WHITE PAPER

Presented by
Partnership Group – Sponsorship Specialists ™

How Do You Measure ROI

Brent Barootes
February 25, 2013

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

EVALUATING CORPORATE SPONSORSHIPS

HOW DO YOU MEASURE ROI

Conference Board of Canada
Community Investment Council Meetings
February 25, 2013

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

PRESENTER

BRENT BAROOTES

President

Phone: 403-255-5074

Fax: 888-486-3407

Toll Free: 888-588-9550

Email: **brent@partnershipgroup.ca**

PARTNERSHIPGROUP

Sponsorship Specialists

www.partnershipgroup.ca

MEASURING ROI FOR CORPORATE SPONSORSHIPS

- ✓ Thanks for having me here
- ✓ Great to connect with your group

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

QUALIFICATIONS FOR PRESENTING

- ✓ 25 years in the sponsorship industry
- ✓ 45+ speaking engagements in 2012 (26 booked through June 2013 already)

Partnership Group – Sponsorship Specialists

- A dozen years serving the Canadian industry
- Serve properties and brands

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

QUALIFICATIONS FOR PRESENTING

Partnership Group – Sponsorship Specialists

- Sponsorship Marketing Council of Canada – SMCC
- "Official Training Partner" for SMCC and an agency partner
- SMCC has branded our workshop training tour and Western Sponsorship Congress

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

QUALIFICATIONS FOR PRESENTING

Partnership Group – Sponsorship Specialists

- Worked with EnCana, geoLOGIC, Toshiba, AMEX, XEROX, Cooper Tires, Potash Corp, Saskatchewan Credit Unions, SaskEnergy,
- With properties everyone from the Saskatchewan Roughriders to Cities of Toronto, Calgary, Edmonton, York University, World Vision, MS Society, Red Cross, Canadian Cancer Society, arts, and social services

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

MEASURING ROI FOR CORPORATE SPONSORSHIPS

The plan for this session

- ✓ Define some key terms and differentiate between philanthropy, sponsorship, corporate ROI and outcomes of benefactors
- ✓ Look at some key research and trending around ROI and measurement
- ✓ Look and discuss types of measurement for ROI
- ✓ Case discussions
- ✓ Questions and Wrap Up

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Defining Philanthropy

- ✓ According to CRA, it is a gift with no expectation of anything in return – no tangible value back to the donor in excess of $75

- ✓ Based on the cause, the linkage,
  wanting to help

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Defining Sponsorship

Our Definition:

PARTNERSHIPGROUP
Sponsorship Specialists

A cash and/or in-kind fee paid to a property (such as a cause, non-profit, sport team, charity or building) in return for the exploitable commercial potential associated with that property.

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

A Philosophy

Past CBC Dragon's Den investor and First Energy's retired CEO Brett Wilson in an interview held no punches when he remarked about his feeling on philanthropy.

"We've used charity as our marketing budget since day one". He added "People would say no, giving is supposed to be altruistic. But I have said bullshit from the start. There's nothing wrong with the scratched back approach to giving"

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Defining Terms

Property

Sponsor

Value

ROI or ROO

Measured Outcome – for your business and benefactor's delivery

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Industry Research

- ✓ Look at two main studies of the sponsorship industry
  - **Canadian Sponsorship Landscape Study**
  - **Consumer Sponsorship Ranking**
- ✓ Review and discuss what some of this trending means and other studies
- ✓ How this all affects measurement

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Canadian Sponsorship Landscape Study (CSLS) 2012

Since 2006 the industry has grown 43%

- ✓ Again the industry grew last year – now $1.59 billion
- ✓ Almost 22% of spends are on local sponsorships
- ✓ About 65% with “non profits and charities”
- ✓ On average over 100 properties per sponsor
- ✓ Decrease in spending on activation – now at $0.57
- ✓ Naming rights accounted for only 6% of the sponsorships in Canada last year

CSLS
Canadian Sponsorship Landscape Study

EICC
Étude sur l’industrie de la commandite au Canada

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Canadian Sponsorship Landscape Study 2012

- ✓ **30%** of brands marketing budgets last year were spent in sponsorship and experiential marketing
- ✓ **Cause marketing and professional and amateur sport sponsorships have seen a declining trend**
- ✓ Sponsors when evaluating ROI the top three areas to measure were:
  1. Brand perception
  2. Brand value
  3. Brand Knowledge / profile

- ✓ **Revenue ranked 6th**

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Canadian Sponsorship Landscape Study 2012

- ✓ Almost 55% of properties have operating budgets of less than $1M
- ✓ The average property had 25 sponsors
- ✓ It is important to note that 72% of properties receive less than $100,000 in sponsorship revenue and 92% receive less than $1M
- ✓ The report also showed that **sponsors are not receiving a comprehensive wrap up report** and this is critical for them

CSLS
Canadian Sponsorship Landscape Study

EICC
Étude sur l'industrie de la commandite au Canada

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Canadian Sponsorship Landscape Study 2012

- ✓ 20% of property sponsorship revenues come from financial institutions and 15% from crown corporations
- ✓ Food and Beverage sponsors account for 12.5% and oil and gas accounts for 9.5%
- ✓ Provincial lotteries account for about 8%
- ✓ The balance (35%) comes from auto, professionals organizations like law firms, communications, retail, travel, agriculture

CSLS
Canadian Sponsorship Landscape Study

EICC
Étude sur l'industrie de la commandite au Canada

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Canadian Sponsorship Landscape Study 2012

- ✓ 40% of organizations that used an agency to assist them in sponsorship used specifically a sponsorship agency
- ✓ There continues to be a six year downward slide on post evaluation of sponsorships – now only 2.3% of total sponsorship budgets are spent on evaluation of outcomes
- ✓ 41% of sponsors invested in pre-sponsorship evaluation

CSLS
Canadian Sponsorship Landscape Study

EICC
Étude sur l'industrie de la commandite au Canada

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Consumer Sponsorship Rankings 2012

Canada's Most Supportive Industry Categories

1. Soft drink companies
2. Restaurants and fast food
3. Banks and financial institutions
4. Telecommunication companies
5. Breweries
6. Media companies
7. Auto Manufacturers
8. Large Retail
9. High Tech companies
10. Lottery corporations

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Consumer Sponsorship Rankings 2012

Canada's Most Active Sponsors

1. Bell
2. Coca-Cola
3. McDonald's
4. Molson
5. Rogers
6. RBC
7. BMO
8. Pepsi-Cola
9. TD Canada Trust
10. Ford

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Canada's Most Supportive Sponsors by Industry Categories

1. McDonalds within the restaurant sector
2. Coca- Cola for soft drinks
3. Air Canada in airlines
4. Ford – Lincoln in auto category
5. Molson for brewery

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Canada's Most Supportive Sponsors by Industry Categories

6. TD/Canada Trust for bank or FI
7. Shell for energy or petroleum company
8. Bell for Telecommunications
9. Apple for technology
10. WalMart for large retailer

38% of Quebec felt BMO was the most supportive FI

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Canada's Most Important Annual Events / Properties

1. Carnaval du Quebec – (Winter festival)
2. Stanley Cup Playoffs (Annual sport event)
3. Montreal Canadiens (Sports team)
4. Montreal Jazz Festival (Music festival)
5. Cancer (Health causes)
6. Terry Fox Run (Run, Walk or Bike)
7. CNE (Exhibition or fair)

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Why do brands get involved in sponsorship according to Canadian consumers?

1. 92% of Canadians believe it is for people to see their brand name
2. Majority say it is to enhance their brand image as good corporate citizens
3. Canadians know it is to create brand loyalty

Others are:

- Support causes, athletes
- Sample product
- Entertain clients
- Obtain sales leads
- Differentiate themselves

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Who influences brand loyalty?

- 69% of Canadians said they would prefer to do business with a brand who supports their favorite causes
- 53% said the same for arts / cultural events
- 45% said the influence is there for sport

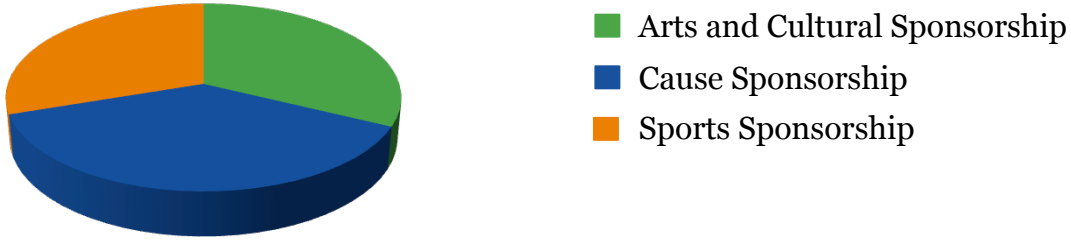
Interesting CSR Insight: Higher income Canadians are more likely to conduct business with sponsors of their favorite properties

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Consumer Sponsorship Rankings 2012

Who influences brand loyalty?

- ✓ 35% of Canadians said they pay more for brands that supported their arts and cultural organization, **57% said the same when the sponsorship is related to a cause** and only 32% would do so in regards to sports



- ✓ **Interesting CSR Insight:** More than 2/3 of higher income Canadians would pay more if a favorite cause is supported

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Consumers thoughts on sponsorship methods

- 2/3 of consumers felt donating prizes to a cause or sport was an appealing or very appealing approach
- Giving cash actually ranked second!
- Providing volunteers and staff was also important as was handing out samples and marketing of the event

Interesting CSR Insight: Signage at events ranked in bottom of top ten and "naming of an event" ranked **last overall**!

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

How active are the consumers?

- 76% frequently or occasionally watched sports on TV
- Almost 50% of Canadians attended alive amateur sport event in the last year
- 36% participated in a walk or run
- 50% of Western Canadians attended fairs or agricultural events

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Sport Supplement Overview

- Almost 50% of Canadians attended an amateur sport event in 2012
- Quebec residents more likely than the rest of Canadians to attend a amateur sport event
- Other top events for Canadians were CFL, Auto Racing and Curling

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Sport Supplement Overview

- 2/3 of amateur hockey and CFL fans prefer to conduct business with sponsor of their favorite sports
- 45% of the general public prefers to conduct business with sponsors of their sport
- Nearly 50% of auto racing fans in Canada would spend more money for products if the brand made a meaningful contribution to the sport or team

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Charities and Cause Sector Supplement Overview

- 43% of Canadians claim to have supported Red Cross
- 37% to UNICEF and 17% to World Vision Canada
- Eastern Canadians most likely to support Red Cross
- ¾ of CARE supporters prefer to do business with sponsors
- Nearly 2/3 of CARE supporters would pay more for product if a sponsor made a contribution to CARE

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Charities and Cause Sector Supplement Overview

- Middle income earners are more favorable of World Vision Canada than other Canadians
- The vast majority of Canadians were unable to name sponsors of World Vision, Red Cross, CARE or UNICEF
- Sponsor recall is poor across the whole country when associated to charities and causes

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Charities and Cause Sector Supplement Overview

- Over 25% of Canadians recognized cancer as the most important health related charities
- The Terry Fox run was recognized as the most important fundraising event in Canada, twice that if the United Way or Run for the Cure

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Charities and Cause Sector Supplement Overview

- BMO ranked as #1 recognized sponsor of World Vision with Bell #2
- BMO ranked as #1 recognized sponsor of Red Cross with Scotiabank #2, TELUS #3 and RBC #4
- Bell ranked #1 as recognized sponsor of UNICEF followed by Rogers in #2

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Financial Sector Supplement Overview

- 29% of Canadians feel financial institutions are "extremely" supportive in sponsorship and 38% "very" supportive
- Among Canadians who own stocks or mutual funds, RBC is seen as most supportive
- On unaided recall, 22% believe TD Canada Trust is the most supportive FI in Canada

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Financial Sector Supplement Overview

- Canadians are much more likely to recognize their own bank's contributions
- 81% of RBC customers believe their banks supports arts, sports and causes
- Most Canadians could not name properties their bank supports!

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Financial Sector Supplement Overview

- Canadian were asked (as a test) to name something sponsored by Scotiabank and 80% were unable to

- By comparison, when Scotiabank customers were asked the same question 45% could name a property

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Telecommunications Sector Supplement Overview

- 2/3 of Canadians believe Telco's are supportive of the arts, causes and sport
- Quebec residents and high income earners are more likely to believe Telcos are supportive
- 32% of Canadians viewed Bell as most supportive of sponsorship followed by Rogers, then TELUS at about half of Bell and SHAW and others very small numbers

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

CONSUMER SPONSORSHIP RANKINGS 2012

Telecommunications Sector Supplement Overview

- Cable users were considerably more likely to recognize Rogers or TELUS than anyone else
- Only 8% of SHAW cable users named SHAW
- When tested to name a property sponsored by TELUS, 87% of Canadians could not do so
- Quebec residents were the most likely than others to be aware of TELUS sponsorships

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

THE EVER CHANGING WORLD OF SPONSORSHIP

- ✓ **IMAGINE Canada study shows 56% of Canadian corporations switched from philanthropy to corporate sponsorship in the preceding year**

Imagine Caring Company / Une entreprise généreuse

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Measuring Outcomes Details

- ✓ There are several approaches to determining ROI
- ✓ The industry is too fragmented for one system to work alone – some consulting agencies think “one system fits all” – we disagree
- ✓ What works for GoodLife Fitness may not work for Nexen or Potash Corporation

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

- ✓ Like “traditional media” measurement, TV needs to be measured different from outdoor and from radio and from internet
- ✓ The measurement systems evolve
- ✓ For our clients we measure based on objectives and custom design the system to meet their needs and objectives
- ✓ This is different measurement from “outcomes for the charity” – this is about you!

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

You need to know your outcomes first what are you trying to achieve?

- ✓ Increased sales
- ✓ Increased brand recognition
- ✓ Employee retention
- ✓ Employee acquisition
- ✓ New product launch
- ✓ Community recognition and appreciation
- ✓ Crisis management issues
- ✓ … OTHERS

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

- ✓ Most fail to set the objectives for sponsorship prior to investing little alone measuring success
- ✓ Sponsorship success can be measured accurately from investment value to ROI
- ✓ **Social media valuation – how are you measuring this in your investments?**

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Measuring Tools

- ✓ Measuring value at outset at time of investment
- ✓ Each asset you buy can have a tangible value assigned – companies to provide this 3rd party integrity to properties and for sponsors to ensure the work is accurate if in house not available
- ✓ Logo on web site, sign at event, sampling

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Measuring Tools

Determine real market value

- ✓ Logo on a web site – 1/3 of a cent X number of unique users to web site
- ✓ Value of a ticket to an event where the event fills 80% of the house minimum
- ✓ Value of a logo in an ad or commercial – 5% of the buy
- ✓ Value of a tweet or posting
- ✓ Value of sampling product

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Measuring Tools

✓Measuring ROI is the #1 challenge for social media marketing

✓ 96% measured a brand's effectiveness by number of fans or followers

✓89% measured effectiveness of their social media program by traffic to the web

✓Only 16% are using social media CRM systems

✓ **For sponsorship there is way more definitive values and ROI metrics available**

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Five Essentials in every measurement:

1. Know what you are trying to achieve – sales or whatever
2. Determine the “growth or objective” - %age
3. Know pre-sponsorship numbers
4. Survey / track for post sponsorship numbers
5. Determine success – can be set in a ratio

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Sponsorship Marketing Dashboard:

- Access through Sponsorship Marketing Council of Canada
- Excellent tool
- Looks at Key Performance Indicators (KPI) similar to what we have discussed
- Acknowledges that sponsorship is a multiplatform products and must be measured accordingly

SMCC
Sponsorship Marketing Council of Canada
Conseil canadien sur la commandite

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Case Discussions

- ✓ XEROX and Toshiba with Canada Games
- ✓ Talisman Centre – Lindsay Park
- ✓ EnCana and “Fire Within Foundation”
- ✓ Enerflex and MS Society
- ✓ CIBC Run for the Cure
- ✓ Gulf Canada Caring for the Community Campaign
- ✓ SaskEnergy and objectives

Case Discussions

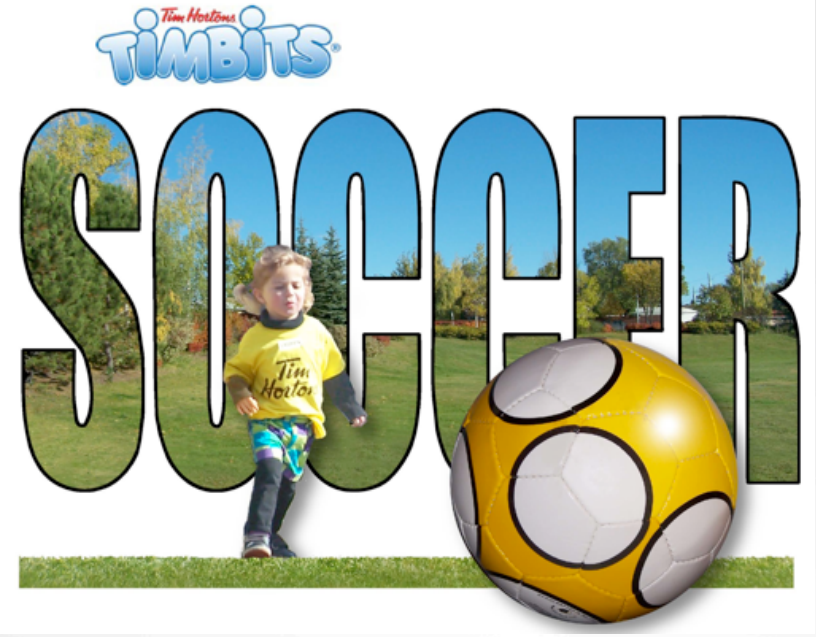
art gallery of alberta

ATB Financial

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Case Discussions



The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Case Discussions

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Industry Blunders

- ✓ KFC blundered in 2010 with their double down fat chicken burger at the same time as the breast cancer launch for pink buckets of chicken
- ✓ In 2011 they did it again with Mega Jug of Pepsi for just $2.99 with $1 of that going to Juvenile Diabetes (800 calories and 56 spoonfuls of sugar)

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

ROI versus “Benefactor Outcome” Discussion

- ✓ Is it truly about helping and “giving back”? If so why do you need recognition?
- ✓ How is the benefactor delivering results? This needs to be measured but outside your ROI

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

MEASURING ROI

PROGRESS Magazine – February 2013

> "I made my fortune as an engineer working in finance, but it was my knowledge of and passion for marketing that made the difference. I often refer to myself as someone who applies marketing approaches to my charitable work. Marketing levers the impact of both business and philanthropic pursuits."

Brett Wilson

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

QUESTIONS?

The Conference Board of Canada
Insights You Can Count On

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca

Thank You

Please visit
our website for more
information

PARTNERSHIPGROUP
Sponsorship Specialists
www.partnershipgroup.ca