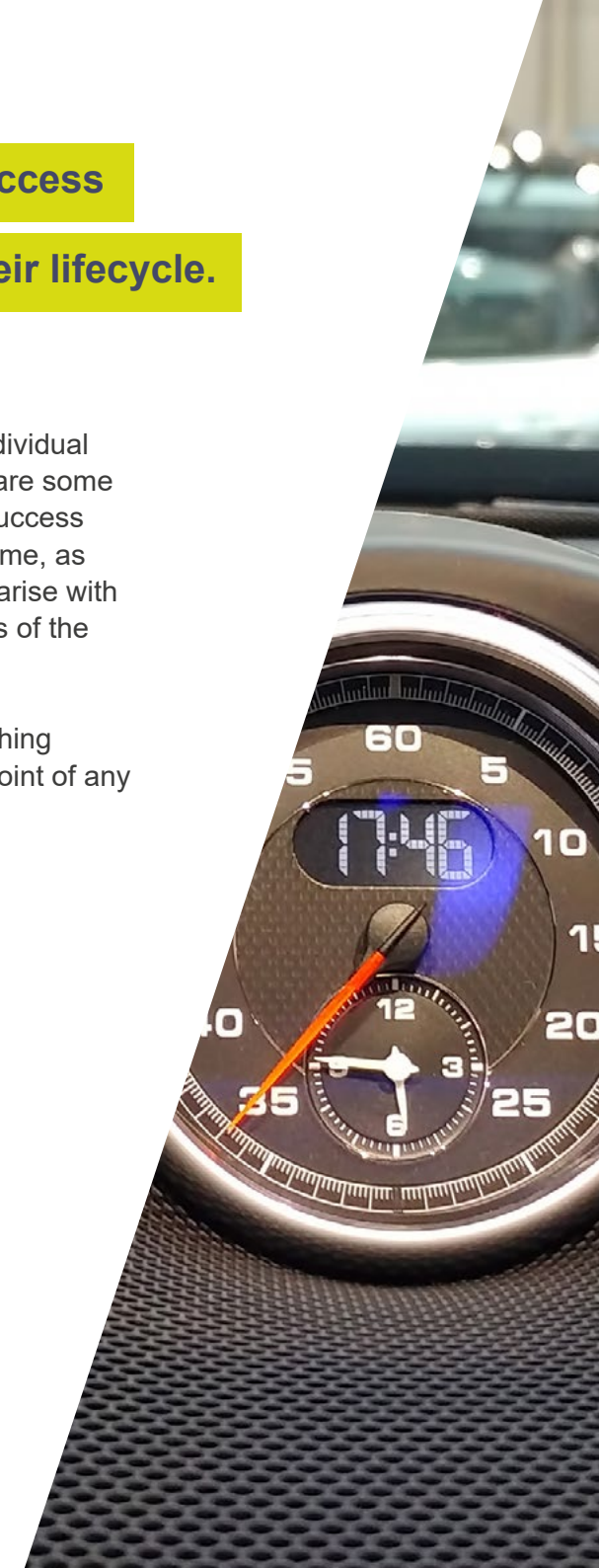
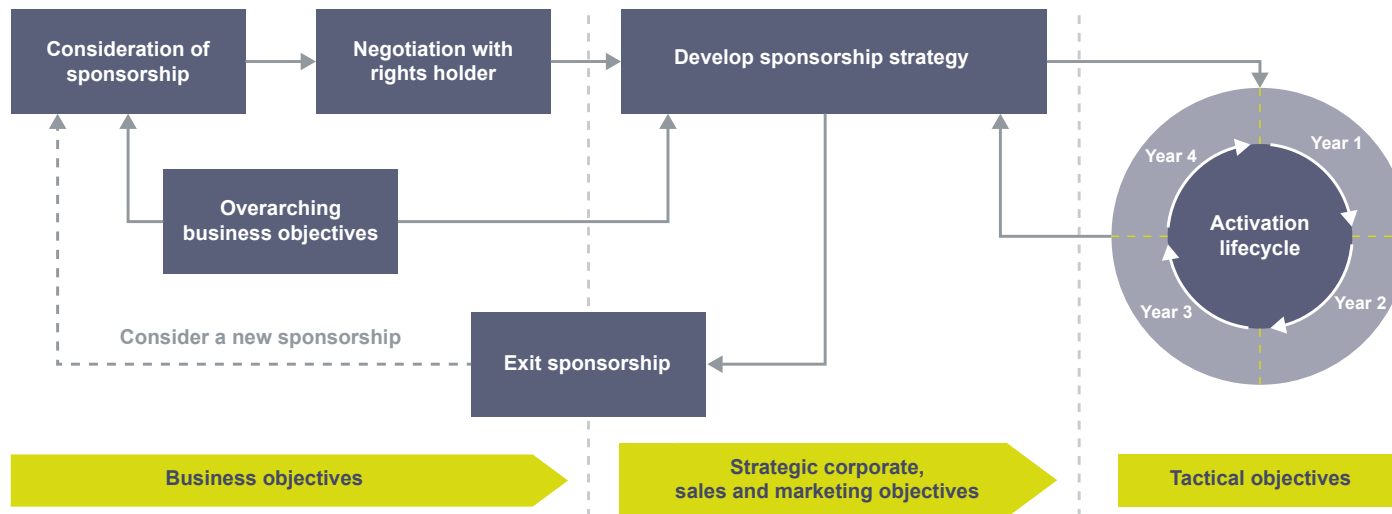
Lifecycle of a sponsorship

Sponsorship deals have many different facets, from deal negotiations, strategy development and activation planning, through to changing business needs as the sponsorship matures, and much more besides. Each stage in the lifecycle of a sponsorship requires its own bespoke measures of success, which can seem to increase the complexity of the task at hand. Added to which, the often-large sums of money involved in securing a sponsorship can make the task of measuring its effectiveness daunting.

In addition, the lifecycle of a sponsorship is very individual to each sponsor and sponsorship. However, there are some common phases to consider, each with their own success measurements and all of which may change over time, as either the sponsorship matures, new opportunities arise with the rights holder or perhaps the business objectives of the sponsor change.

The key point to remember here is that the overarching business objectives should always be the anchor point of any measurements put in place.

Sponsorship lifecycle



A structured approach to measurement setting

At SQN, we employ our 'Objectives Framework Approach', which ensures we make a clear thread for our clients between the overarching business objectives needing to be fulfilled, the resultant strategic corporate, sales, marketing and tactical objectives.

Often brands or their agencies point only to the tactical effectiveness of each part of the activation, but this, if seen in isolation, doesn't necessarily help measure sponsorship effectiveness or success. Measuring only highly tactical activity results such as Facebook likes, LinkedIn followers or advertising equivalent values (AVE's) can be helpful, but are only part of the story. This doesn't only happen in

sponsorship, but also across the marketing mix, mostly because these are seen as easy, tangible data points to collect. Whilst there is clear merit to measuring and monitoring this data, if used as a standalone measure of success, they at best do not tell the whole story and at worst can be meaningless or give a false impression.

Take the example where over a period of time you wanted to increase your Facebook likes from 1,000 to 5,000 and you actually achieved 10,000. On the face of it that seems like an awesome result. However, if the business challenge was to drive enhanced relationships with a certain specific audience and the bulk of the new Facebook likes were not from that

audience type, then the activity should not be considered a success against the initial objectives set.

We have included some measurement examples in the framework below. These are not exhaustive, nor are they all necessarily relevant at once. Taking the time to understand what's driving your sponsorship and what point in the sponsorship lifecycle you are in is key. This will enable you to set appropriate targets in a specific, measurable, actionable, realistic, timebound (SMART) fashion, to monitor the performance of your sponsorship over time.





Partnership building

In days gone by, sponsorship has sometimes been seen as rigid, where a client shares how much money they have, and the rights holder tells them what they'll get for that. Today, the most progressive sponsorships are where both parties work in unison to develop and build a partnership together. This is in the interest of both the rights holder and the sponsor and forges successful, longer-term relationships.

To get the best from a sponsorship many brands forget it is also crucial that the rights holder is clear and cognisant of the sponsor's needs, motivations and success measures, and vice versa. It is in everyone's interest, because the more the rights holder understands about the sponsor's motivations, the more they can support the brand and a better relationship can

form between the two parties. The ideal situation being that the relationship can be described as a true partnership.

We include partnership building with rights holders as a factor to consider in sponsorship measurement, as its value is often overlooked. If we stand back and look at the bigger picture we can see that the rights holder can offer access to important stakeholders such as new customers (potentially both consumers and business customers) and investors. If a sponsorship affords either direct access to investors, or exposure to them, this can lower the cost of doing business by making the sponsor seemingly more accessible or attractive to work with. Rights holders may also have access to useful data, providing a sponsor with additional information by which it could make it easier for them to measure the success of their sponsorship and reach their desired business objectives. Getting to know the rights holder and taking the time to build a relationship is key to activating this avenue.

**The most successful sponsorships
are where sponsor and rights holder
strive to build a true partnership.**

Use a specialist agency like SQN to extract full potential

Developing a sponsorship, or working towards a partnership, requires detailed understanding of a number of different areas such as: how rights holders think, their challenges, sponsorship deal making and commercial negotiations to name a few areas.

By understanding at the very beginning of a partnership what both parties want to achieve, then they can work together to create a bespoke package of rights that fulfil the needs of both. The unique nature of sponsorship means that it can work a lot harder than other forms of traditional marketing, generate greater value for money, and go a long way in achieving pre-set objectives.

Sponsorship has become an incredibly powerful, meaningful and thriving marketing platform. With the development of the industry has come a greater level of intricacy and knowledge about how to successfully plan, manage and activate a sponsorship. It must be treated with the same level of thought-process, meticulous scrutiny and afforded the same specialist expertise as any other marketing channel.

In this respect, sponsorship has become a truly specialised area that requires experience and knowledge to ensure that a brand fully gets the maximum out of any partnership.

Here at SQN, we use our understanding and familiarity of the sponsorship industry to ensure that companies get the most out of their investments. We have been working with global brands for nearly 20 years, helping them to build relationships, enhance reputations and drive revenue.

**Sponsorship development
and activation is a specialist
skill, like all other parts of the
marketing mix.**



Claire Ritchie-Tomkins | CEO SQN

If you are considering entering into a sponsorship, or are simply curious about how sponsorship could help your business, please call us on **+44 (0) 1491 845 420** for an informal and confidential discussion about how SQN can help you deliver against your revenue, relationship and reputational goals.

www.sqn.agency