

# IEG Sponsorship Report

The latest on sports, arts, cause and entertainment marketing



June 30, 2010

Published by IEG, LLC | [www.sponsorship.com](http://www.sponsorship.com)

## Marketers Want Sponsorship And Event Metrics But Lack Necessary Capabilities, ANA/IEG Survey Shows

June 23, 2010:

**More than half of respondents report that no standard measurement process is in place**

NEW YORK – While client-side marketers say that measurement, evaluation and accountability are critical to measuring the success of sponsorship and event marketing programs, 65 percent are not taking the necessary steps to determine the results of those activities, a new survey by the ANA (Association of National Advertisers) in partnership with IEG concludes. This inconsistency is leaving marketers unprepared to answer the key question of value when it comes to these activities.

Key findings of the study are:

- Only 35 percent of respondents "always or almost always" measure their sponsorship and event marketing activities' returns.
- Nearly half of firms with annual revenues of \$5 billion or more measure results always or almost always, as compared to 25 percent of firms with revenues under \$5 billion.
- At the same time, nearly 8 in 10 respondents said the need for validated results for their sponsorship and event marketing initiatives has increased in the past two years as a result of having to justify expenditures to senior personnel.
- **More than half of respondents (53 percent) do not have a standardized process for measuring sponsorship initiatives.**
- Among marketers that do have a standardized measurement process:
  - Fourteen percent are "completely / very satisfied" with their company's abilities to measure sponsorship/event marketing ROI
  - Eighteen percent are completely / very satisfied with their company's abilities to measure those programs' ROO (return on objective).

"Accountability reigns supreme in all aspects of marketing," said ANA President and CEO Bob Liodice. "This survey should serve as a wake-up call to marketers, urging them to define ROI / ROO metrics for success and hold themselves accountable, as upper management is sure to do."

"It is time for sponsors and event marketers to stop taking the easy way out when it comes to evaluating success and make the necessary investment of resources to determine whether their partnerships in sports, entertainment, causes, etc. are delivering the proper return," added IEG CEO Laren Ukman.

The survey found no universal tool for measuring effectiveness of sponsorship initiatives.

Metrics most widely used by respondents include:

- Sales activity (61 percent)
- TV logo exposure (55 percent)

- Lower customer acquisition cost (49 percent)
- Lead generation (48 percent)

Metrics most widely *valued* by respondents include:

- Sales activity (93 percent)
- Attitudes toward brand (81 percent)
- Lead generation (78 percent)
- Response to sponsorship / event-related promotions / ads (76 percent)

Despite being the second-most utilized metric, TV logo exposure ranks among the lowest in terms of value (52 percent).

Other survey highlights include:

- Fifty-nine percent of respondents do not have a dedicated sponsorship / event marketing measurement budget.
- On average, roughly two percent of sponsorship expenditure is budgeted for measurement.
- Sixty-two percent of respondents believe it is extremely / very important for the property sponsor or event organizer to provide measurement information.
- The information respondents most often seek from partners include:
  - Audience demographics (85 percent)
  - Audience research on sponsor recognition / recall (72 percent)
  - Audience research on attitudes toward sponsors (70 percent)
- One-third of the firms surveyed (34 percent) report that they outsource the measurement of their sponsorship initiatives.
- Outsourcing measurement is greater among B-to-C companies (41 percent) as compared to B-to-B companies (28 percent)

This study was conducted online in May 2010, among a sample of 102 client-side marketers in companies which were involved in specific initiatives for sponsorship and / or event marketing, and which actively measured the return from these initiatives at least some of the time.

#### **About the ANA**

Founded in 1910, the ANA (Association of National Advertisers) leads the marketing community by providing its members with insights, collaboration, and advocacy. ANA's membership includes 400 companies with 9,000 brands that collectively spend over \$250 billion in marketing communications and advertising. The ANA strives to communicate marketing best practices, lead industry initiatives, influence industry practices, manage industry affairs, and advance, promote, and protect all advertisers and marketers. For more information, visit [www.ana.net](http://www.ana.net).

#### **About IEG**

IEG is the world's leading provider of independent research, consulting, training and analysis on sponsorship. Founded in 1981, IEG provides corporations and properties with the strategies and tools to harness the sales and marketing power of sports, arts, entertainment and cause marketing. IEG offers services that include

sponsorship consulting, competitive intelligence and valuation. IEG also publishes *IEG Sponsorship Report* and other industry publications and sources. Its internationally renowned Sponsorship Conference, now in its 28th year, attracts a capacity crowd of delegates each year. Through its conferences, seminars and webinars, IEG has trained more than 45,000 sponsorship executives worldwide. For more information, visit

[www.sponsorship.com](http://www.sponsorship.com)

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