July 2012

CSLS

Canadian Sponsorship Landscape Study

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Research Partners:

uOttawa
Faculté des sciences de la santé
Faculty of Health Sciences

TrojanOne

IMI INTERNATIONAL

Co-Presenting Partners:

SMCC Sponsorship Marketing Council of Canada
Conseil canadien sur la commandite

CANADIAN SPONSORSHIP FORUM

6th Annual Canadian Sponsorship Landscape Study

As researched by

University of Ottawa Faculty of Health Sciences, TrojanOne and IMI International

As presented by

Sponsorship Marketing Council of Canada and Canadian Sponsorship Forum

CSLS Canadian Sponsorship Landscape Study

Introduction

Sixth Annual Canadian Sponsorship Landscape Study

The Canadian Sponsorship Landscape Study (CSLS) is an annual survey of Canadian sponsors, sponsees and agencies that aims to provide an overview of the sponsorship industry in Canada.

The study takes an academic approach to examining industry resources to provide information that is relevant for the sponsorship sector in Canada. Data is collected anonymously and ethically through a secure website. Over the past 6 years, the study has engaged several partners. The Canadian Sponsorship Forum and the Sponsorship Marketing Council of Canada as presenting partners, where the findings are regularly presented at each organization's annual conference, as well as IMI International, the University of Ottawa and TrojanOne as key research partners.

In order to serve its purpose and ensure the findings are readily available and can be applied broadly, the survey report is available to the public at no cost.

Please note that all amounts presented in this report are in Canadian dollars, unless indicated otherwise.

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1.1 Authors

Dr. Norm O'Reilly, Lead Researcher

Norm O'Reilly is an accomplished scholar and active business professional. He is full-time, tenured professor at the University of Ottawa's Faculty of Health Sciences, specializing in sport business. Norm is also a minority owner and Senior Advisor with TrojanOne. As an advisor, he is involved with the sponsorship and marketing consulting team at TrojanOne where his projects include sponsorship audits, evaluations, and revenue generation modeling. Previous clients have included the Canadian Paralympic Committee, Athletics Alberta, Carleton University, City of Calgary, Nike and Speed Skating Canada.

Prior to joining to the University of Ottawa, he previously taught at the David Falk Center for Sport Management at Syracuse University, the Graduate School of Business at Stanford University, the School of Sports Administration at Laurentian University where he also served as a former School Director and Director of the Institute for Sport Marketing, and the Ted Rogers School of Management at Ryerson University. Dr. O'Reilly is an active researcher and he has published 5 books, over 50 articles in refereed management journals and more than 100 conference proceedings and case studies in the areas of sport management, tourism marketing, marketing, risk management, sport finance, and social marketing. He is the former North American Editor of the Journal of Sponsorship and sits on the editorial boards of the International Journal of Sport Finance, the International Journal of Sport Communications, and is a Regional Editor for the Sport, Business, and Management Journal.

Norm has considerable experience as a volunteer Board Member and Executive Board Member of multiple organizations (including the Canadian Olympic Committee, Diving Canada and Triathlon Canada), employee, and consultant. Prior to joining academia, Norm had involvement as an administrator, including Senior Policy Officer at Sport Canada, Team Manager & Office Manager at Triathlon Canada, and Event Manager for the 2008 Toronto Olympic Bid. He has been a member of the 2004, 2008 and 2010 Mission Staff for the Canadian Olympic Committee at the Olympic Games.

1.1 Authors

Elisa Beselt, Researcher

Elisa is a key member of TrojanOne's Consulting team. With a Master of Human Kinetics degree specializing in sport management from the University of Ottawa as well as a Bachelor of Physical and Health Education and Bachelor of Arts degrees from Queen's University, Elisa has a strong background of research, analysis and strategy development.

She has been the lead analyst on some of the Consulting team's largest projects, including research into sport participation patterns for Nike Canada, a review of the grassroots and community sport corporate partnership landscape for Esso, and a sponsorship analysis and strategy development for Speed Skating Canada. Her expertise in sport has also extended to other national sport organizations, including projects with Ringette Canada and Hockey Canada.

Prior to joining TrojanOne, Elisa was involved with Skate Canada where she analyzed and reported on the economic impact of various domestic and international figure skating events as well as developed event hosting guides for local organizing committees.

Anne-Andrée Sirois, Associate Researcher

With a trilingual (French, Spanish, English) base, Anne-Andrée completed a Master of Human Kinetics degree with a specialization in sport management from the University of Ottawa.

In the winter of 2012, Anne-Andrée completed an internship with the Consulting Group and remains involved as a co-author of the CSLS. Prior to joining TrojanOne, Anne-Andrée worked with Service Canada and currently works for the Coaching Association of Canada as the coordinator of finance, administration and international programs.

She is also involved in the creation of the Gatineau Rowing club as a co-founder and corporate secretary. At the same time she is pursuing an international career on the El Salvadorian rowing team.

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2. Acknowledgements

Key people and organizations who have supported the current CSLS.

1.2 Acknowledgements

The authors would like to sincerely thank the following people for their contributions:

Each and every respondent of the survey for taking the time to provide us with the data needed to complete such a study

Rosanne Leung, Grace Min and the organizing team of the Canadian Sponsorship Forum as well all 2012 Canadian Sponsorship Forum delegates

Don Mayo, Ivan Mutabdzic and Marissa Potts and IMI International

Susan Charles, Randy Scotland, Lucie Lamoureux, and Paul Hetu and the Sponsorship and Marketing Council of Canada

Mark Sabourin and the Sponsorship Report

Michelle Conte, David Corelli, Adam DeGrasse, Nura Eston, Mark Stewart, Sarah Khan, Mark Harrison, Christine Lee and Karen Stern and TrojanOne

Dr. Benoit Seguin and the University of Ottawa

2 Background

1. History
The evolution of the study.

2. Purpose
What is the CSLS?

3. Organizations
The partner organizations on the CSLS.

2.1 History

Background

This year marks the sixth annual Canadian Sponsorship Landscape Study (CSLS). The study began in 2007 as a way to meet several needs apparent in the Canadian sponsorship industry.

First, following the 2006 Canadian Sponsorship Forum, many delegates, including key sponsorship professionals, noted that the support for sponsorship as a marketing tactic was predominantly anecdotal and there was a need for evidence to support and enhance recommendations for best practices for sponsorship in Canada.

Additionally, during this time there was a push within academia to formalize the field of research and provide academic literature on sponsorship, especially with regards to it's professional application. Finally, anecdotal disconnect within the industry, often between sponsors and sponsees, created the need for evidentiary support. The Canadian Sponsorship Landscape Study was born out of all of these needs in 2007 and continues to meet these demands today.

2.1 History

CSLS Timeline

Since the study's inception in 2007, the findings have been presented at key industry gatherings on an annual basis.

2007

Toronto International Film Festival, Toronto
Canadian Sponsorship Forum

2008

World Hockey Championships, Halifax
Canadian Sponsorship Forum

2009

Quebec Winter Carnival, Quebec
Canadian Sponsorship Forum

2010

Paralympics, Vancouver
Canadian Sponsorship Forum

Creating Opportunities, Toronto
Sponsorship Marketing Council of Canada

2011

Formula One, Montreal
Canadian Sponsorship Forum

Upping the Ante, Toronto
Sponsorship Marketing Council of Canada

2012

Just for Laughs, Montreal
Canadian Sponsorship Forum

Trailblazing, Toronto
Sponsorship Marketing Council of Canada

2.1 History

Six Years of Data

In 2012, as in the previous five years of the study, the analysis was based on data collection utilizing six different surveys. The first survey specifically targeted agencies, the second sought input from sponsors and the third focused on sponsees. There was an English and French version of each of these surveys, for a total of six.

Data collection for the 6th Annual Canadian Sponsorship Landscape Study commenced in February 2012 and closed June 2012. Respondents were asked to report on their sponsorship budgets and sponsorship situation in the 2011 calendar year. This report reflects the sponsorship trends from 2011. Interim results were presented at the Sponsorship and Marketing Council of Canada's conference in Toronto on April 4, 2012. A selection of final results were presented at the Canadian Sponsorship Forum in Montreal on July 25, 2012.

Study Version	Year Respondents Report on Sponsorship	Year of Data Collection and Analysis
1st Annual CSLS	2006	2007
2nd Annual CSLS	2007	2008
3rd Annual CSLS	2008	2009
4th Annual CSLS	2009	2010
5th Annual CSLS	2010	2011
6th Annual CSLS	2011	2012

2.1 History

2006 Learnings

Sponsors

- Sponsors spent 16.7% of marketing budgets on sponsorship
- Sport captured a significant percentage of sponsorship spending at 53%
- More than 52% reported not investing at all in sponsorship evaluation and only 27% reported using ROI methods as part of their evaluation
- Sponsorship evaluation was 7.8% of sponsorship budget
- The activation ratio was 0.42 to 1
- The industry size was estimated at $1.1 billion

Sponsees

- The sponsorship revenue reported in 2006 was almost twice that of 2005
- 42.3% of sponsees reported not investing anything in leveraging activities, while 52% indicated that they invest on average 10% or more of their sponsorship revenue in leveraging

Agencies

- When agencies were used by sponsors and/or sponsees, evaluation and leveraging activities were significantly more likely to happen

2007 Learnings

Sponsors

- Sponsors spent 15.5% of their marketing budget on sponsorship
- 39% of sponsors expected more sponsorship spending in 2008
- Sponsorship evaluation was 4.5% of sponsorship budget
- The activation ratio was 0.46 to 1
- The industry size was estimated at $1.22 billion (9.8% increase from 2006)

Sponsees

- 21.3% of sponsees did not leverage or activate
- 64% expected an increase in 2008 sponsorship revenue
    - Average increase of 57%

Agencies

- Sponsorship was a large component of revenues and was growing
- When an agency was involved, activation and evaluation were much more likely to occur

2.1 History

2008 Learnings

Sponsors

‣Immense opportunities identified in the not-for-profit sector, which represented $713 million in sponsorship spending
‣Sponsors expected sponsorship in 2009 to decline
‣The external influence is important: there was particular concern regarding Vancouver 2010 and the economic crisis
‣The activation ratio was 0.71 to 1
‣The industry size was estimated at $1.28 billion (considerable growth from 2007)

Sponsees

‣Immense opportunities in not-for-profit sector, which represented $713 million in sponsorship spending
‣Sponsees expected growth in future sponsorship revenue

Agencies

‣Agencies did not expect much change in sponsorship billings in 2009
‣Agencies continued to use a sophisticated approach - they activated at a ratio of 1.5 to 1 and 74.9% of sponsorships that were worked on by agencies were evaluated

2009 Learnings

Sponsors

‣Sponsorship spending ‘survived’ the economic crisis
‣Sponsorship spending remained stable within marketing communication budgets
‣When forecasting 2010, sponsors were cautious
‣Investment in evaluation declined
‣Sport was the most dominant area of sponsorship spending
‣In-kind sponsorship was becoming more popular, especially for very large sponsors
‣The industry size was estimated at $1.43 billion (2.9% increase from 2008)

Sponsees

‣When forecasting 2010, sponsees were optimistic
‣Respondents considered ambush legislation around the 2010 Olympic Games unnecessary
‣Sponsees were under-servicing sponsors in all key areas

Agencies

‣Sponsorships were ‘smarter’ when agencies were involved - more activation and evaluation
‣People in the industry were very worried about the economy, human resources, ROI and activation

2.1 History

2010 Learnings

Sponsors

‣43.5% of sponsors expected their sponsorship budget (rights fees and activation) to remain the same for 2011
‣41% stated that ROI from sponsorship has decreased or remained the same
‣Satisfaction (i.e., very satisfied and satisfied) with their sponsorship increased marginally from 41.5% in 2009 to 45.7% in 2010

Sponsees

‣The vast majority of Canadian sponsees had small to moderate amounts of sponsorship revenue
‣Not-for-profit sponsees accounted for 83.7% of sponsees in the study
‣The average amount of cash sponsorship that a not-for-profit sponsee received annually was $1.45 million, with an average of $37,292 per sponsorship

Agencies

‣Over 75% of all study respondents did not use an agency for sponsorship
‣The mean annual billings for sponsorships work was $2,410,446
‣The activation ratio when an agency was involved was 0.89:1 compared to 0.62:1 overall

2 Background

2.2 Purpose

Canadian Sponsorship Landscape Study

The purpose of the Canadian Sponsorship Landscape Study is to respond to an expressed industry need and conduct a survey of Canadian sponsors, sponsees and agencies to provide an overview of the sponsorship industry in Canada.

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EICC
Étude sur l'industrie de la commandite au Canada

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2.3 Organizations

Overview

Since 2006, the group responsible for carrying out the study on the sponsorship industry in Canada has gained momentum. During the first year, the group brought together members of the University of Ottawa, Ryerson University and the Institute for Sport Marketing. Two years later, the Sponsorship and Marketing Council of Canada joined the team as co-presenter of the study. The Sponsorship Report and AthletesCAN have both been part of the team throughout the years.

In 2012, the partners of the study were IMI International, the University of Ottawa and TrojanOne as research partners and the Canadian Sponsorship Forum and Sponsorship Marketing Council of Canada as presenting partners.

IMI International

IMI International is a full-service marketing consultancy - leveraging consumer marketing research - specializing in the optimization of brand activations. Established in 1971, IMI International is globally recognized for its work in the pre- and post-evaluation of consumer marketing efforts and has developed proprietary consumer research methodologies and success thresholds that serve to improve our clients' return on marketing investment.

As a leading market research firm, IMI supports the CSLS through the provision of a secure website that allowed for survey administration, data collection and storage, development of best practices and accountabilities in the field of sponsorship marketing Canadian sponsorship properties.

Additional information regarding IMI can be found at http://www.consultimi.com/

University of Ottawa

The initial Canadian Sponsorship Landscape Study research was spearheaded by the Institute for Sport Marketing (ISM) at Laurentian University. Several researchers, professors and students worked extensively to launch the first edition of the study in 2007. Currently, lead CSLS investigator Dr. Norm O'Reilly is an associate professor in the School of Human Kinetics in the Faculty of Health Sciences at the University of Ottawa,

2.3 Organizations

Overview

TrojanOne

Since coming to life on May 16, 1994, TrojanOne has grown to be a leader in the sponsorship industry. With a presence in four major Canadian cities – Vancouver, Toronto, Ottawa and Montreal – the agency combines a grassroots mindset with a truly national perspective.

In an ever-changing market, being entrepreneurial is vital to becoming an industry leader. The TrojanOne team continually monitors industry horizons, identifying trends, insights and best practices. This refusal to settle for the status quo manifested itself in the creation of the Canadian Sponsorship Forum in 2005.

It is also evident in the new products and services constantly being developed and offered by the sponsorship and marketing consulting group, a team that tirelessly devotes itself to being industry experts. This dedication to excellence means that TrojanOne has been fortunate to work with and learn from some of the leading brands, companies and organizations in Canada, including Coca-Cola, BMO, the Canadian Breast Cancer Foundation and ParticipACTION.

Additional information on TrojanOne can be found at http://trojanone.com/

Canadian Sponsorship Forum

The Canadian Sponsorship Forum (CSF) debuted in 2005 and since then has been delivering best-in-class sponsorship data and information while partnering with the most successful Canadian sponsorship properties. The Forum is famous for bringing together the key decision makers of Canada's sponsorship and marketing industry, at one of the country's premier sponsorship events. This unique conference format allows the Forum to provide a setting that is arguably the paramount professional development event of its kind.

Delegates are completely immersed in presentations directly applicable to the most important aspects of the industry, with best practices, key learnings, and the most current and relevant data made available. The CSLS has been presented as a key component of this event since 2007.

Additional information on the CSF can be found at http://www.canadiansponsorship forum.com/

2.3 Organizations

Overview

Sponsorship and Marketing Council of Canada

Formed in 2004 under the auspices of the Association of Canadian Advertisers, the Sponsorship Marketing Council of Canada (SMCC) was created to advance the development of best practices and accountabilities in the field of sponsorship marketing.

As the Canadian sponsorship marketing industry's pivotal organization, the SMCC's mission is to help advertisers drive maximum returns on sponsorship marketing investments. Specifically, this council serves as a resource for Canadian industry stakeholders to enrich their understanding of sponsorship marketing as a viable and effective MARCOM tool. This is done by creating a body of knowledge that will improve confidence in the power of sponsorship marketing as an accountable marketing communications investment; by encouraging the development of measurement tools and metrics to better define sponsorship marketing's return on investment; by offering education programs to support the development and dissemination of best practices; and by celebrating the discipline's best work through the Sponsorship Marketing Awards.

Additional information on the SMCC can be found at http://sponsorshipmarketing.ca/

3 Methodology

1. Design
Data collection and procedures of the study.

2. Sample
Who are the respondents and how are they recruited?

3. Analysis
Process and techniques used in analyzing the completed surveys.

3.1 Design

Data Collection

In 2012, data collection was completed online, through a secure website provided by IMI International. An option to complete the survey offline was also orovided.   and by paper, with responses being mailed in to the researchers. Most respondents chose to provide their information via the secure online site (71%), but the paper option was also popular (29%).

As the surveys were customized to sponsors, sponsees and agencies, respondents were asked to identify which group they belonged to. Based on this response, they were provided with the relevant survey.

The complete surveys can be viewed in English www.sponsorshiplandscape.ca or in French at www.sondagecommandite.ca.

Procedures

The study included three bilingual surveys: one for each of sponsors, sponsees and agencies. Although they share some common questions, specific questions were developed for each of the three groups of partners (sponsors, sponsees and agencies).

The questions for each survey were initially developed based on a literature review, consultation with delegates from the initial Canadian Sponsorship Forum and the expertise of the researchers. They were originally approved by the ethics board at Laurentian University in 2007 and were approved a university each year of the study. In 2012, they were approved by the University of Ottawa board of ethics.

In subsequent years, questions have been modified, adapted and added based upon the feedback from survey respondents and other partners, such as IMI International, TrojanOne and the Sponsorship and Marketing Council of Canada.

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3.2 Sample

Recruitment

An important procedural element of the CSLS, particularly the inaugural version, was to recruit respondents. This is necessary given the challenges with access to the sample. In the first year, email blasts as well as more than 15,000 phone calls to databases of sponsors and agencies were undertaken. In the years since, the survey has moved to an online model where previous years' respondents, relevant databases, partner email blasts (e.g., SMCC, the Sponsorship Report, The Partnership Group, AthletesCAN, etc.) and word of mouth. In general, response rates were pursued via a recruitment plan which involved databases, leveraging industry contacts and experts.

A number of data sources that could attract any of sponsors, sponsees and agencies were used, including:

(i) email requests to the alumni of the universities associated with the study,
(ii) email requests to past participants of the Canadian Sponsorship Forum,
(iii) email requests to all SMCC members and the SMCC database, including SMCC conference attendees,
(iv) scripted emails to former Canadian Sponsorship Forum speakers and contacts,
(v) scripted emails to key contacts of the researchers, and
(vi) mentions by the Canadian Sponsorship Forum Sales Team and the SMCC Conference Sales Team during sales calls.

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3.3 Analysis

Process

The results from the surveys were compiled and analyzed for various themes offering insight into the sponsorship industry in Canada. Several open-ended questions were asked of respondents in all three groups. Answers were examined and common responses were grouped to develop themes.

For data specific to sponsors, sponsees and agencies, descriptive statistics, correlations and difference of means (i.e., t-tests) were completed to explain the data.

In order to estimate industry size, a stratified sampling technique was used. A database of Canadian companies (purchased in 2007) was used to represent the population of sponsors and potential sponsors. The database was purchased from Global Access Incorporated and included 308,168 companies from Central Canada (Québec and Ontario), 355,729 from Western Canada (Alberta, BC, Manitoba, and Saskatchewan) and approximately 59,000 companies from Atlantic Canada (Newfoundland and Labrador, Nova Scotia, New Brunswick and Prince Edward Island). The database was then divided into segments by region, size and industry; allowing for a sampling procedure that sought to maximize the respondents in each segment.

4 Results

1. Overall
Results from the overall sample.

2. Sponsors
Results from sponsor sample.

3. Sponsees
Results from sponsee sample.

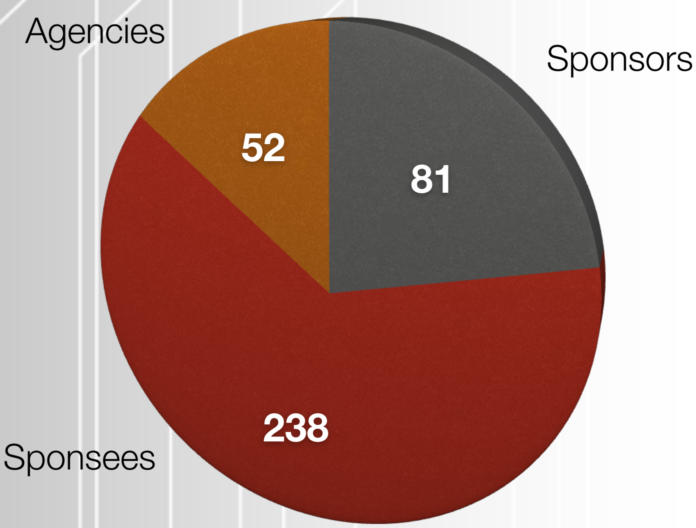
4. Agencies
Results from agency sample.

4.1 Overall

Sample Type

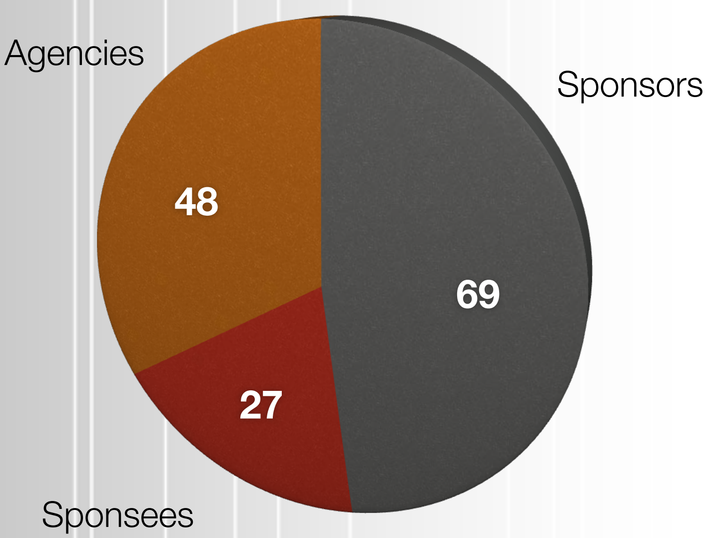
Over half of the 2012 respondents were sponsees. Most sponsors and agencies operated with a for-profit structure, whereas most sponsors operated as a not-for-profit model, although in each case there were exceptions to this trend.

Respondents Organization Type

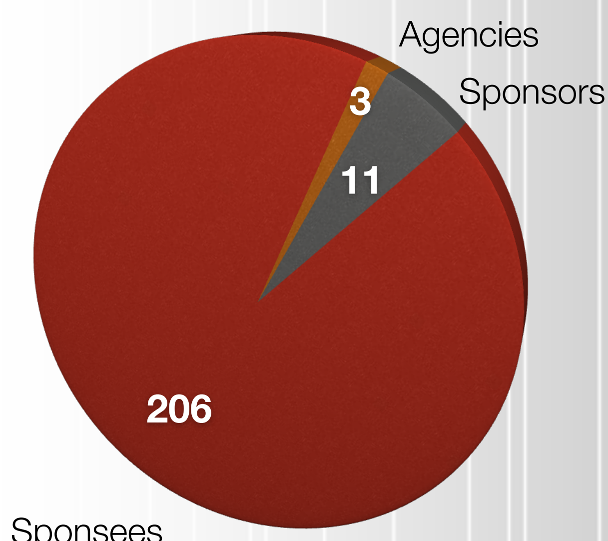


Respondents Profit Structure by Organization Type

For-Profit



Not-For-Profit

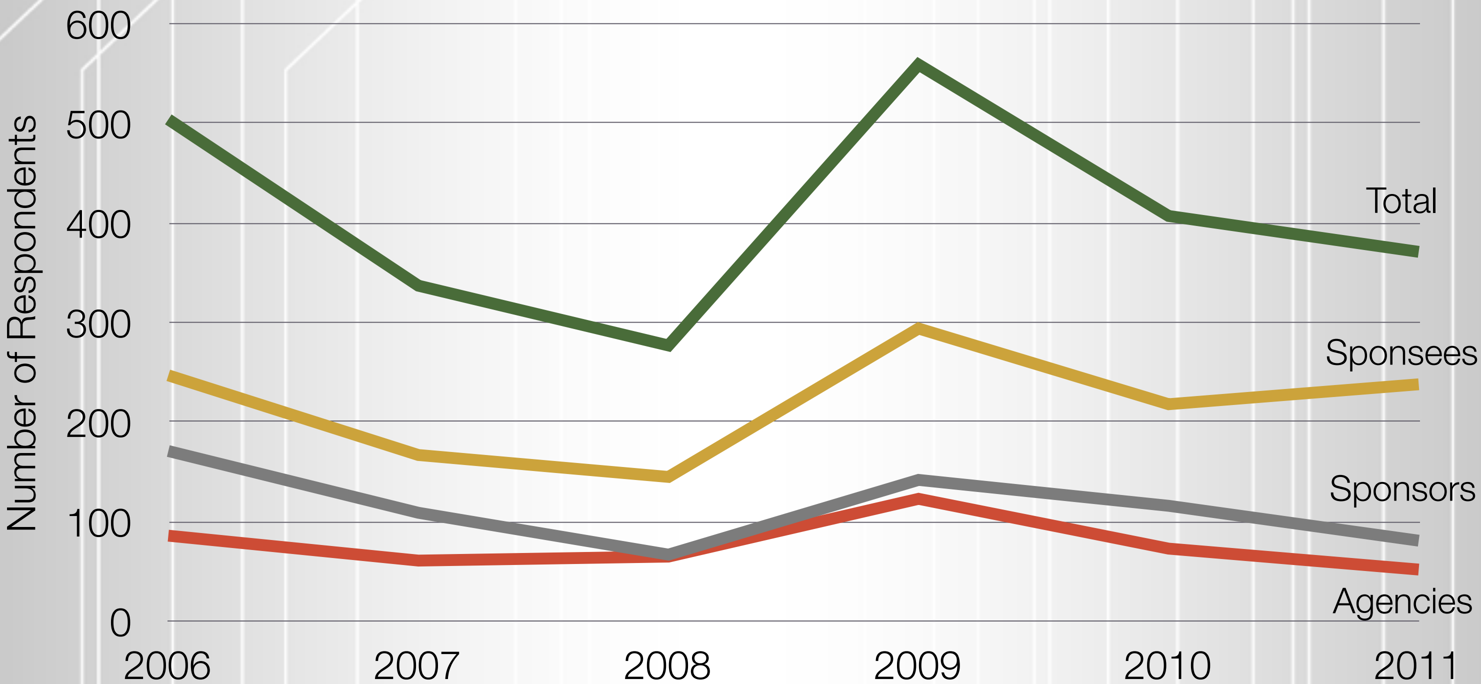


4.1 Overall

Sample Size

The year 2011 marked the sixth year of the CSLS and Canadian sponsorship data. As such, the study continues to strengthen and expand and the longitudinal findings are becoming more robust, allowing for key insights.

Historical Trend of CSLS Respondents



Historical Number of CSLS Respondents

	2006	2007	2008	2009	2010	2011
Sponsors	171	109	67	142	116	81
Sponsees	247	167	145	294	218	238
Agencies	86	61	65	123	73	52
Total	504	337	277	559	407	371

4.1 Overall

Sample Language

The CSLS surveys have been available in both English and French since the inception of teh study. Since 2008, the report is available in both languages. In 2011, 33.2% of respondents chose to answer the survey in French, compared to 8.6% in 2010. French respondents were primarily from Quebec and over 90.0% of English respondents were from West and Ontario.

Respondents Organization Type by Language

	Sponsor	Sponsee	Agency	Total
English	65.4%	66.0%	73.1%	66.8%
French	34.6%	34.0%	26.9%	33.2%

Respondents Geographical Region by Language

	West	Ontario	Quebec	East	Total
English	26.2%	39.0%	2.4%	1.8%	69.5%
French	0.6%	1.2%	28.0%	1.6%	30.5%

Geographical Source of English Respondents

	English
West	37.7%
Ontario	56.1%
Quebec	3.5%
East	2.6%

Geographical Source of French Respondents

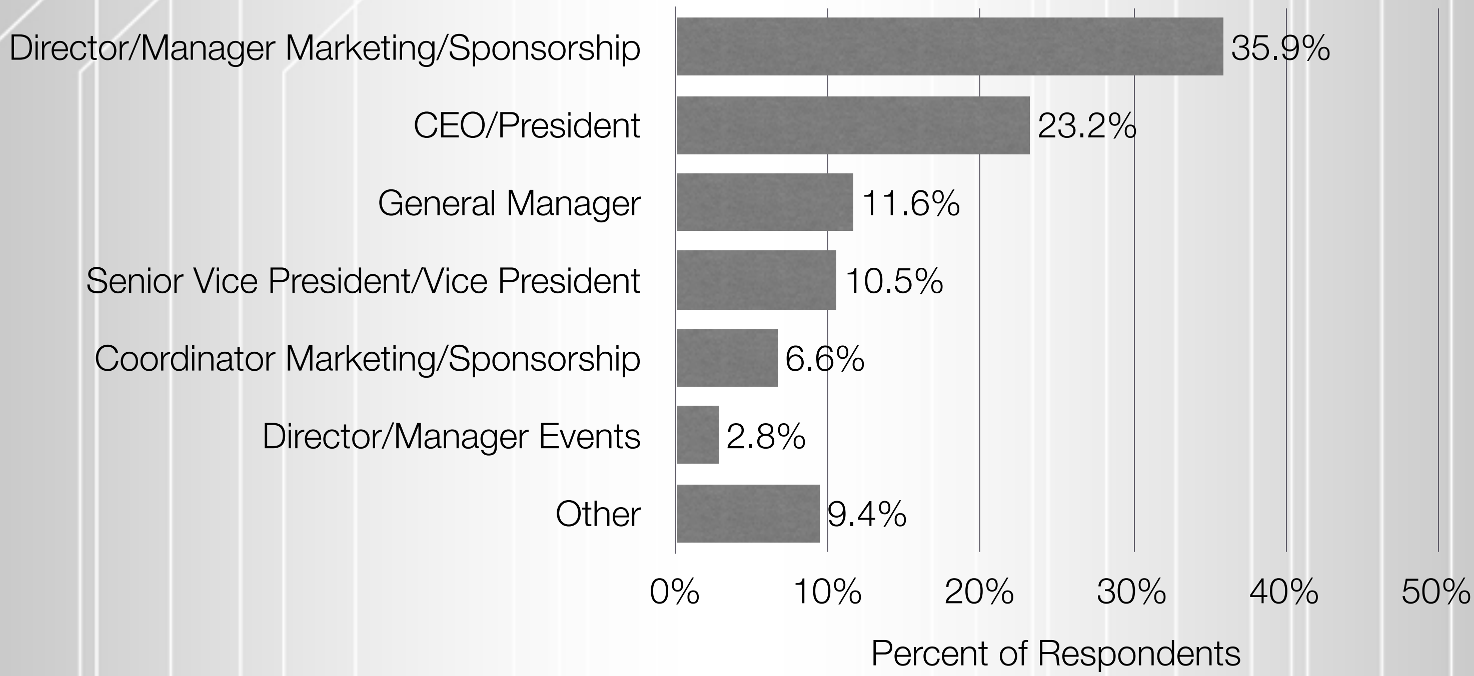
	French
West	2.0%
Ontario	4.0%
Quebec	92.0%
East	2.0%

4.1 Overall

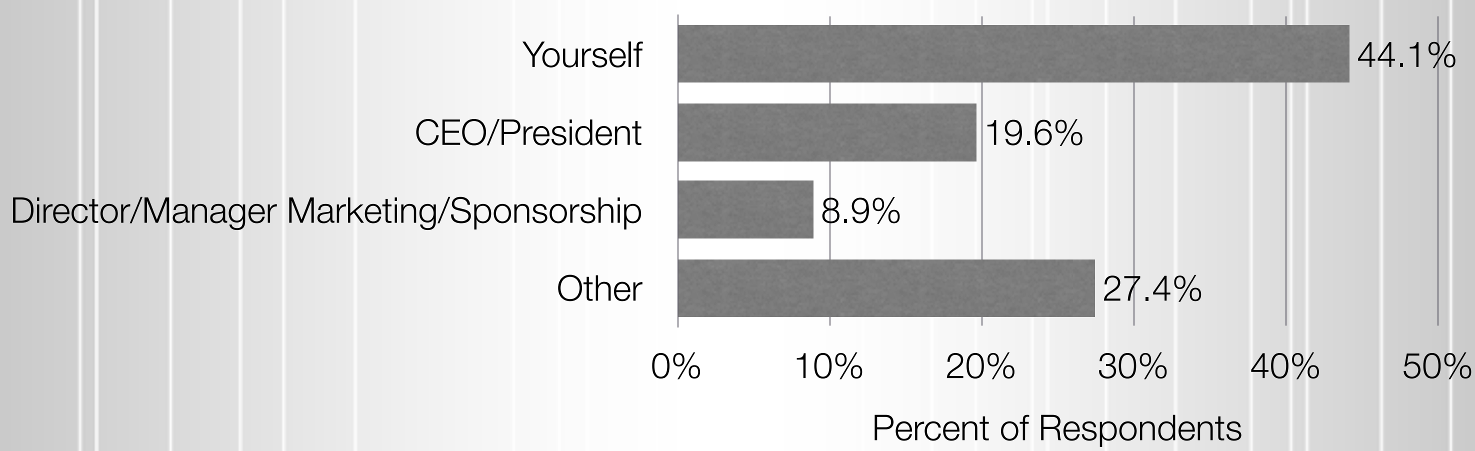
Experience

Survey participants were experts in their field, with over 50% of respondents identified as marketing and/or sponsorship professionals, CEOs or Presidents of their organizations. Having such key decision makers respond to the survey enhanced the results and ensured provided for the greatest accuracy possible.

Respondents' Position Within Their Organization



Key Decision Maker Within Respondents' Organization



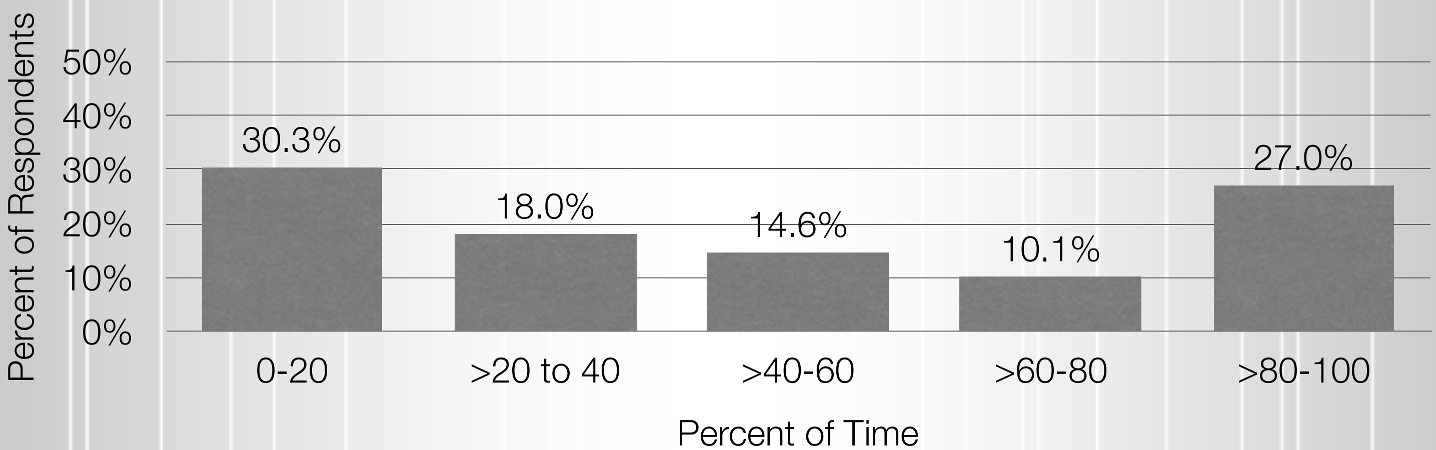
4.1 Overall

Time on Sponsorship

Respondents to the survey, in addition to being key sponsorship decision makers, also devoted a significant amount of time to sponsorship - an average of 50.6%. Nearly one in five respondents devoted all of their time to sponsorship.

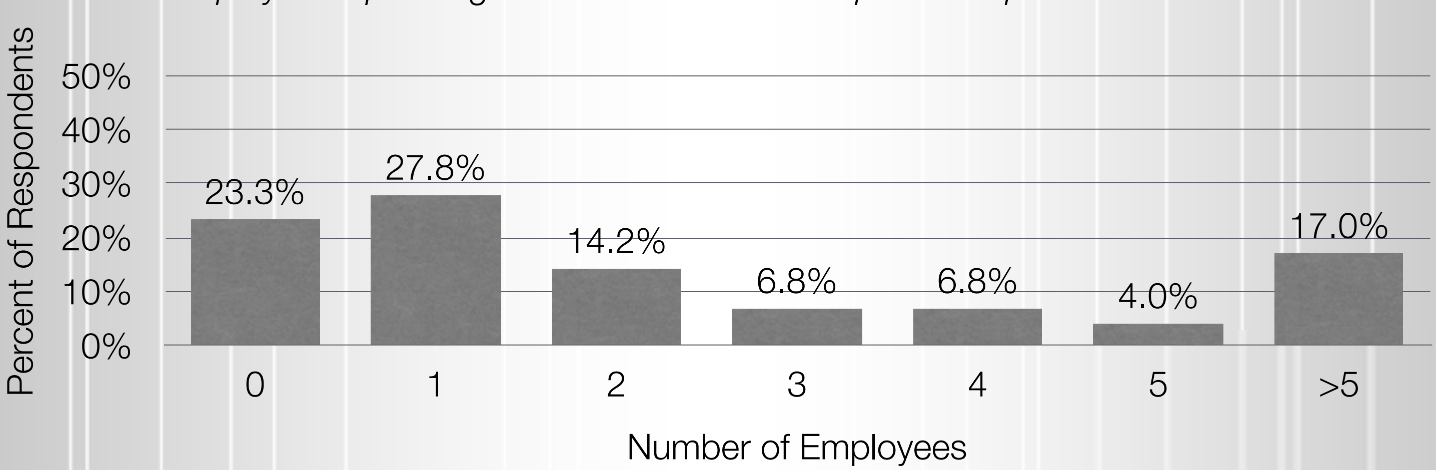
French respondents spent a slightly higher percentage of their time on sponsorship (53.7%) compared to their English counterparts (49.6%). On average, respondents from agencies spent the most amount of time devoted to sponsorship (70.2%), followed by sponsors (57.2%), and sponsees (45.3%).

Percentage of Respondents Time Devoted to Sponsorship



Organizations that responded to the survey had an average of 5.57 employees spend over 25% of their time on sponsorship. Agencies had the most employees devote this amount of time to sponsorship (24.0), compared to sponsors (4.6) and sponsees (2.5). Most organizations only had a few people devote over 25% of their time to sponsorship.

Number of Employees Spending Over 25% of Time on Sponsorship



4 Results

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Results from agency sample.

4.2 Sponsors

Profile

Sponsors represented several diverse industries, including mining, manufacturing, transportation, communications, retail trade, finance, insurance, services, public administration, consumer packaged goods, health, technology and tourism.

Sponsors tended to invest within Canada, with 73.4% not investing internationally and 26.6% investing internationally. For those organizations that did invest internationally, the average investment was $79.7 million (range of $15,000 to over $1 billion), although this is very skewed by a few very large responses. What it does indicate is that most sponsors are focussed within Canada, however for those that do invest internationally, this investment is very large. Additionally, when looking at how much of a sponsors overall sponsorship budget is invested internationally, nationally or regionally, there is a significant focus on local, or targeted spending. On average, budgets are allocated to 6.1% internationally, 20.7% nationally, 0.2% multi-provincially (i.e., Atlantic Canada), 27.8% provincially, 23.7% regionally and 21.6% locally.

Sponsors invested an average of 35.2% (range of 0% to 98%) of their sponsorship marketing budget, or an average of $1,410,350 in properties that operated as for-profit organizations, compared to an average of 64.8% (range of 2% to 100%), or an average of $2,593,650 in properties that operated as not-for-profit organizations.

Sponsors had an average of 4.6 people spend over 25% of their time on sponsorship and sponsorship-related activities.

The average number of sponsorships that a sponsor invested in during 2011 was 100.4 (range of 0 to 1,100).

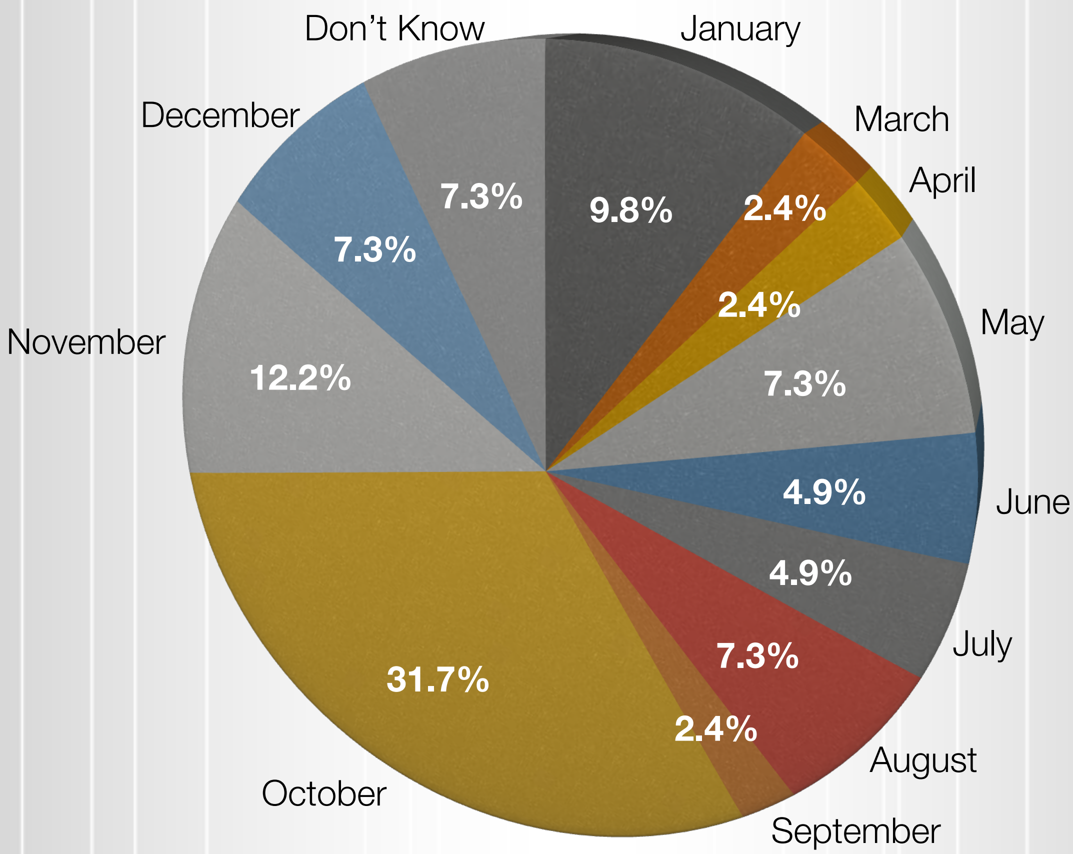
73.1% **Budgets Spent On Provincial, Regional, Local**
64.8% **Not-For-Profit Sponsorships**
4.6 **People Working on Sponsorship**
100.4 **Sponsorships Invested In**

4.2 Sponsors

Making Decisions

Sponsors made sponsorship decisions year-round. For the first time in the history of the CSLS, there has been a month that appears to be more popular in establishing sponsorship decisions - October. This spike in October is not from a specific language cohort, as both English and French respondents were more likely to make sponsorship decisions in October, with 22.9% of English sponsors and 19.0% of French respondents making decisions at this time.

Time of Year for Making Sponsorship Decisions

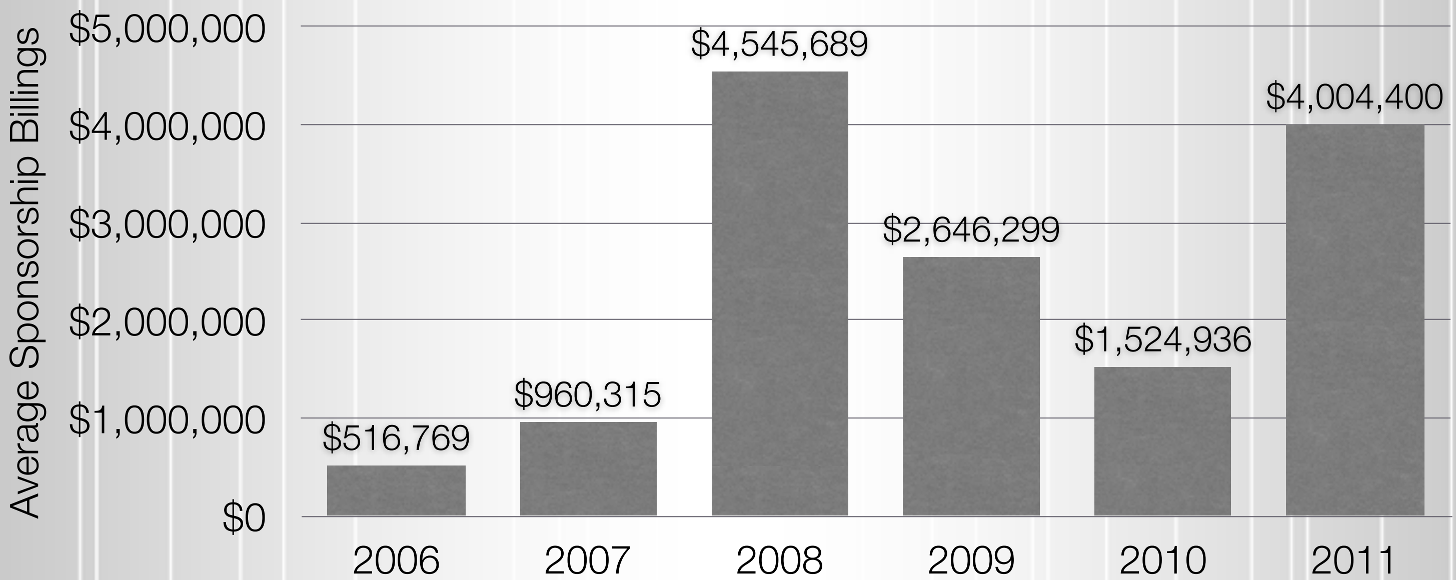


4.2 Sponsors

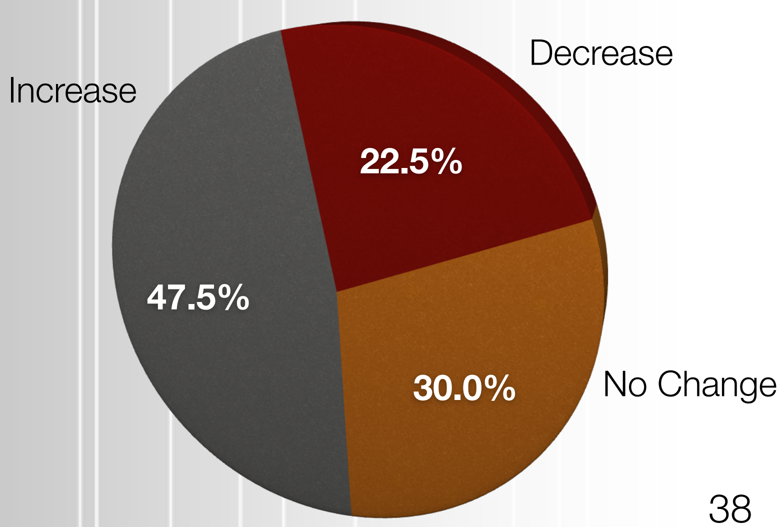
Sponsorship Rights Fees | Overview

In 2011, sponsors had an average total sponsorship investment of $4,004,400 (+/- $420,926; range from $0 to $25 million). Compared to the same sample, who had an average investment of $3,982,928 (+/- $486,241; range of $0 to $25 million) in 2010, this represented a small 0.54% growth. The average sponsorship investment indicated here, (i.e., the investment needed to purchase the rights of a sponsor), is the average per respondent and is only representative of the sample. In 2008 and 2011 it was highly skewed due to outliers with very large rights fees agreements and does not consider the type of sponsor and overall size of the industry.

Average Sponsorship Investment Per Sponsor



Expected Sponsorship Rights Fees Change in 2012



- Average expected increase of 7.8% (+/- 9.7%; range of 1% to 33%).
- Average expected decrease of 2.8% (+/- 6.3%; range of 1% to 25%).
- Overall, the sample expected a 3.7% increase

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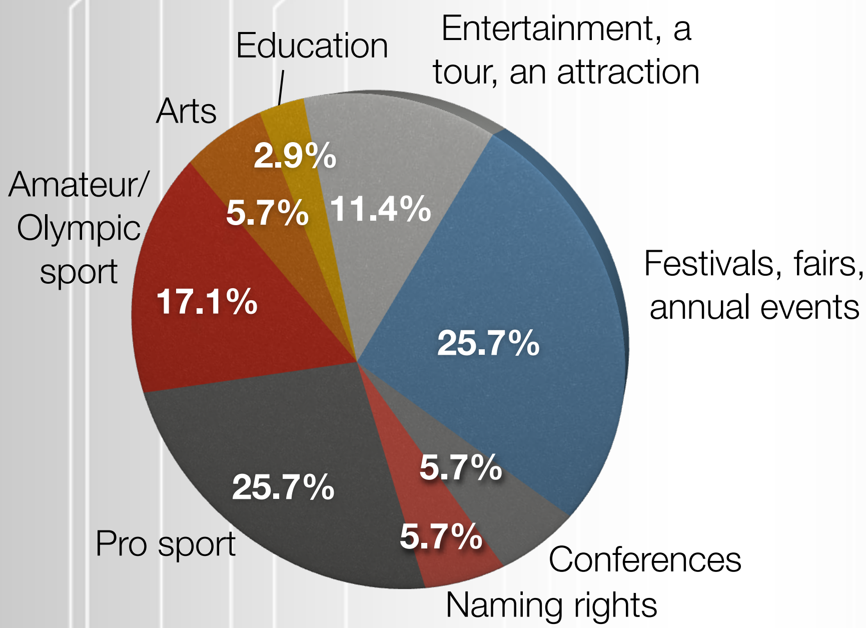
4.2 Sponsors

Sponsorship Rights Fees | Largest Investment

Sponsors were asked to describe their single largest sponsorship investment in 2011. The average size of the largest sponsorship was $1,262,020 (range of $5,000 to $25 million). Over one third (34.8%) of respondents spent more than $1 million on sponsorship rights fees for their single largest sponsorship in 2011. Both professional sport and festivals, fairs and annual events had the most number of single largest sponsorship rights fees.

Single Largest Sponsorship Investment - Sponsor Sample



Amount of Single Largest Sponsorship Investment Per Year

2006	2007	2008	2009	2010	2011
$12 million	$25 million	$40 million	$30 million	$22.5 million	$25 million

Additionally, sponsors were asked what percent of their overall sponsorship budget (including both rights fees and activation) went towards a mega-event. Overall this was a very small investment, with an average of 0.53% (range of 0% to 100%). Additionally, 92.1% of respondents did not invest in mega-events at all.

4.2 Sponsors

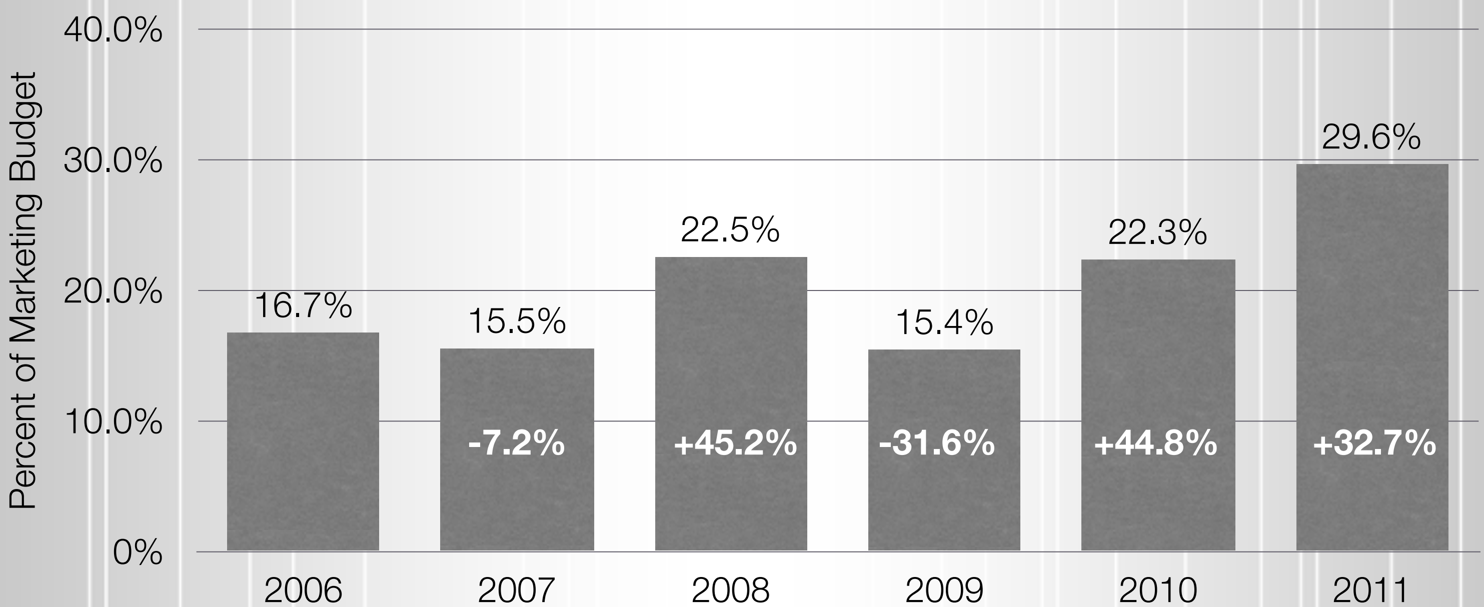
Marketing Communications Budget

One of the key ways to measure the value of sponsorship is to address the overall ratio of spending on sponsorship as a percentage of sponsors' overall marketing communications budgets. In 2011, sponsorship accounted for 29.6% (+/- 30.8%; range of 0% to 100%) of a sponsors overall marketing communications budget. Additionally, 41.0% of sponsors spent over a quarter of their marketing communications budget on sponsorship.

Although the investment in sponsorship as a percentage of the overall marketing communication budget has fluctuated over the years, it has remained an important component of overall marketing communications. Also, since 2006, the investment in sponsorship as a percentage of the overall marketing communications budget has increased by 77.2%.

Finally, sponsors overall do not expect much change in this percentage in the next year. While 36.5% expect an increase in spending, 31.8% expect a decrease and 29.3% expect it to remain the same. A small number (2.4%) were not sure how it will change.

Sponsorship as Proportion of Marketing Communications Budget



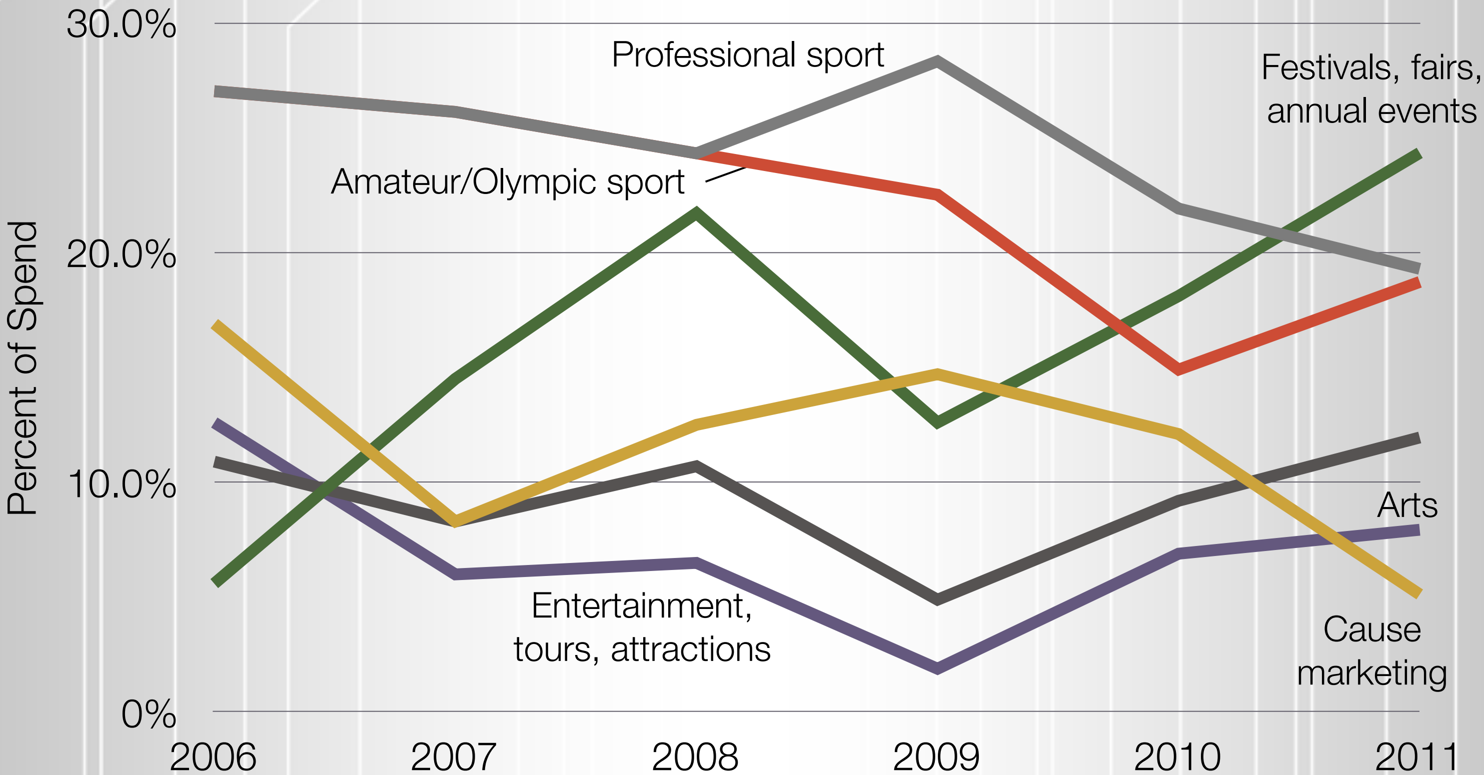
Note that the percentage of marketing communications budget is calculated on a combination of actual data, ranges and tiers of data so some error exists.

4.2 Sponsors

Sponsorship Spend By Sponsee Type | Trends

Over the six years of the study, the percent of sponsorship spent on different types of sponsees has undergone a noticeable change. While sport sponsorships and cause marketing have been declining, other types of sponsorship have been growing, none more so than festivals, fairs and annual events.

Evolution of Sponsorship Spend By Sponsee Type - Trends



Note that prior to 2009, sport was not differentiated by pro or amateur/Olympic, so an even split is assumed for those years. Categories that were added after 2006 are included on the next page.

4.2 Sponsors

Sponsorship Spend By Sponsee Type | Percentages

The specific percentage breakdowns of sponsee type illustrate similar trends, with sport and cause declining and festivals, fairs and annual events becoming more popular. The sponsorship mix is diversifying.

Evolution of Sponsorship Spend By Sponsee Type - Percentages

Sponsee Type	2006	2007	2008	2009	2010	2011
Professional sport	27.0%	26.1%	24.3%	28.3%	21.9%	19.3%
Amateur/Olympic sport	27.0%	26.1%	24.3%	22.5%	14.9%	18.7%
Cause marketing	16.9%	8.3%	12.5%	14.7%	12.1%	5.1%
Festivals, fairs, annual events	5.6%	14.5%	21.7%	12.6%	18.1%	24.3%
Arts	10.9%	8.3%	10.7%	4.9%	9.2%	12.0%
Media program	-	-	-	4.2%	5.3%	<0.1%
Education	-	-	-	2.9%	6.9%	7.4%
Entertainment, tours, attractions	12.6%	6.0%	6.5%	1.9%	6.9%	7.9%
Other	-	-	-	7.9%	4.7%	5.2%

It is clear that sponsors are altering their options per the sponsorship mix based on the environment, trends and other factors.

4.2 Sponsors

Sponsorship Spend By Sponsee Type | Amounts

By comparing the sponsorship spend as a percentage and as an amount over the previous year, the changes in sponsorship mix are very apparent. While both professional sport and media programs experienced a moderate decline, cause marketing experienced a much larger decline. Additionally, while amateur/Olympic sport experienced a slight rebound since 2010 (after a significant decline following 2009) as did the arts, education and entertainment, festivals, fairs and annual events had significant growth.

Evolution of Sponsorship Spend By Sponsee Type - Amounts

Sponsee Type	Percentage			Amount (Millions)		
	2010	2011	Change	2010	2011	Change
Professional sport	21.9%	19.3%	-2.6%	$339	$307	-$32
Amateur/Olympic sport	14.9%	18.7%	3.8%	$231	$297	$66
Cause marketing	12.1%	5.1%	-7.0%	$188	$82	-$106
Festivals, fairs, annual events	18.1%	24.3%	6.2%	$281	$387	$106
Arts	9.2%	12.0%	2.8%	$143	$190	$47
Media program	5.3%	0.0%	-5.3%	$82	$64	-$18
Education	6.9%	7.4%	0.5%	$107	$118	$11
Entertainment, tours, attractions	6.9%	7.9%	1.0%	$107	$126	$19
Other	4.7%	5.2%	0.5%	$73	$82	$9

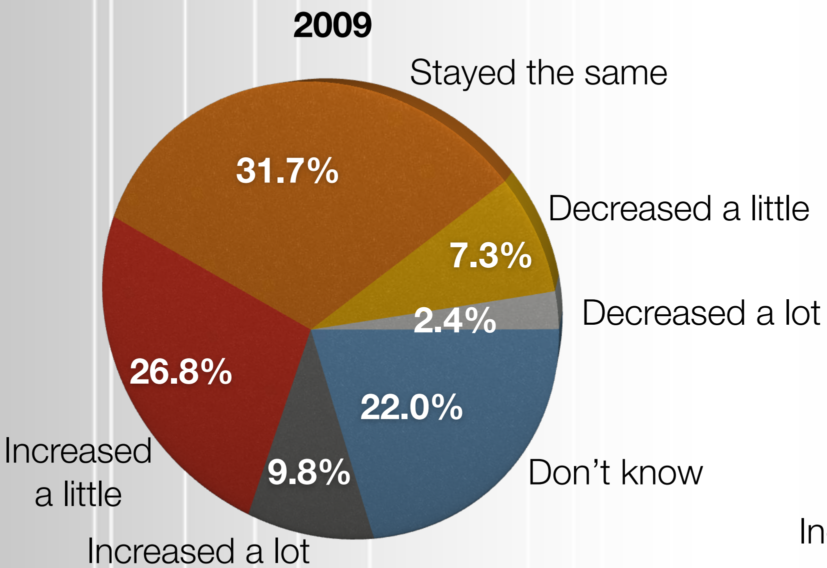
In the context of a growing industry, the absolute values do fluctuate but are continuing to grow absolutely, if not relatively, over time.

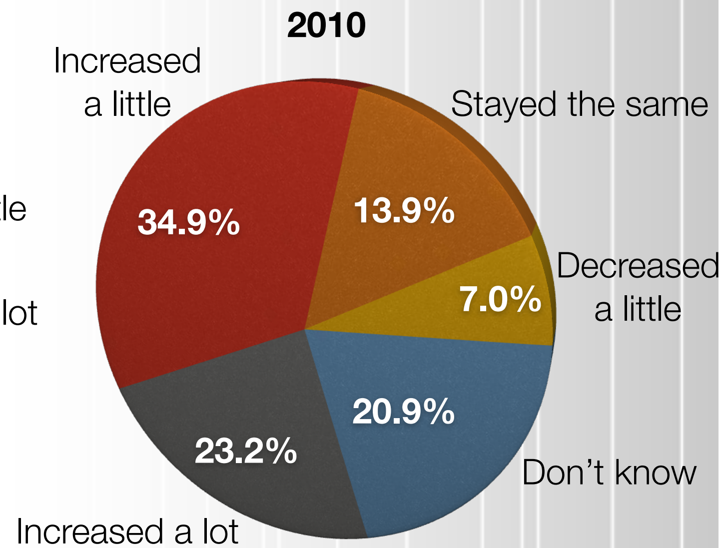
4.2 Sponsors

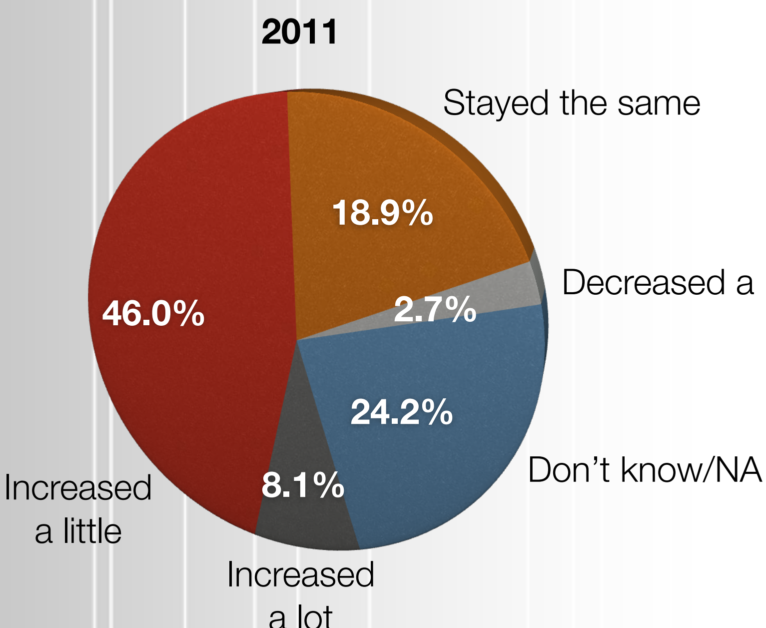
Return On Investment | Expectations

Sponsors were asked to indicate how the ROI from their sponsorship marketing program changed over the previous two years. The percent of sponsors that indicated it "increased a lot" fell from 2010, but the percent of sponsors that indicated it "increased a little" rose. Overall, ROI as identified by sponsors has remained fairly steady over the past several years - about half increase ROI, roughly one in five do not know and the remainder stay the same or experienced small decline over the last several years.

Return on Investment Change







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4.2 Sponsors

Return On Investment | Generation

Sponsors were asked to indicate what the most successful category was for generating ROI. They were also asked to indicate what categories they *expected* to offer the greatest ROI. Overall professional sport, amateur/Olympic sport and festivals fairs and annual events offered the greatest ROI and were also what sponsors expected to offer the greatest ROI. For example, 18.4% of sponsors indicated that amateur/Olympic sport was the category that generated the greatest ROI for their organization and 15.8% of respondents said that they *expected* this category to generate the greatest ROI.

Return on Investment Generated by Category

Category	Actually Generated Greatest ROI	Expected to Generate Greatest ROI
Professional sport	23.7%	23.7%
Amateur/Olympic sport	18.4%	15.8%
Arts	2.6%	0.0%
Education	2.6%	0.0%
Festivals, fairs, annual events	28.9%	26.3%
Entertainment, tours and attractions	0.0%	5.3%
Conferences	5.2%	7.9%
Causes	8.0%	0.0%
Other	10.5%	18.4%
Don’t know	0.0%	2.6%

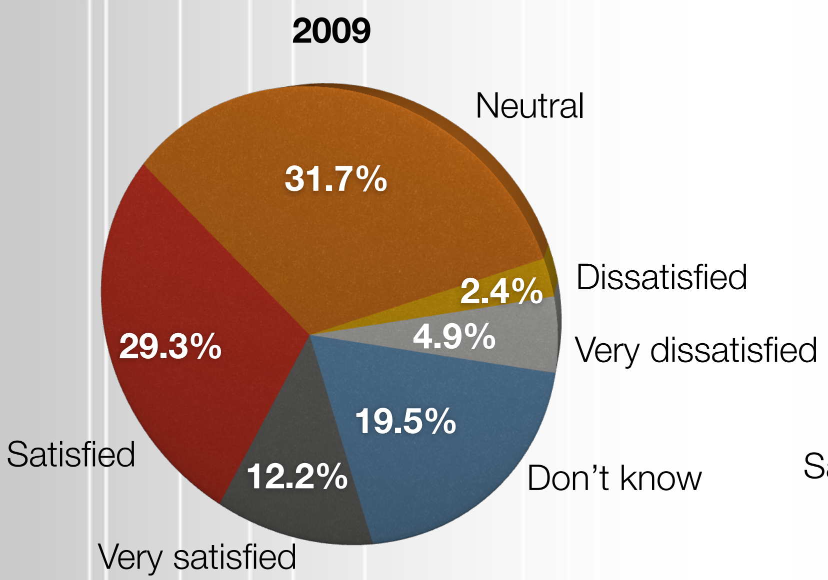
It is worth noting that one component of this question in the surveys asked respondents how they would differentiate between amateur and Olympic sport. The findings reveal that most do not differentiate between amateur and Olympic sport at all at the sponsorship level.

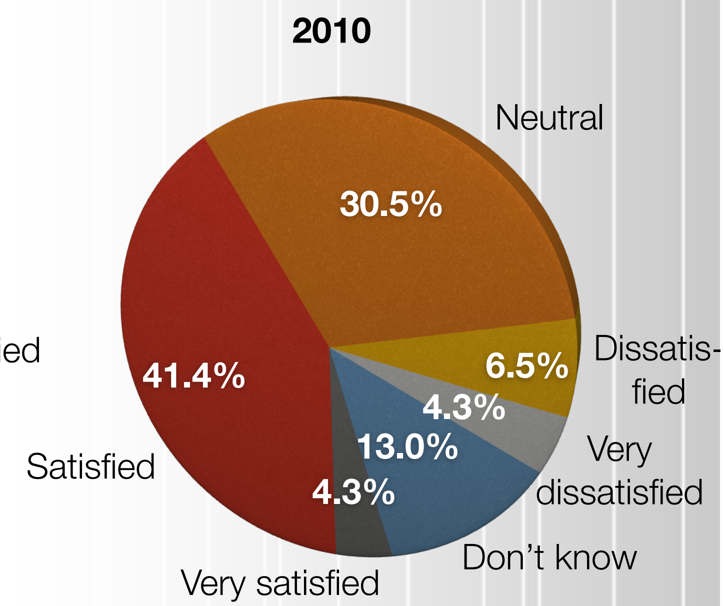
4.2 Sponsors

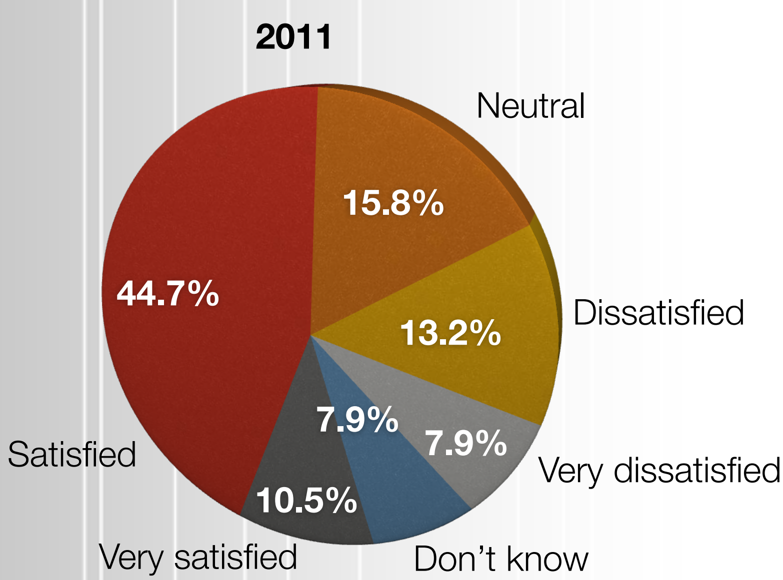
Return On Investment | Satisfaction

Sponsors were asked to indicate their satisfaction with their ROI from sponsorship in 2011. Overall 55.2% of sponsors were satisfied or very satisfied with their ROI from sponsorship. This is up from 2009 and 2010. In 2011, sponsors indicated that their average satisfaction regarding ROI from sponsorship was 3.84 on a five point Likert scale, where 1 is not at all satisfied and 5 is very satisfied.

Satisfaction from Return on Investment







4.2 Sponsors

Value-In-Kind Investment

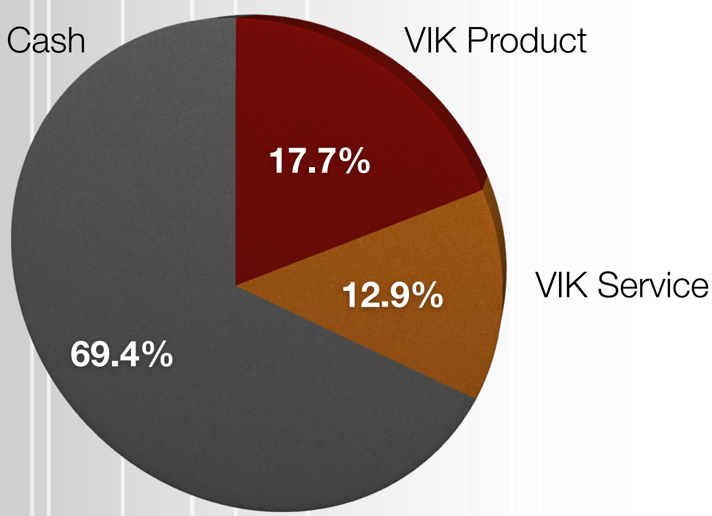
Sponsors provided sponsees with both cash and value-in-kind (VIK) products and services. The average value of in-kind investment in sponsorship (both products and services) was $1.34 million per sponsor (range of $0 to $25 million).

About one in three sponsors (37.3%) reported no in-kind investment. For those that did spend on in-kind investment, most (76.5%) reported an investment of value-in-kind that was less than $100,000, however several (15.7%) reported an investment of between $100,000 and $10 million and a select few (7.8%) reported an investment of more than $10 million.

Sponsors tended to invest in a variety of cash and value-in-kind products and services. In 2011, the ratio of cash to value in kind was 3.0 to 1. This is slightly lower than 2010 (ratio of 3.1 to 1) and slightly higher than 2009 (ratio of 2.8 to 1).

Overall sponsorship marketing budgets for sponsors are on average 69.4% (+/- 37.7%) cash, 17.7% (+/- 31.9%) value-in-kind product and 12.9% (+/- 26.5%) value-in-kind service.

Overall Marketing Budget Investment Breakdown



4.2 Sponsors

Evaluating Sponsorship Opportunities

Sponsors were asked to indicate what their organization considered important when evaluating sponsorship opportunities. Responses were measured using a five point Likert scale, where 5 was very important and 1 was not at all important. The results demonstrated that sponsors were most concerned about the brand - perceptions, value, knowledge and loyalty - as well as ensuring that there was value alignment. This is similar to previous years.

Importance to Sponsors in Evaluating Sponsorships

Variable	2009	2010	2011
Brand perceptions	4.32 (2)	4.12 (1)	4.34 (1)
Brand value	4.19 (4)	4.12 (1)	4.31 (2)
Brand knowledge/profile	4.46 (1)	3.93 (4)	4.26 (3)
Brand loyalty	4.28 (3)	3.75 (5)	4.18 (4)
Value alignment	4.14 (5)	4.00 (3)	4.18 (4)
Revenue/sales	3.60 (8)	3.33 (8)	3.89 (6)
Protection of rights/exclusivity	4.00 (6)	3.42 (7)	3.86 (7)
Employee engagement	3.62 (7)	3.47 (6)	3.11 (8)
Product/service sampling	2.93 (9)	2.29 (9)	3.06 (9)

Note the number within parentheses indicates ranking for each year.

4.2 Sponsors

Inclusions in Sponsorship Packages

Sponsors were asked to indicate what their organization considered to be important inclusions in a sponsorship package. Responses were measured using a five point Likert scale, where 5 was very important and 1 was not at all important. The results demonstrated that sponsors are most concerned about recognition and identification as well as the protection of rights and exclusivity.

Important Inclusions in Sponsorship Packages

Variable	Importance
Sponsor recognition	4.32 (1)
Protection of sponsorship rights/exclusivity	4.31 (2)
Onsite sponsor identification	4.29 (3)
Inclusion in property promotions	3.95 (4)
Property rights	3.94 (5)
Protection by property from ambush marketing	3.74 (6)
Investment by property in activation program	3.63 (7)
Investment by property in evaluation research	3.60 (8)
Access to property database	3.23 (9)

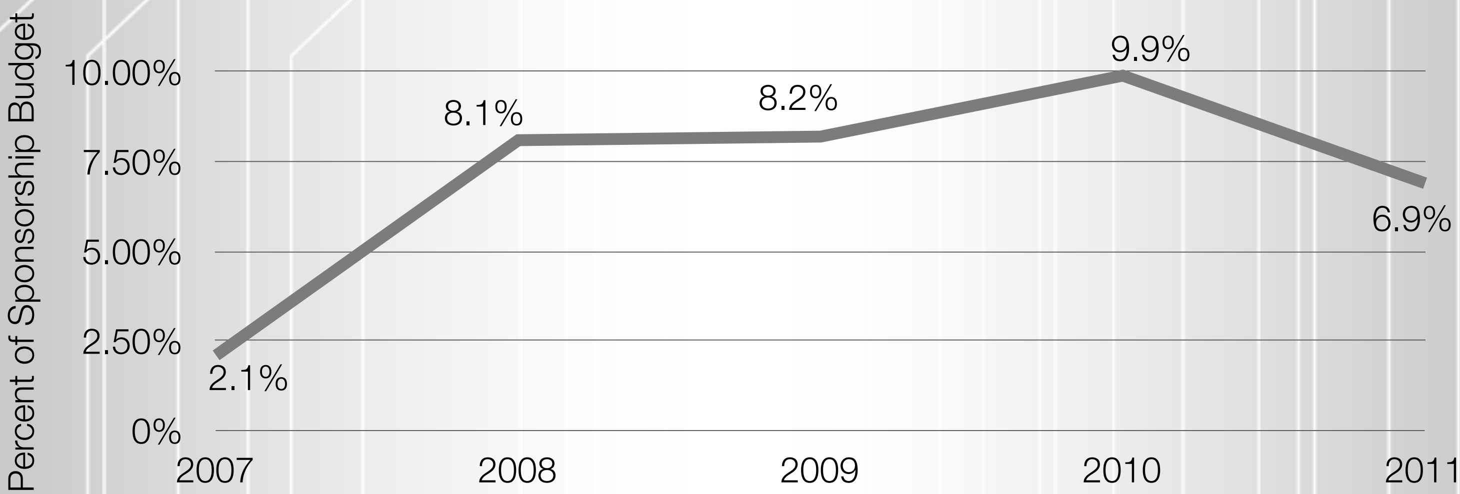
Results stress the importance of clear representation to sponsors as the top 4 ranked items are all related to clear, uncluttered presentation.

4.2 Sponsors

Utilizing Agencies

Many sponsors utilized the expertise of agencies to maximize the potential for their sponsorship, however 62.2% chose to not to invest with agencies at all. However, for those that did, 6.9% (range of 0% to 40%) of their overall sponsorship marketing budget (sponsorship rights fees plus activation) was invested through an agency in 2011.

Percent of Sponsorship Marketing Budget Spent on Agencies by Sponsors



The largest percentage of agency spend was allocated towards sponsorship agencies and event management agencies, which supports the move towards festivals, fairs and events as a larger percentage of overall sponsorship spend.

Allocation of Sponsorship Spend by Agency Type

Agency Type	Percent of Agency Spend
Promotion	3.5%
Sponsorship	34.8%
Public relations	0.7%
Event management	31.9%
Advertising	10.6%
Media planning/buying	11.4%
Digital media	7.1%

Note that total does not equal 100% as each number reports the average of all responses per agency type.

4.2 Sponsors

Provision of Services

Sponsors were asked to describe the value of services they received in a sponsorship on a five point Likert scale, where 5 was very valuable and 1 was not at all valuable. They were also asked to indicate how often those same services were provided to them on a five point Likert scale, where 5 was always provided and 1 was never provided. The difference was then calculated and provided insight into the disconnect that exists between the services that sponsors value and the services that sponsees and agencies provide to them. Six of the nine differences were considered statistically significant. This is an improvement compared to 2010 when all nine variables were statistically significant. Although sponsees and agencies appear to be improving on the services that are provided to sponsors, sponsors are still under-serviced.

Value of Services Provided to Sponsors

Variable	Importance	Provided	Difference
Provide resources for sponsorship activation program	4.09 (1)	2.59	1.50*
Concluding report/audit	3.94 (2)	3.03	0.91*
Sponsor recall stats	3.88 (3)	2.52	1.36*
Audience loyalty stats	3.55 (4)	2.74	0.81*
Profile/information on purchase behaviour of sponsorship target group	3.50 (5)	2.27	1.23*
Protection from ambush marketers	3.48 (6)	2.76	0.72*
Protection of sponsorship rights/ exclusivity	3.24 (7)	3.70	-0.46
Partnering on sponsorship activation and activities with other sponsors	3.06 (8)	2.62	0.44
Partnering on sponsorship activation and activities with the property	3.06 (8)	2.56	0.50

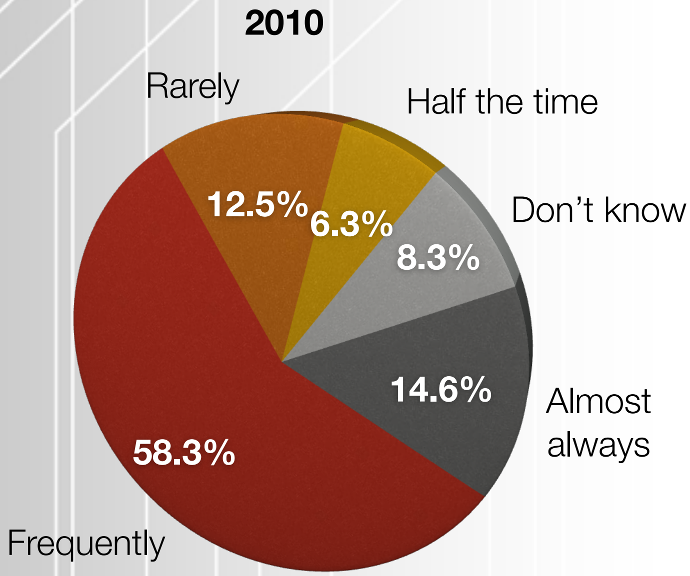
Note the number within parentheses indicates ranking of importance.
Note the asterisk (*) indicates a difference that is statistically significant.

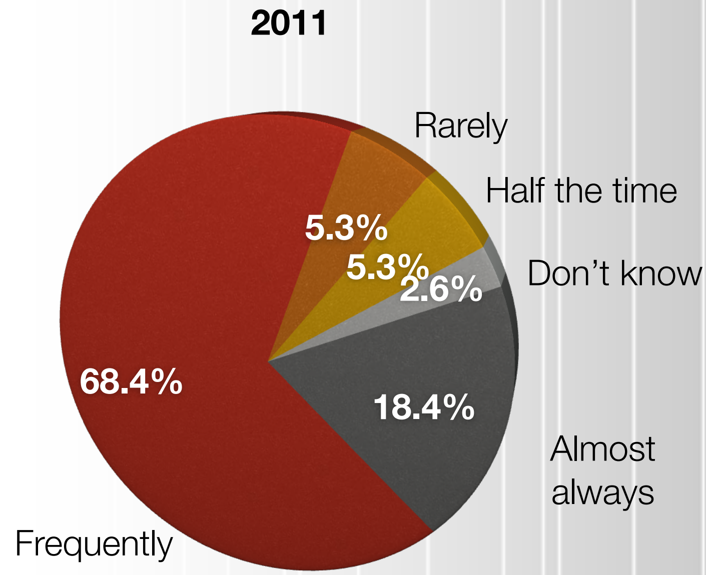
4.2 Sponsors

Renewal Tendencies

Sponsors continued to regularly renew their sponsorship, with a mere 10.6% renewing less than half the time. This was up slightly from 2010.

Sponsor Renewal Tendencies





There were several keys that sponsors looked for in renewal efforts. Evaluation continued to be an important factor in renewal.

Keys to Renewal Efforts

Variable	2009	2010	2011
Sponsor-sponsee relationship	4.07 (2)	4.21 (2)	4.05 (1)
Protection of rights/exclusivity	4.20 (1)	3.94 (3)	3.92 (2)
Team's opinion of sponsorship success	4.01 (4)	4.36 (1)	3.87 (3)
Impact on interest in brand/retail traffic	4.00 (5)	3.07 (6)	3.53 (4)
Extent of media coverage	3.76 (6)	3.38 (4)	3.40 (5)
Information collected during sponsorship	3.51 (7)	3.15 (5)	3.21 (6)
Impact of sponsorship on sales/revenue	4.02 (3)	3.00 (7)	3.21 (6)
Information from syndicated research	3.14 (8)	3.00 (7)	2.32 (8)

Note that the number in parentheses indicates rank for each year.

4 Results

1. Overall
Results from the overall sample.

2. Sponsors
Results from sponsor sample.

3. Sponsees
Results from sponsee sample.

4. Agencies
Results from agency sample.

4.3 Sponsees

Profile

When examining the reach that sponsees have, there was a fairly even distribution with 17.6% reaching internationally, 16.0% reaching nationally, 3.1% multi-provincially (e.g., Atlantic Canada), 26.7% provincially, 19.85% regionally and 16.8% locally.

The sponsors that sponsees had a relationship with were almost always Canadian companies or companies with an office or presence in Canada. Only 2.1% of their sponsors were from organizations located fully outside of Canada and only 5.1% (range of o% to 100%) of their sponsorship revenue was from a sponsor whose head office was located outside of Canada.

The annual size of a sponsee's budget was $5.3 million, but there was a very significant range - 16.7% had an annual budget greater that $10 million and 54.3% had an annual budget less than $1 million.

Sponsees received most of their money from for-profit organizations, with only an average of 7.4% (range of 0% to 100%) coming from not-for-profit organizations.

Sponsees had an average of 377.8 (range of 1 to 25,000) employees, with an average of 2.6 (range of 0 to 100) people working directly on sponsorship and sponsorship related activities. The had an average of 434.2 (range of 0 to 12,000) volunteers, with an average of 36.8 (range 0 to 2,000) volunteers working directly on sponsorship and sponsorship related activities.

The average number of sponsors per sponsee was 24.6 (range of 1 to 292).

97.9% Canadian or Canadian-Based Sponsors

$5.3 million Average Annual Budget Size

2.6 People Working on Sponsorship

24.6 Sponsors Per Sponsee

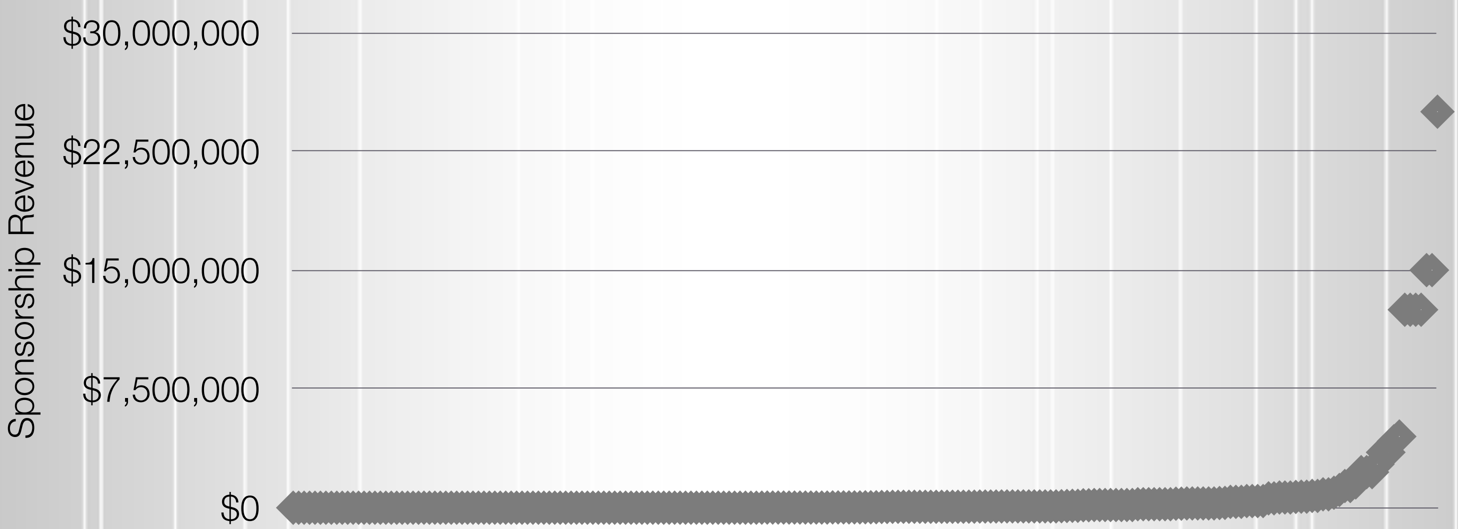
4.3 Sponsees

Sponsorship Revenue

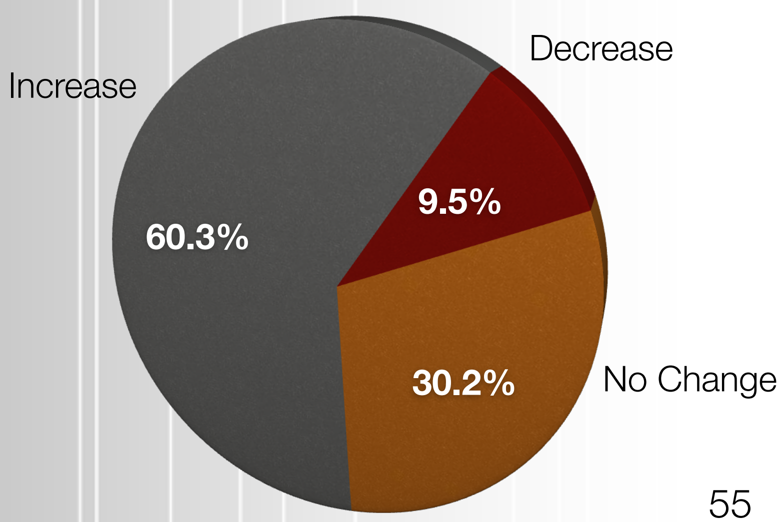
In 2011, sponsees received an average of $742,063 (+/- $2,361,000; range of $5,000 to $25,000,000) in sponsorship revenue. Compared to the same sample, who had an average of $673,905 (+/- $2,375,000; range of $5,000 to $25,000,000) in 2010, this represented a positive growth of 9.2%.

Most sponsees receive modest amounts of sponsorship revenue (71.9% have revenues less than $100,000 and 92.6% have revenues less than $1 million.

Sponsorship Revenue Per Sponsee



Expected Sponsorship Revenue Change in 2012



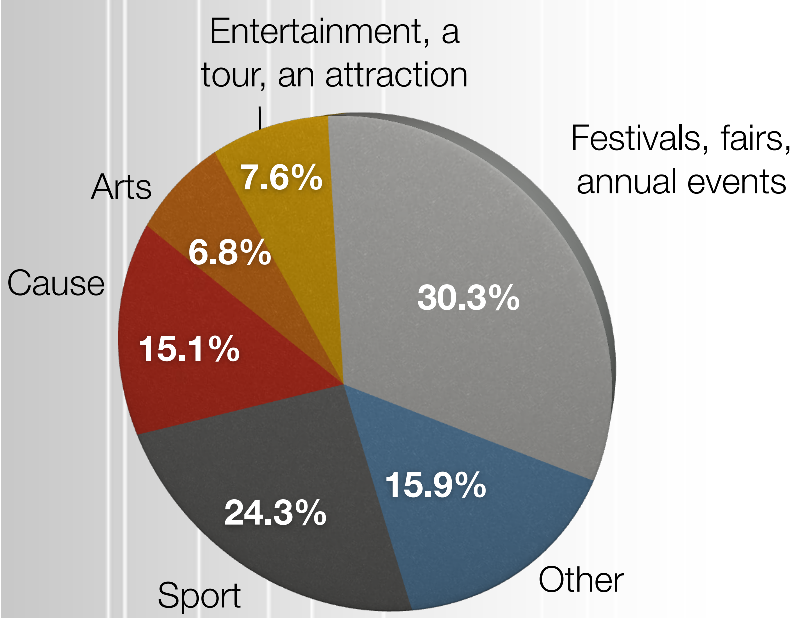
- Average expected increase of 52.5% (range of 1% to 800%)
- Average expected decrease of 4.0% (range of 1% to 50%)
- Overall, the sample expected a 44.9% increase

4.3 Sponsees

Sponsee Type I Overview

Sponsees represented a variety of category types, with sport and festivals, fairs, and annual events the most common. Additionally, 15.9% indicated that their sponsee did not fit within the categories provided and chose other. Other included, a combination of some of the categories provided, business support, facilities, conferences, educational institutions, hospitals, government, and research.

Sponsee Category Type

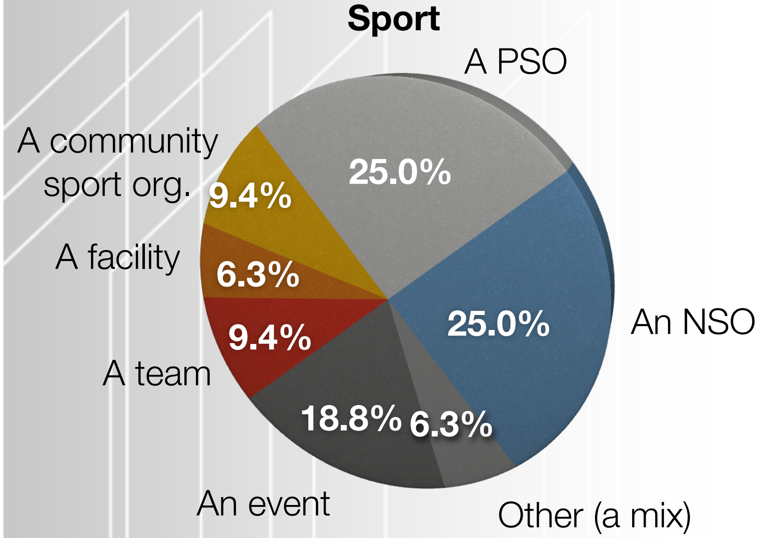


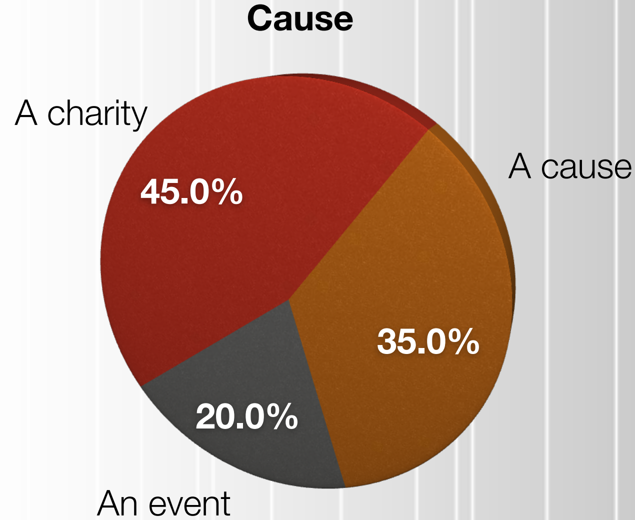
Over the 6 years of CSLS, there has been a general trend of a more diversified based of sponsees, likely due to the growth as well as a change in how respondents self-identify.

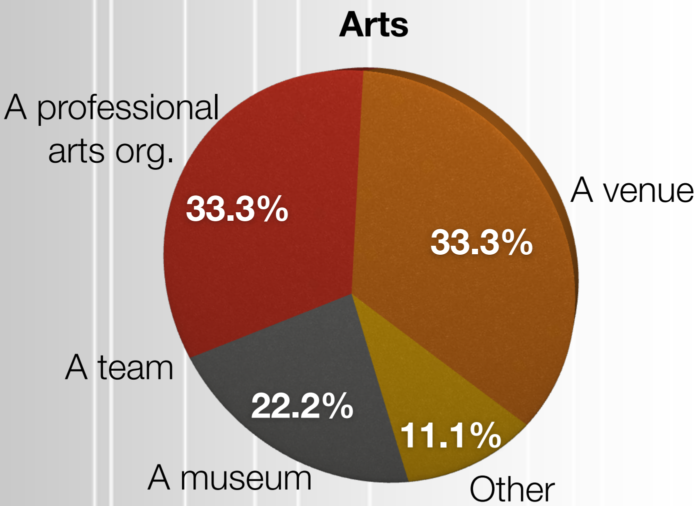
4.3 Sponsees

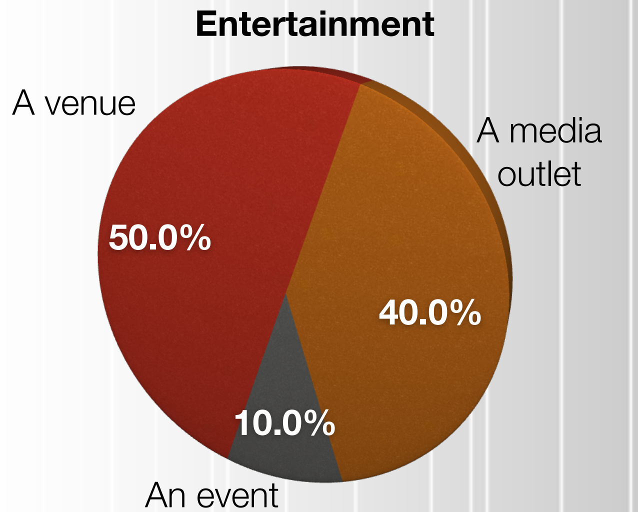
Sponsee Type I Breakdown

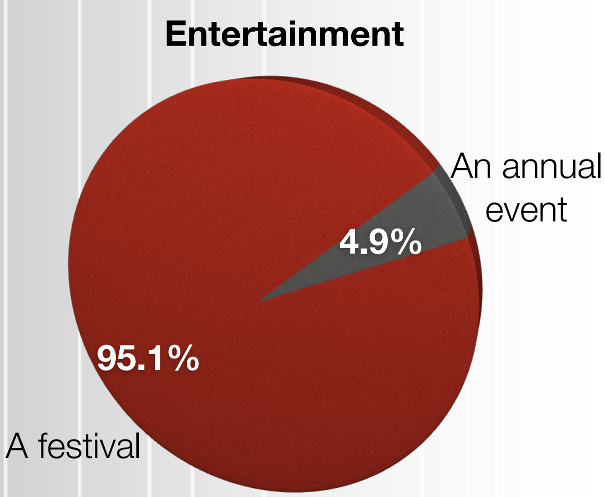
Sponsee Category Type Breakdown









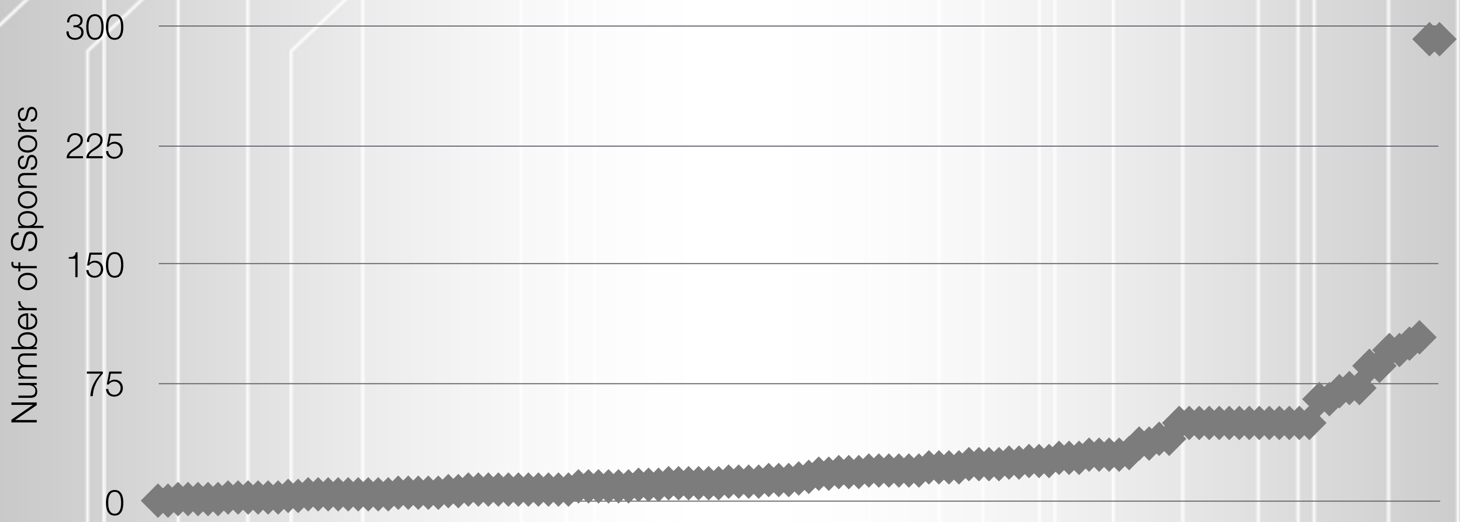


4.3 Sponsees

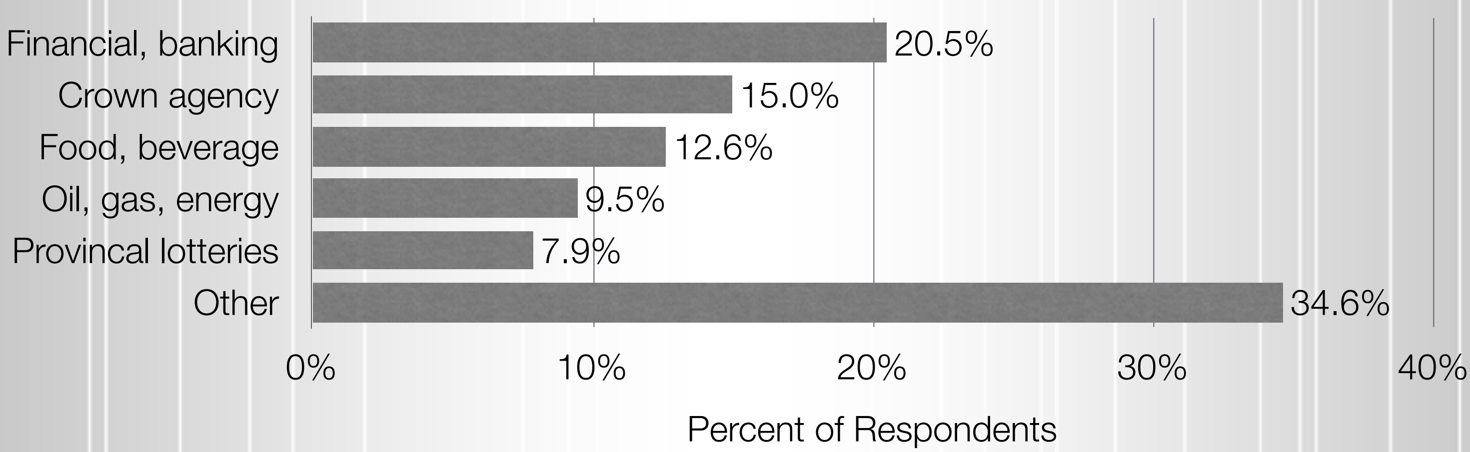
About Sponsors

Sponsees had an average of 24.6 (range of 1 to 292) sponsors. Most sponsees had only a small number of sponsors - 37.2% had 10 or fewer sponsors and 89.9% had 50 or fewer sponsors. Additionally, sponsees attracted sponsors from an average of 10.7 (range of 0 to 70) categories, the most common was financial and banking sector.

Number of Sponsors Retained by Sponsees



Most Important Sponsor Category Types for Sponsees



Note that other includes automobile, communications, retail, insurance, construction, real estate, law firms, travel, business, agriculture.

4.3 Sponsees

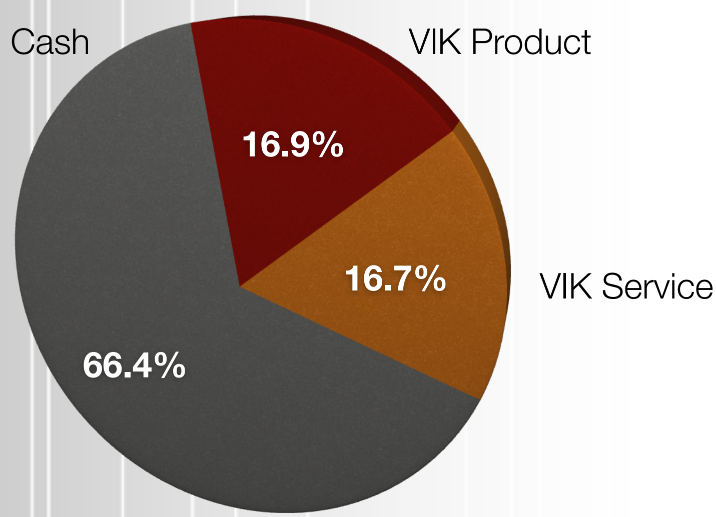
Value-In-Kind Investment

Sponsees often received both cash and value-in-kind (VIK) products and services from sponsors. The average value of in-kind sponsorship revenue was $312,477 (range of $0 to $25 million).

About one in three sponsors (35.9%) reported receiving no in-kind investment. For those that did receive value-in-kind investment, most (75.2%) reported a revenue of value-in-kind that was less than $100,000.

Sponsors tended to receive a variety of cash and value-in-kind products and services. Overall sponsees received an average of 66.4% of their sponsorship revenue from cash, 16.9% from value-in-kind products and 16.7% from value-in-kind services.

Overall Sponsorship Revenue Breakdown



These results match well with the sponsor results related to VIK investment presented earlier.

4.3 Sponsees

Utilizing Agencies

Some sponsees utilized the expertise of agencies to maximize the potential of their sponsorship. Sponsorship revenue via an agency accounted for an average of 7.2% (range of 0% to 100%) of sponsees sponsorship revenue. While 77.4% did not receive any sponsorship revenue via an agency, for those that did not, most (76.7%) received less than half of their sponsorship revenue via an agency representing a sponsor, whereas 23.3% received over half via agencies.

An average of 5.45% of sponsees' sponsorship revenue was used to pay agencies.

4 Results

1. **Overall**
Results from the overall sample.

2. **Sponsors**
Results from sponsor sample.

3. **Sponsees**
Results from sponsee sample.

4. **Agencies**
Results from agency sample.

4.4 Agencies

Profile

Respondents were asked to identify what type of agency best described them and the work they do. Forty percent of agencies were sponsorship agencies, with promotions, advertising, event management and business strategy also being common types of agencies. Overall, sponsorship accounted for an average of 54.1% (range of 0 to 100%) of all agency billings.

Most agencies were nationally focused, billing clients from across Canada (70.8%), followed by a few that had an international reach (16.7%). The remainder (12.6%) were provincially or regionally focused. Agencies' clients invested an average of 82.1% (range of 0% to 100%) of their sponsorship investment on Canadian properties and an average of 4.9% (range of 0% to 50%) on global properties.

Sponsorship between a for-profit sponsor and a not-for-profit sponsee accounted for 37.1% of sponsorship billings.

Agencies had an average of 23.2 paid, full-time employees and 61.6 paid, part-time employees work in their organization. An average of 7.5 paid, full-time employees worked on sponsorship or sponsorship related activities. Additionally, agencies had an average of 24.0 people spend over 25% of their time on sponsorship or sponsorship related activities.

The average number of sponsorship clients for an agency was 18.3 (range of 0 to 100), where as the average number of sponsorships worked on was 43.4 (range of 2 to 130).

70.8% National Reach

82.1% Invested in Canadian Properties

37.1% For-Profit Sponsors and Not-for-Profit Sponsees

24.0 People Working on Sponsorship

18.3 Sponsorship Clients

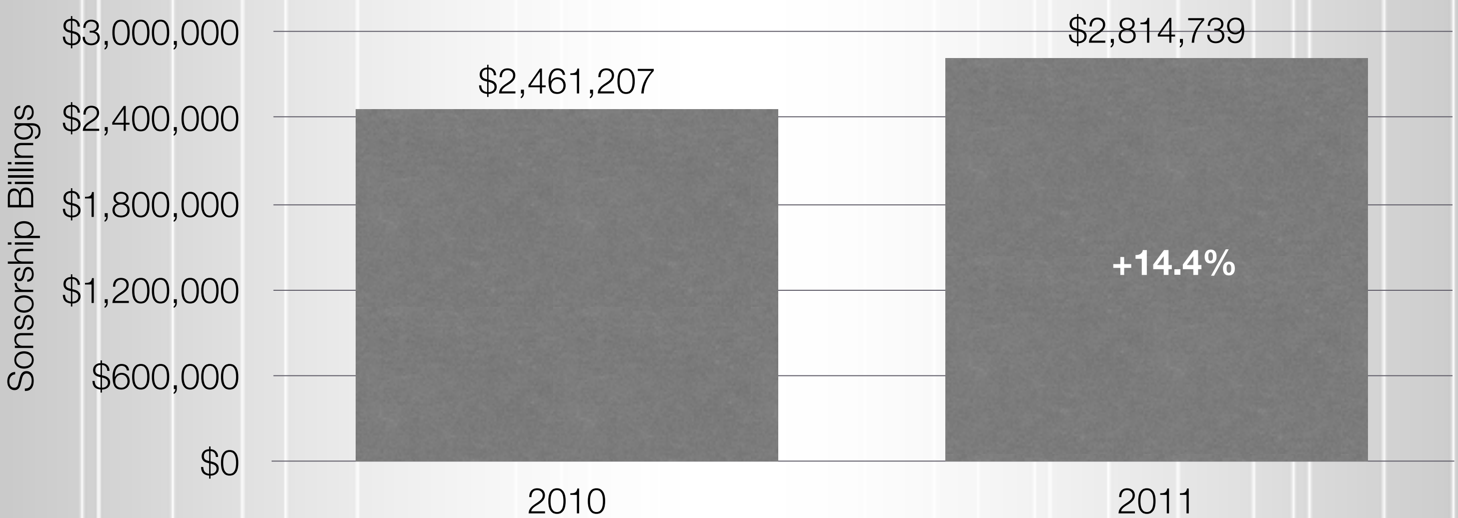
43.4 Sponsorships Worked On

4.4 Agencies

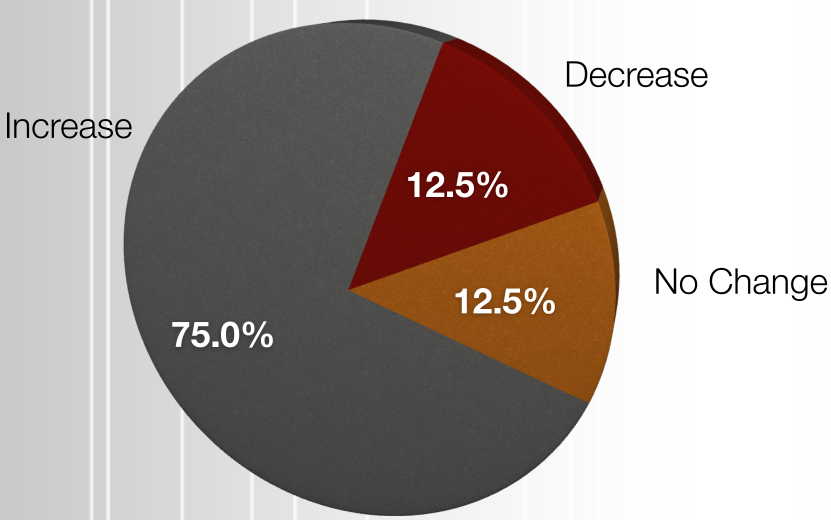
Sponsorship Billings | Overview

When looking at the change in sponsorship billings from 2010 to 2011, as well as the changes expected for 2012, there was a positive result and a positive outlook observed. From 2010 to 2011, the average actual total sponsorship billings increased by 14.4%. This increase was actually slightly higher for French agencies (17.3%). When asked what they expected for 2012, agencies had a positive outlook, with those expecting an increase predicting an average increase of 17.1% and those expecting a decrease predicting an average decrease of 11.4%. Overall, agencies expected an average increase of 11.4% for 2012.

Average Total Sponsorship Billings From 2010 to 2011



Expected Total Sponsorship Billings Change in 2012



- Agencies expected an average increase of 17.1%
- Agencies expected an average increase of 11.4%
- Overall, the sample expected a 11.4% increase

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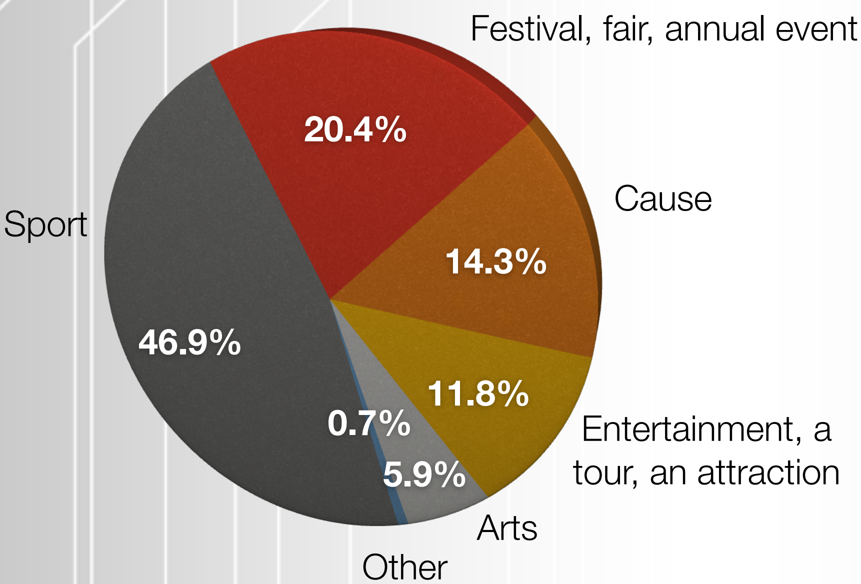
4.4 Agencies

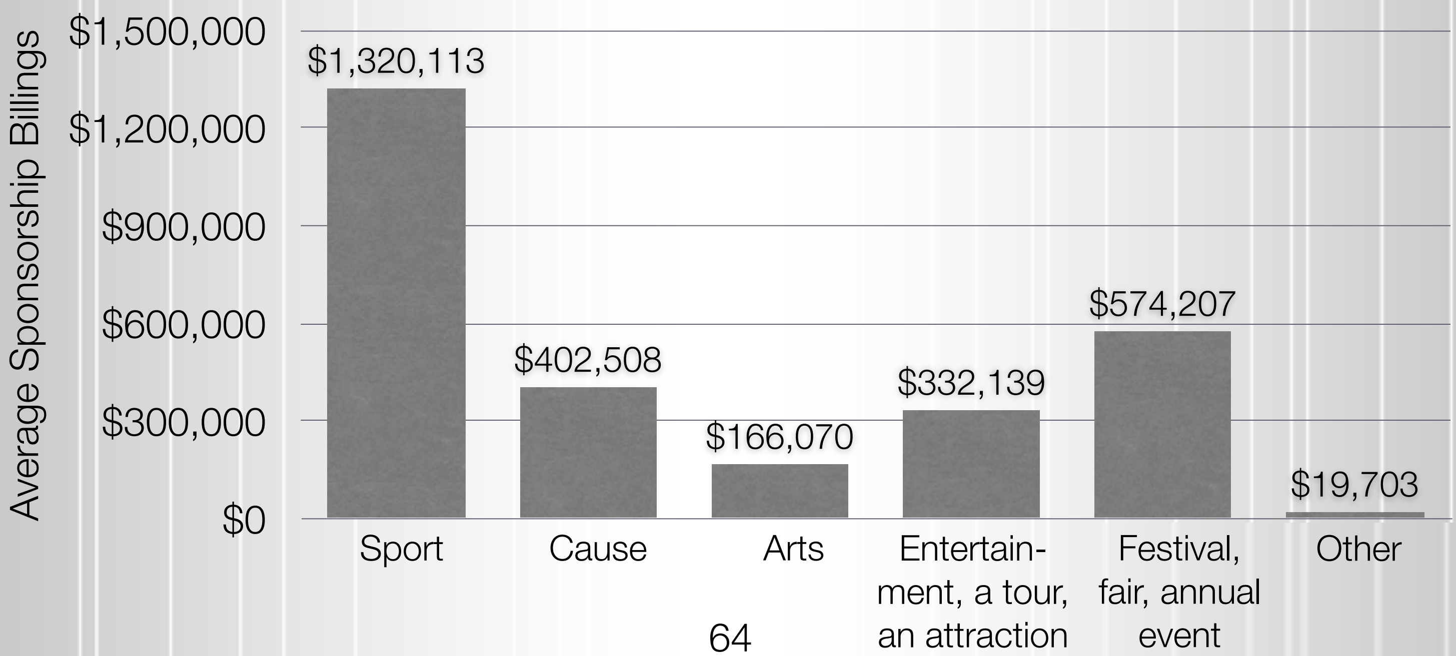
Sponsorship Billings | Categories

Agencies had an average total annual sponsorship billings of $2,814,739 (range from $0 to $25 million). The average size of each sponsorship billing per client was $141,941. The most common categories of sponsorship billings for agencies were in sport and festival, fairs and annual events. Nearly half, or $1,320,113, were in sport.

Percent of Agency Sponsorship Billings by Category



Amount of Agency Sponsorship Billings by Category

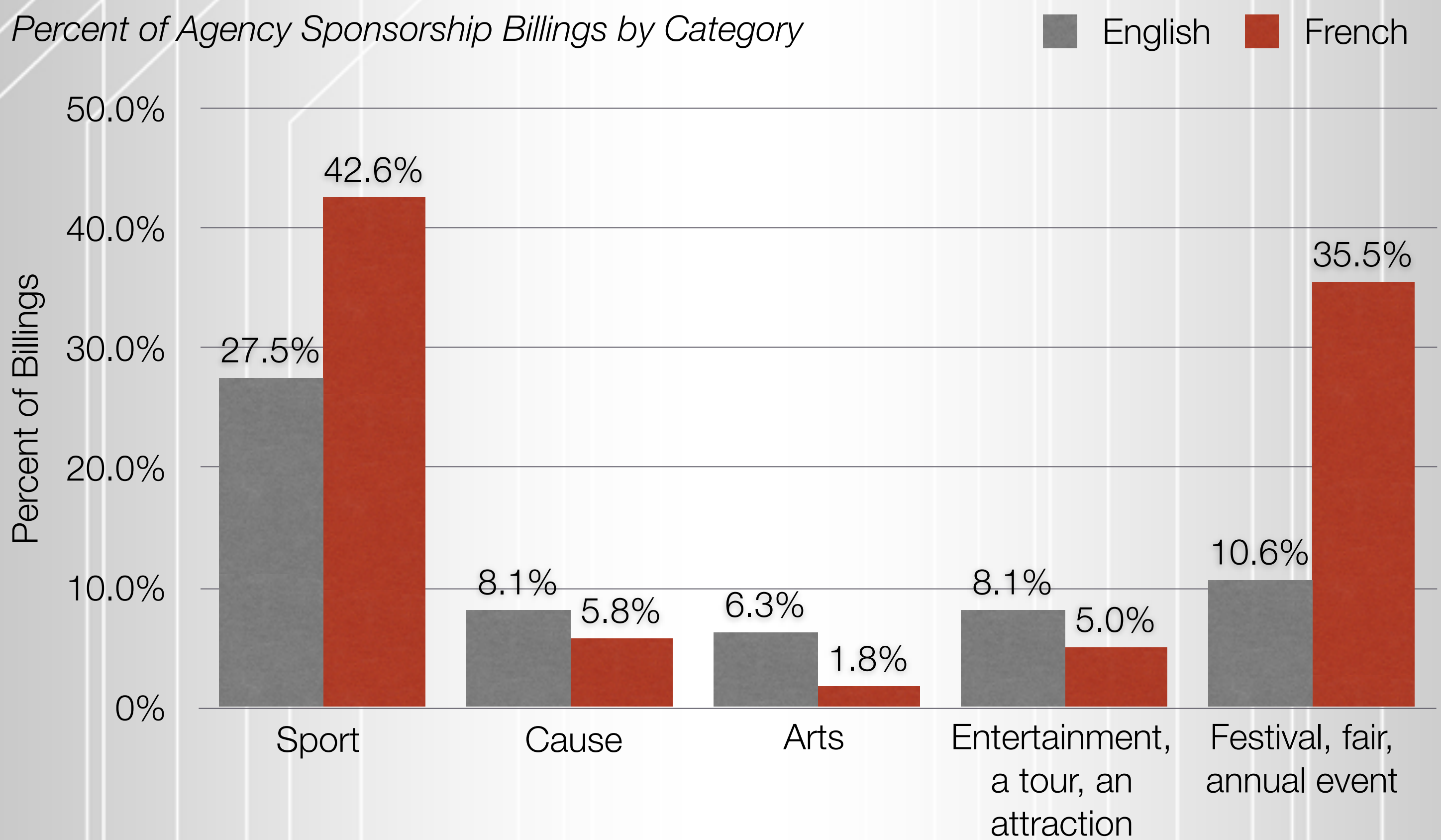


4.4 Agencies

Sponsorship Billings | Language

English and French agencies had noticeable differences in the categories where sponsorship was billed. French agencies had a significantly larger percentage of sponsorship billings from sport and festival, fairs and annual events compared to their English counterparts and slightly less sponsorship billings in cause, arts and entertainment, tours and attractions.

Percent of Agency Sponsorship Billings by Category



This observation is supportive of other data already presented in that the French Canadian sponsorship market is less developed and represents a considerable opportunity for growth.

4.4 Agencies

Area of Work

Agencies were asked what type of work they did for their clients as well as what was billed to their clients based on work conducted in these areas. For example, 23.2% of agencies reported working on evaluation for their clients. However, this work accounted for an average of 10.8% of the agencies total billings.

Area of Work for Agencies

	Percent of Agencies Conducting Work in These Areas*	Average Percent of Agencies' Total Billings From Each Area**
Development of activation programs	26.8%	17.9%
Sponsorship sales	23.2%	20.5%
Evaluation	23.2%	7.6%
Contracts/negotiations	31.4%	8.7%
Event/staff management	17.8%	10.6%
Research	10.7%	3.8%
Hospitality	10.7%	10.2%
Media	5.4%	7.6%
Other	14.3%	13.1%

Note that (*) total does not equal 100% as respondents could select more than one area of work. The second column (**) does add to 100 and represents the total spend by all agencies in the sample in that area of work.

5 Analysis

1. Strategic industry Findings

What is the state of current sponsorship, especially in evaluation, activation, industry size and sponsorship types.

2. Current Considerations

Themed questions that allow insight in to what sponsorship stakeholders are thinking.

3. Organizational Insight

Looking at characteristics of particular sponsors and French and English sponsors, sponsees and agencies.

4. Future Opportunities

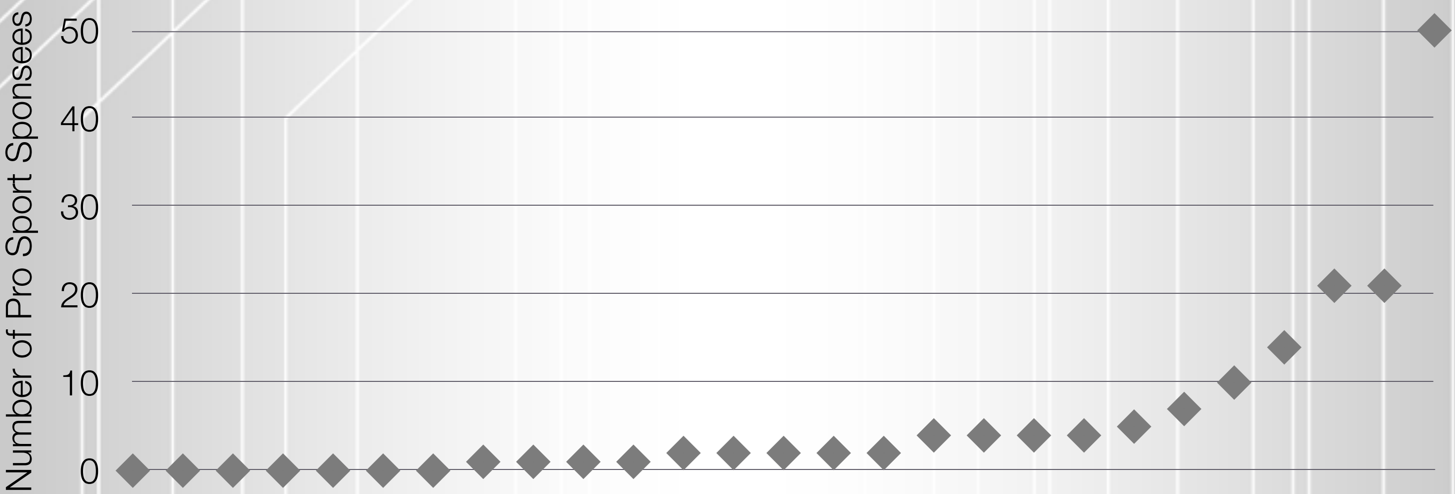
An examination of what the future of sponsorship in Canada holds according to sponsorship professionals.

5.1 Strategic Findings

Professional Sport

The sixth annual CSLS included a special section that examined professional sport sponsorship in depth. Sponsors that did invest in professional sport were asked a variety of questions about the nature of the arrangements and their sponsorship decisions.

Number of Professional Sport Sponsees Per Sponsor



Note that one sponsor had more than 50 sponsees, but is not pictured on this graph.

Professional Sport Property (Sponsee) Type

Type of Pro Sport Property (Sponsee)	Percent of Pro Sport Sponsors
Leagues	37.0%
Teams	59.3%
Players/athletes	14.8%
Events	44.4%
Coaches	0.0%
Other	7.4%

Note than percentages did not equal 100% as sponsors could chose more than one property type. Other includes players associations, tournaments, etc.

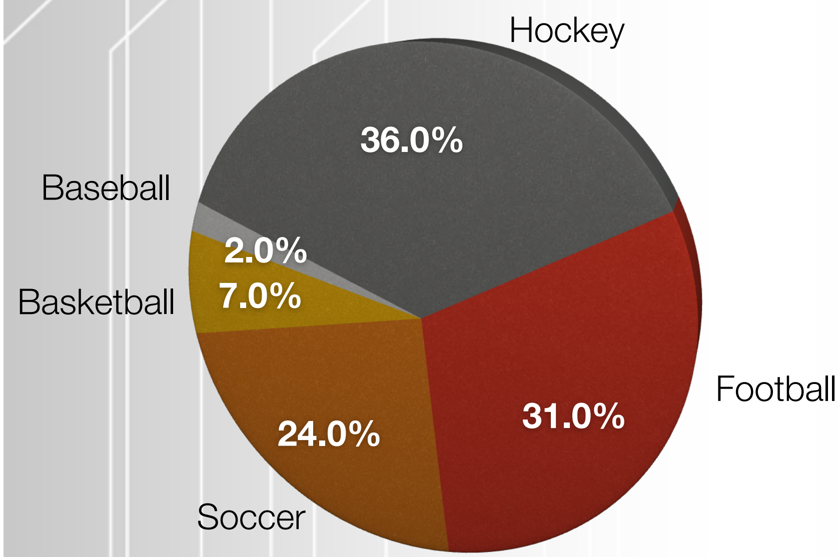
CSLS Canadian Sponsorship Landscape Study

5.1 Strategic Findings

Professional Sport

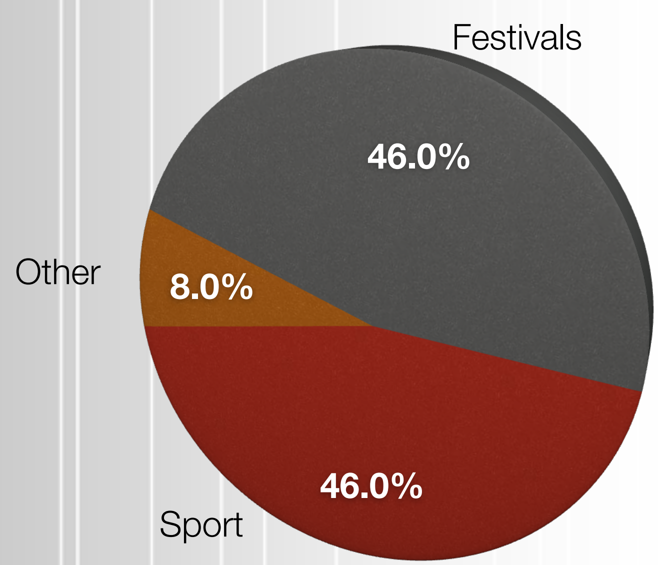
By breaking down the professional sport category into sub-categories, it was possible to identify that hockey and football were the most popular sports teams to sponsor. It was also interesting to note that festivals, fairs and annual events had an important role to play in professional sport.

Canadian Professional Sport Teams Invested In



‣Specific examples included: Montreal Alouettes, Montreal Impact, Edmonton Oilers, Calgary Flames, Ottawa Senators, Toronto Blue Jays, Saskatchewan Roughriders, Toronto Marlies, Toronto Raptors

Canadian Professional Sport Events Invested In



‣Specific examples included: Rogers Cup, Endurance sports (triathlons, duathlons), Heritage Classic, Tennis, Boxing, Grey Cup Festival

5.1 Strategic Findings

Professional Sport

Respondents believed that hockey provided sponsors with the greatest value, however, other answers were very diverse and included mentions of lacrosse, baseball, golf, tennis, Olympics, soccer, football and boxing.

When reviewing the percentage of sponsorship spending on sponsorship rights fees in professional sport by sub-category, teams and events are the most popular. No money is invested in coaches and only small amounts in players/athletes and unions/associations.

Sponsorship Budget Allocation by Professional Sport Property (Sponsee) Type

Type of Pro Sport Property (Sponsee)	Percent of Sponsorship Spending
Leagues	11.8%
Teams	40.0%
Players/athletes	5.6%
Events	23.8%
Coaches	0.0%
Media	11.6%
Unions/associations	2.8%
Other	2.8%

Sponsors chose to invest in professional sport sponsorship for a variety of reasons, including targeting a specific audience and demographic, the mass appeal of professional sports, and the popularity of this category.

Additionally, for those respondents who did not invest in professional sport in 2011, they cited three key reasons. First, their business and brand objectives did not align, second, it was a very expensive category and three, the professional sport sponsorship landscape was too crowded.

5.1 Strategic Findings

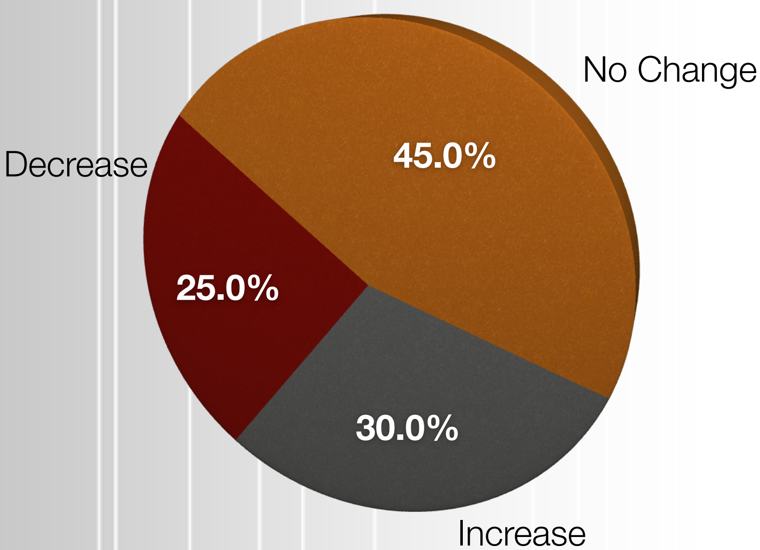
Festivals, Fairs and Annual Events

By targeting those sponsors that invest in festivals, fairs and annual events, it was possible to gain further insight into this category. Sponsors explained that they tended to utilize sponsorship of festivals, fairs and annual events for similar reasons that they would use to target other sponsorships - establishing reach and brand recognition. They were also ambiguous about whether this sector would increase or decrease in the near future - most expected it to remain the same.

Reasons for Investing in Festivals, Fairs and Annual Events

	Overall
Reach communities and rural populations	57.1%
Higher profile and brand recognition	28.6%
Focusing on direct revenue opportunities	7.1%
Diversifying sponsorship portfolio	7.1%

Expected Sponsorship Investment Change in Festivals, Fairs and Annual Events

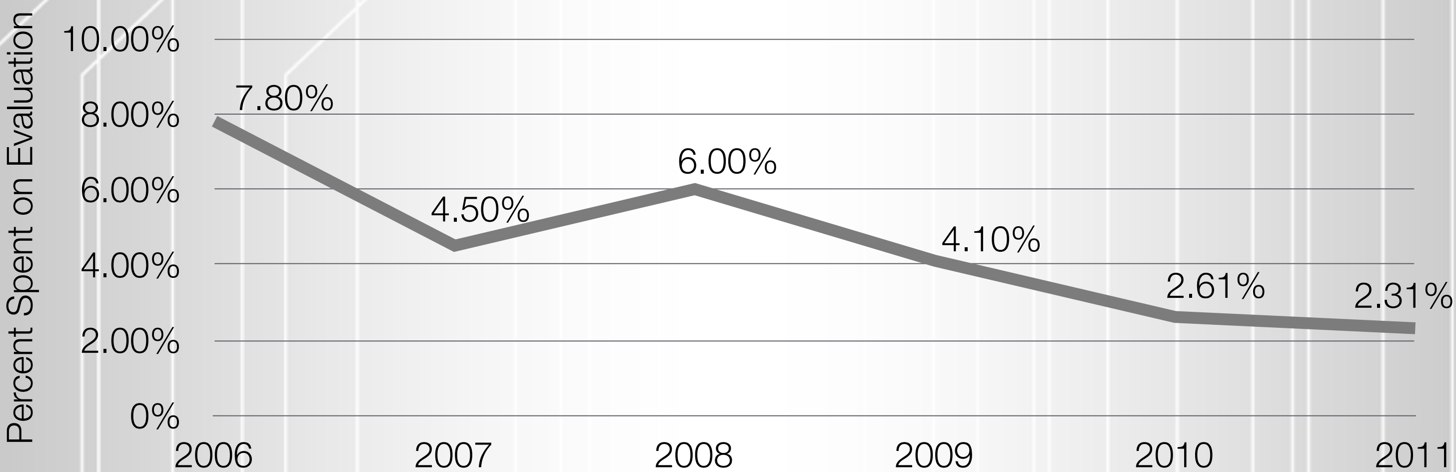


5.1 Strategic Findings

Evaluation

Sponsorship evaluation declined slightly in 2011, continuing a downward trend over the six years of the study. In 2011, only 2.31% of sponsors' overall marketing budget was invested in sponsorship evaluation. Over half (56.2%) of sponsorships that agencies worked on were evaluated in 2011.

Overall Percent of Marketing Budget Invested in Sponsorship Evaluation



Pre-sponsorship evaluation told a similar story. For those sponsors that did invest in pre-sponsorship evaluation, only 2.44% of those budgets were allocated to pre-sponsorship evaluation - down from 3.10% in 2010. Therefore, only 0.56% of overall sponsorship marketing budgets were invested in pre-sponsorship evaluation.

Investment in Pre-Sponsorship Evaluation

57.9% of sponsors invested in sponsorship evaluation

40.7% of sponsors invested in *pre*-sponsorship evaluation

2.44% of evaluation budget went to *pre*-sponsorship evaluation

97.56% of evaluation budget did *not* go to *pre*-sponsorship evaluation

59.3% of sponsors did *not* invest in *pre*-sponsorship evaluation

42.1% of sponsors did *not* invest in sponsorship evaluation

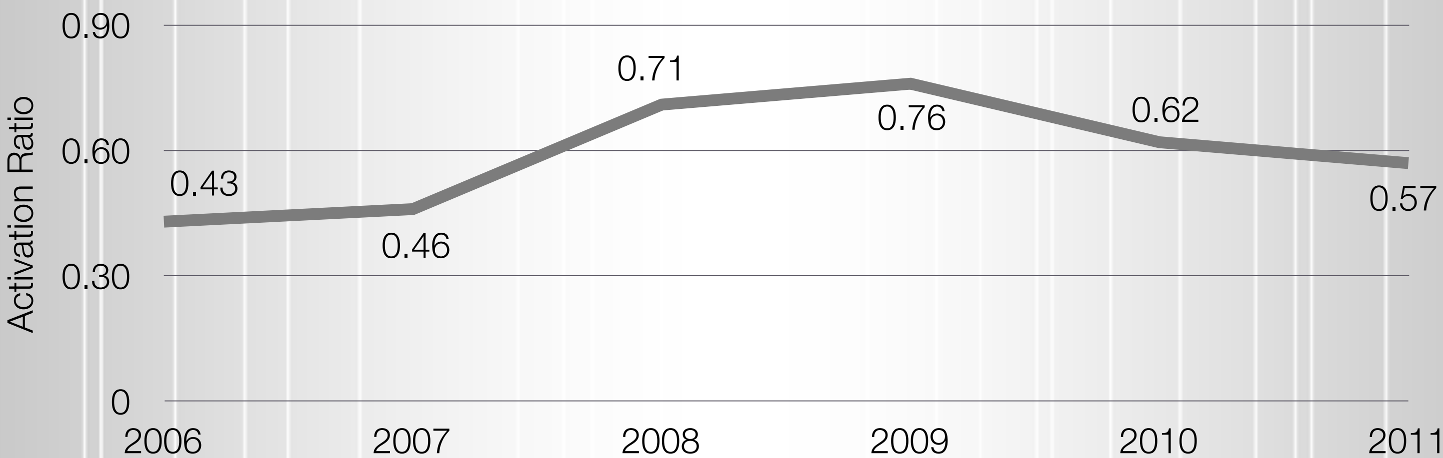
5.1 Strategic Findings

Activation | Sponsors

Sponsorship activation declined slightly in 2011, continuing a downward trend since it peaked in 2009. The average amount spent on activation by a sponsor was $2,250,823. This was an increase since 2010, but as the rights fees increased more significantly, the activation ratio declined slightly.

The level of sponsorship activation was determined by dividing the average amount spent on leveraging a sponsorship and comparing it to the average total rights fees paid per sponsorship, as provided by sponsors.

Activation Ratio on Sponsorships



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5.1 Strategic Findings

Activation | Sponsors

Activation dollars were spent in a variety of ways. In 2011, there were some significant changes in activation spend. In 2011, the three most common tactics were hosting/hospitality, advertising and creating branded content or events within the sponsored property. Internal marketing, public relations and social media were also much more popular tactics for activation since 2010. Spend on product sampling and trade allowances/incentive to distribution both declined as activation tactics.

Spend on Activation Tactics

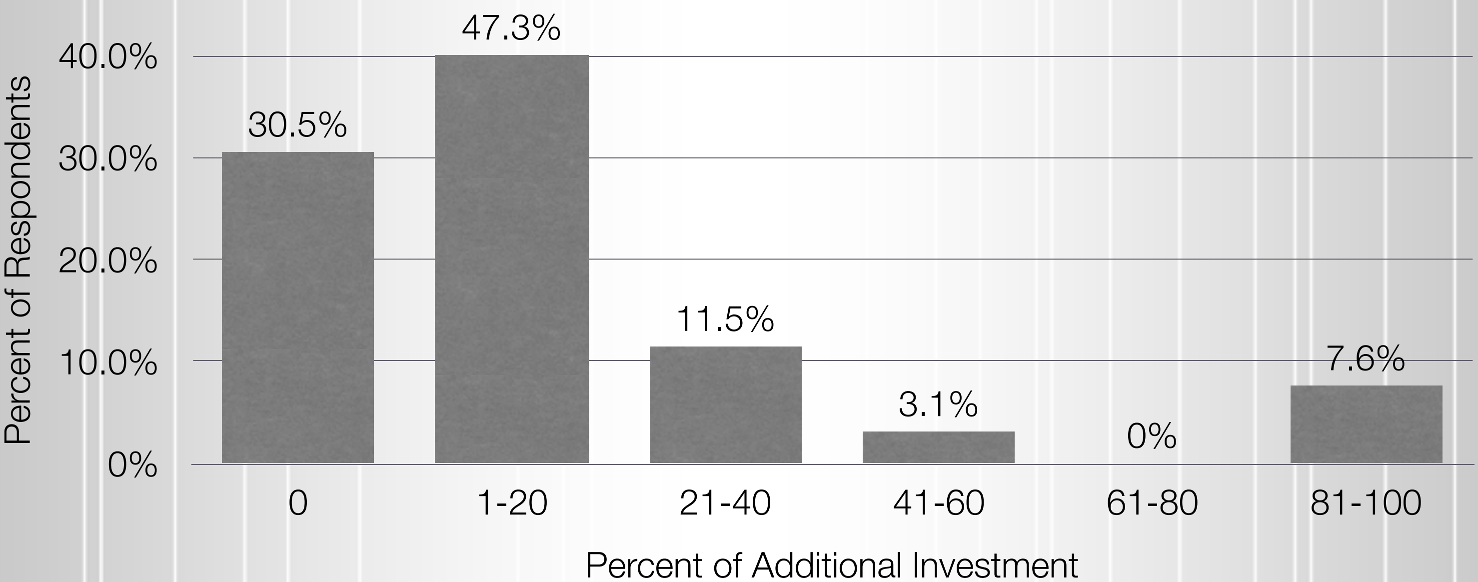
Tactics	2010	2011	Change
Hosting/hospitality	11.3%	13.8%	17.9%
Advertising	13.6%	13.2%	-2.9%
Creating branded content/events within the sponsored property	10.2%	11.6%	12.4%
Internal marketing (employees)	3.1%	10.6%	70.7%
Public relations	6.3%	10.5%	40.0%
Social media	3.9%	10.1%	61.2%
Co-promotions	5.9%	7.4%	20.4%
Sales/consumer promotions	3.5%	6.4%	44.9%
Product sampling	7.0%	4.2%	-65.5%
Ancillary events	1.0%	4.2%	76.4%
Athlete (endorsements, promotions, etc.)	1.0%	2.1%	52.7%
Other	8.0%	2.1%	-279.1%
Packaging	0.5%	1.6%	68.5%
Trade allowances/incentives to distrubtion	1.7%	1.1%	-60.7%

5.1 Strategic Findings

Activation | Sponsees

Sponsees spent an average of 16.4% (range of 0% to 100%) in additional investment in leveraging, servicing and/or activating their sponsorship above the amount. Some organizations spent 100% in additional investment beyond the amount of the sponsorship in order to leverage, service and activate the sponsorship. Nearly one in three organizations (30.5%) do not spend anything above the amount of the sponsorship in order to leverage, service or activate it.

Sponsee Investment in Activation Above Sponsorship Amount



This was the first time this question was asked in the CSLS as it is an area of increasing interest.

5.1 Strategic Findings

Activation | Sponsees

Sponsees were asked to indicate which areas of leveraging and activation they spent money in. Respondents could select as many variables as were applicable. For example, 41.0% of sponsees engaged in some form of advertising in 2011. The most popular three areas of leveraging and activation were advertising, hosting/hospitality and publicity, which was very similar to 2010.

Areas Utilized by Sponsees for Leveraging and Activation

Areas	2010	2011	Change
Advertising	39.7%	41.0%	1.3%
Hosting/hospitality	38.8%	34.6%	-4.2%
Publicity	30.2%	34.6%	4.4%
Public relations	30.2%	32.1%	1.9%
Co-promotions	26.7%	26.9%	0.2%
Sales/consumer promotions	6.9%	16.7%	9.8%
Ancillary events	29.3%	15.4%	-13.9%
Other	7.2%	14.1%	6.9%
Product sampling	13.8%	10.3%	-3.5%
Internal marketing	19.8%	9.6%	-10.2%
Athlete (endorsements, promotions, etc.)	6.9%	5.8%	-1.1%
Packaging	6.9%	5.1%	-1.8%
Trade allowances/incentives to distrubtion	4.3%	1.9%	-2.4%

5.1 Strategic Findings

Activation I Sponsees

Sponsees were also asked to indicate the percentage of their total sponsorship spend that was targeted to the areas of leveraging and activation that they utilize. For example, sponsees spent 20.8% of their sponsorship dollars in hosting/hospitality. The percent spent in advertising, hosting/hospitality and public relations increased over 2010.

Percent of Sponsee Spending Utilized by Area of Leveraging and Activation

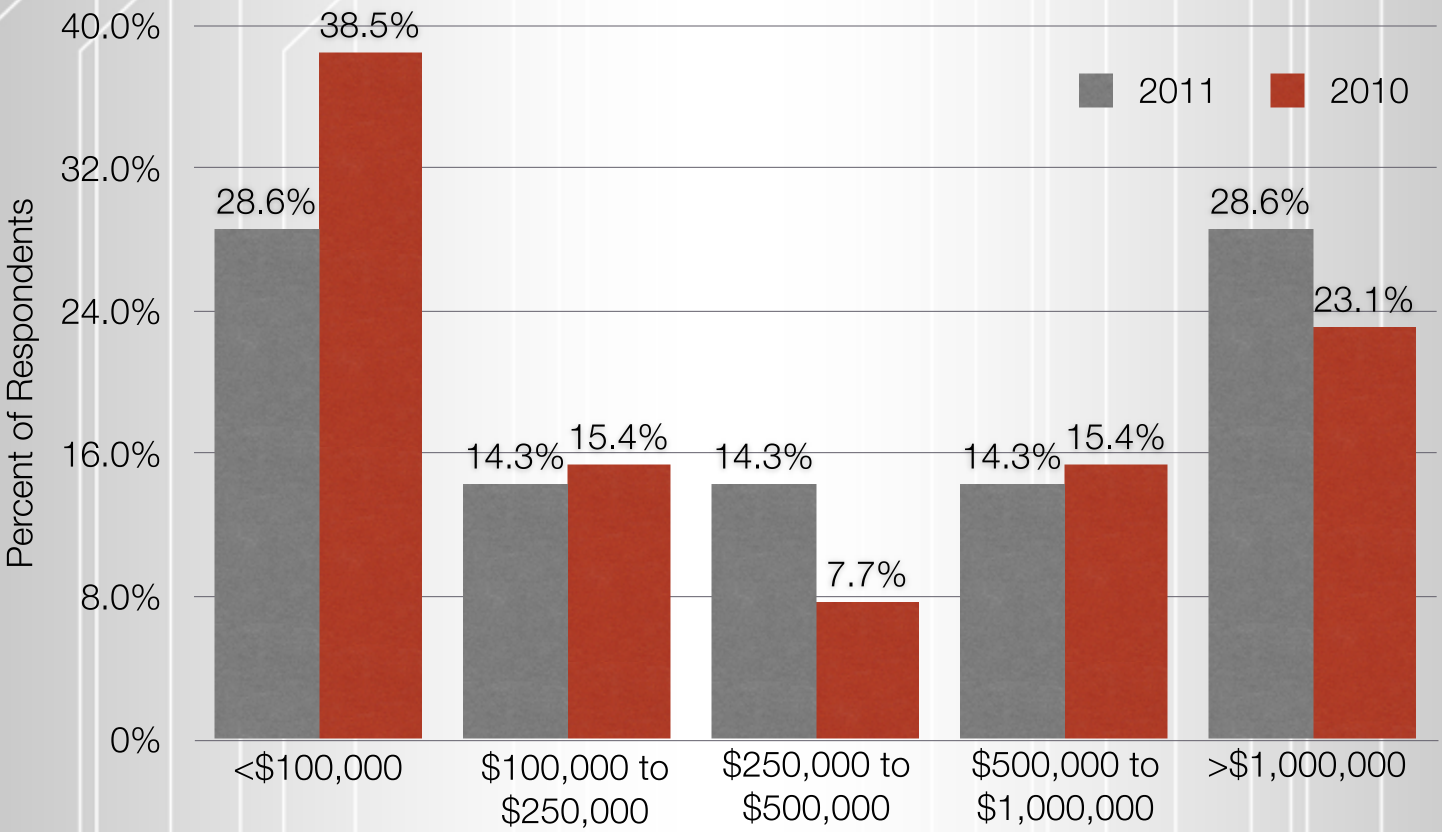
Areas	2010	2011	Change
Advertising	20.6%	26.1%	5.5%
Hosting/hospitality	17.7%	20.8%	3.1%
Publicity	8.1%	19.0%	10.9%
Public relations	7.5%	9.6%	2.1%
Co-promotions	7.1%	8.3%	1.2%
Other	13.7%	7.0%	-6.7%
Sales/consumer promotions	2.8%	2.8%	0.0%
Ancillary events	9.2%	2.3%	-6.9%
Product sampling	2.8%	2.1%	-0.7%
Internal marketing	7.3%	0.9%	-6.5%
Athlete (endorsements, promotions, etc.)	1.5%	0.8%	-0.7%
Packaging	1.2%	0.3%	-0.9%
Trade allowances/incentives to distrubtion	0.2%	0.1%	-0.2%

5.1 Strategic Findings

Activation | Agencies

Agencies were asked to report on the investment their clients had in activation in 2011.

Percentage of Respondents Amount of Investment in Activation

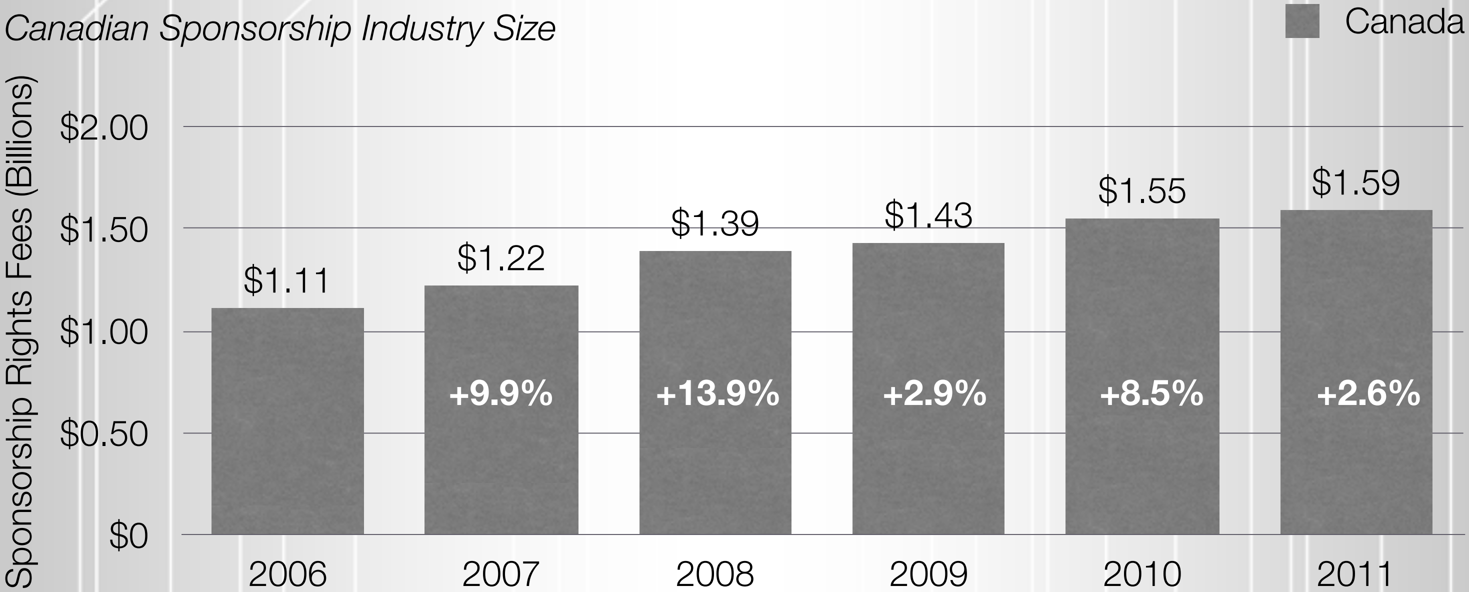


5.1 Strategic Findings

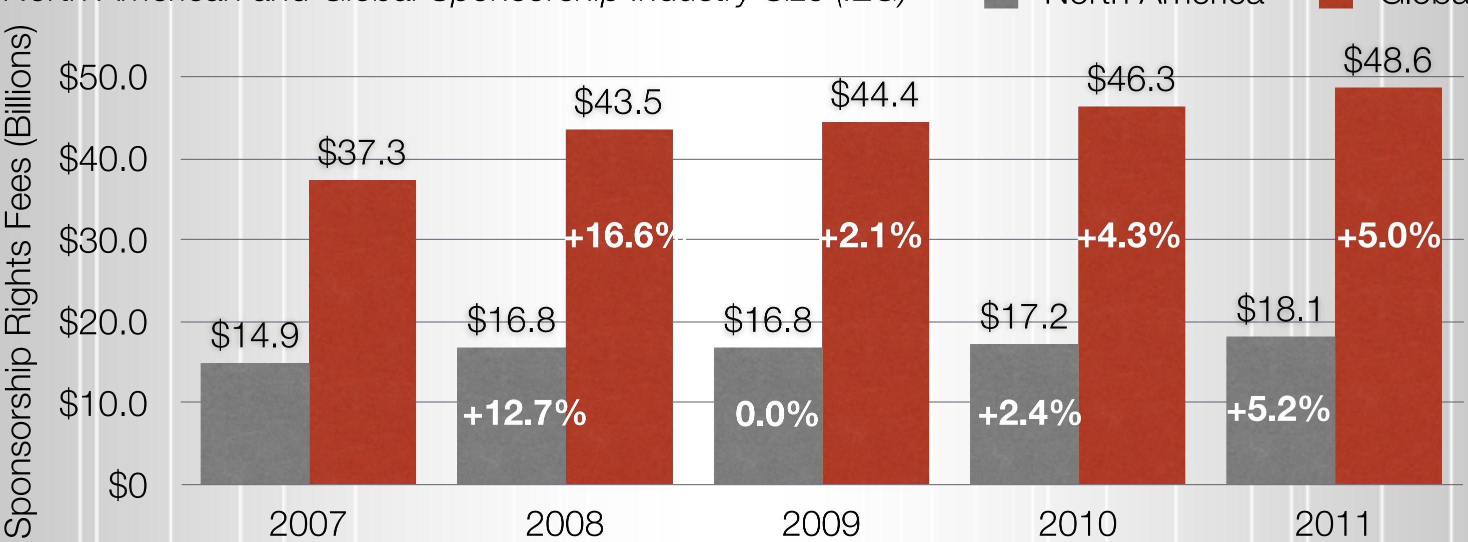
Industry Size

Conservative estimates put the sponsorship industry size in Canada in 2011 at $1.59 billion. This was a slight (2.6%) increase over 2010 and a 43.2% increase since 2006. The growth experienced in sponsorship was comparable to other forms of marketing - GroupM expected total media ad spending to grow 3.9% in 2012 to $13.37 billion. The sponsorship industry size and growth experienced by the Canadian sponsorship industry could also be considered with regards to the wider North American and Global sponsorship industries.

Canadian Sponsorship Industry Size



North American and Global Sponsorship Industry Size (IEG)



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5 Analysis

1. Strategic industry Findings

What is the state of current sponsorship, especially in evaluation, activation, industry size and sponsorship types.

2. Current Considerations

Themed questions that allow insight in to what sponsorship stakeholders are thinking.

3. Organizational Insight

Looking at characteristics of particular sponsors and French and English sponsors, sponsees and agencies.

4. Future Opportunities

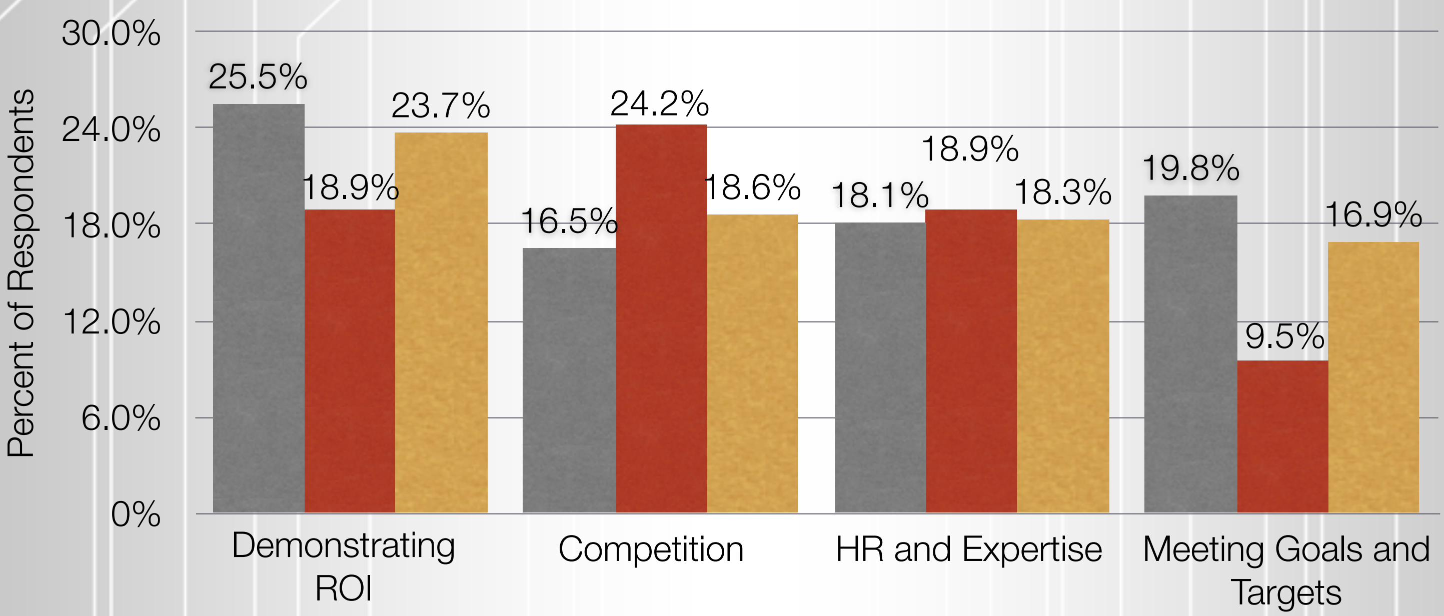
An examination of what the future of sponsorship in Canada holds according to sponsorship professionals.

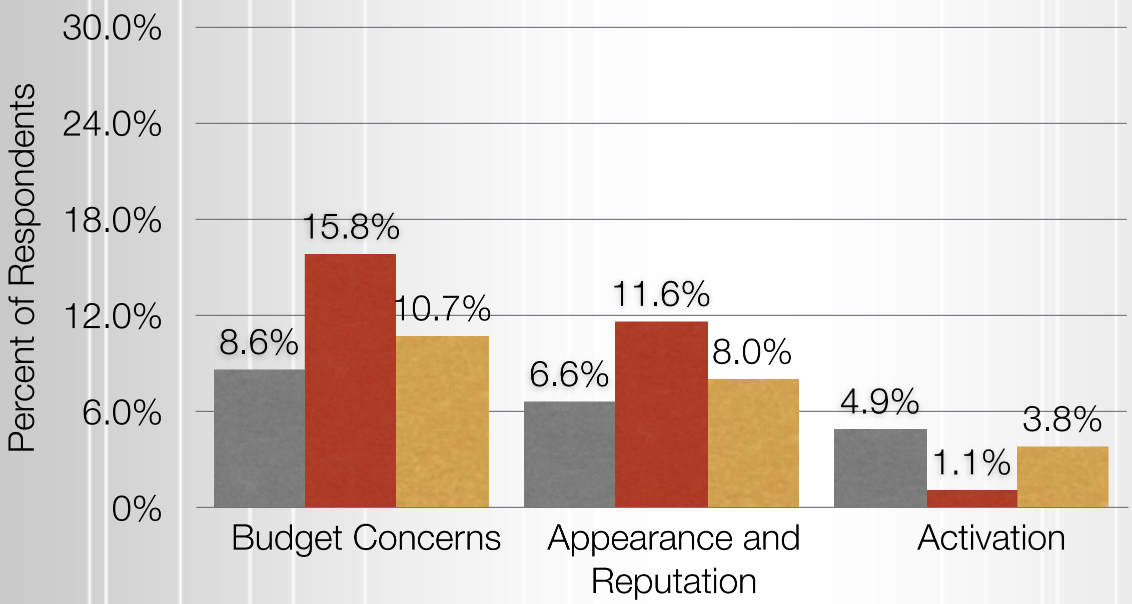
5.2 Current Considerations

Keeps You Up At Night

Respondents were asked what keeps them up at night about sponsorship. By analyzing the results for various themes, the three most common concerns, for both English and French respondents, were how to demonstrate return on investment, dealing with issues around increased competition and finding and maintain human resources and expertise.

What Keeps You Up At Night About Sponsorship?





English French Overall

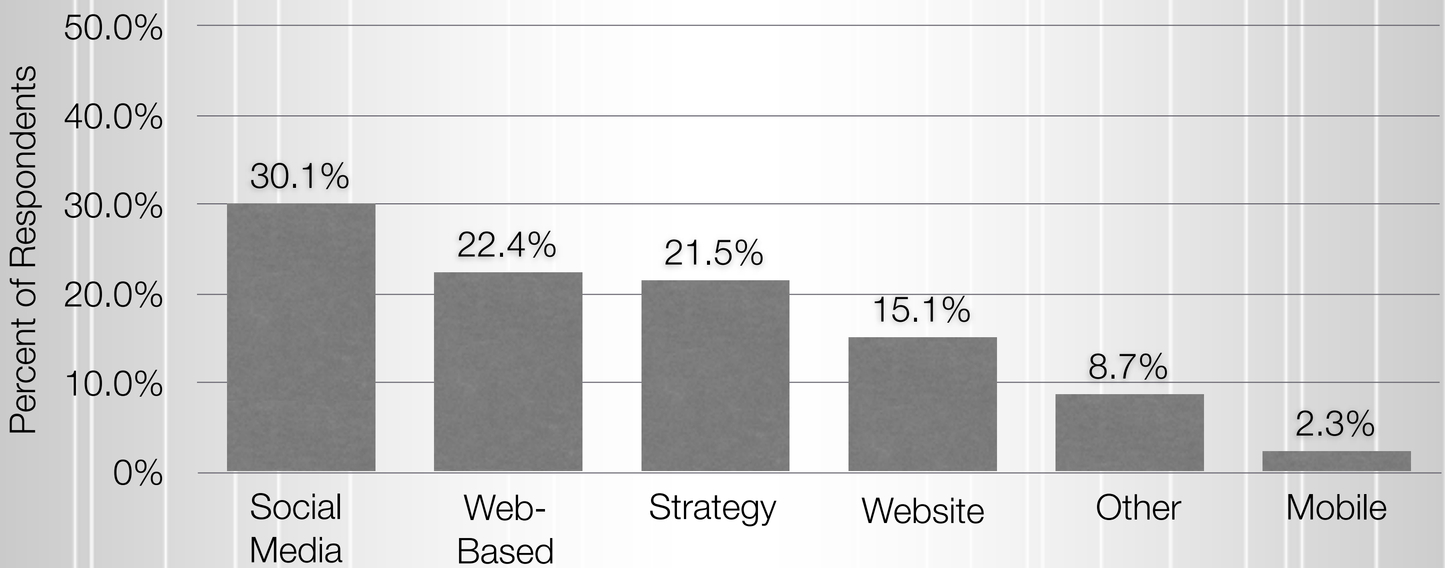
5.2 Current Considerations

Digital Advantage

Respondents were asked to identify what were the key activities they were doing in their organizations in order to take advantage of the digital world. Social media continued to be at the forefront of concerns, as did web-based communications.

Agencies were also asked a specific question about what they do, not only for their own organization, but also for their clients (i.e., sponsors and/or sponsees) to help them take advantage of the digital world. Agencies, while still concerned with social media (18.8%) and web-based activities (29.2%), tended to highlight research (14.6%) and engaging consumers (20.8%) as keys to helping clients take advantage of the digital world.

Taking Advantage Digitally



Notably, mobile continues received limited attention. As an area of drastic growth, this is expected to change in coming years.

5.2 Current Considerations

Sponsorships That Epitomize Passion

Respondents were asked which sponsorship they were aware of that most epitomized passion. As this question was open ended, there were a number of different types of responses. For example, some chose to name a property type (i.e., hockey or Olympics), some chose to name a specific sponsoring organization or corporation (i.e., Tim Hortons or Nike), some named a specific ownable property (i.e., Hockeyville) and finally, others named a characteristic of a sponsorship (i.e., sponsorships most epitomizing passion are those that engage employees), As such, it was possible to analyze this question by examining the property type and sponsorship characteristics, specific organization and corporate sponsors and sponsor industry categories.

Sponsorships that Epitomize Passion As Identified By Sponsors

Bell/Olympics, Canadian Tire/Motorsports, CIBC Run for the Cure, Clara Hughes/Mental Health, Rick Hansen/Man in Motion, Go Daddy/Danica Patrick, FIFA, Hockey Canada, IIHF World Junior Men's Hockey Championships, Rona/Olympics, Kraft Hockeyville, Molson, BMO, Ford, NHL, Pepsi/X-Factor, Nike, Soccer, Tim Hortons Brier, Tim Hortons Hockey

Sponsors were specifically asked to identify the strategies that they utilize to activate on their consumers' passions. There were several key strategies that sponsors used, including:

- Access to unique experiences that are otherwise not available to consumers
- Creating awareness of the connection to their passion
- Create relevant experience and interesting content - both live and via social media
- Experiential
- Using detailed consumer research
- Still not sure how to activate on consumers' passions

5.2 Current Considerations

Sponsorships That Epitomize Passion

By conducting a theme analysis of the types of sponsorships identified, specifically the properties involved in the sponsorship and characteristics of the sponsorship, it was possible to see that hockey and cancer were among the most popular sponsorships epitomizing passion for respondents. Other areas that were repeatedly top of mind included Minor Sports, the Olympics, community investment events, and professional soccer. When considering the characteristics of a sponsorship epitomizing passion, connecting with consumers, finding a good fit and employee engagement were important.

Property Type and Sponsorship Characteristics of Sponsorships Most Epitomizing Passion

	English	French	Overall
Hockey	13.1%	0.0%	11.0%
Cancer	13.1%	0.0%	11.0%
Connecting with Consumers	3.3%	41.7%	9.6%
Minor Sports	11.5%	0.0%	9.6%
Olympics	8.2%	16.7%	9.6%
Community Investment	8.2%	0.0%	6.9%
Professional Soccer	6.6%	8.3%	6.9%
Local	4.9%	16.7%	6.9%
Motor Sports	4.9%	8.3%	5.5%
Finding a Good Fit	4.9%	0.0%	4.1%
Employee Engagement	4.9%	0.0%	4.1%
Mental Health	4.9%	0.0%	4.1%
Other	13.1%	8.3%	12.3%

5.2 Current Considerations

Sponsorships That Epitomize Passion

The responses from the question regarding passion in sponsorship were also analyzed for specific sponsor mentions. That is, the mention of a particular sponsoring organization by name. The top ten most commonly mentioned accounted for 78.2% of all specific organization mentions. Tim Hortons most epitomized passion in the minds of English respondents, compared to Loto Quebec for French respondents.

Sponsors Most Epitomizing Passion

	English	French	Overall
1. Tim Hortons	20.6%	5.0%	14.8%
2. Loto Quebec	0.0%	35.0%	13.0%
3. Kraft	14.7%	0.0%	9.3%
3. CIBC	14.7%	0.0%	9.3%
5. Telus	5.9%	5.0%	5.6%
6. Adidas	5.9%	10.0%	7.4%
6. Nike	5.9%	10.0%	7.4%
8. MillerCoors	5.9%	5.0%	5.6%
8. Red Bull	5.9%	5.0%	5.6%
10. TD Canada Trust	5.9%	0.0%	3.7%
10. Anheuser-Busch	2.9%	5.0%	3.7%
10. Bell	5.9%	0.0%	3.7%
10. RBC	5.9%	0.0%	3.7%
10. Rona	0.0%	10.0%	3.7%
10. Ford	0.0%	10.0%	3.7%

5.2 Current Considerations

Sponsorships That Epitomize Passion

A theme analysis of the industry categories that these sponsorships existed within was conducted and there were some interesting findings. Sponsorships most epitomizing passion tended to fall within four categories - banks, restaurants, consumer packaged goods and sports apparel. English respondents found passion in a less diverse group of categories - lottery and other (including automotive) are not found within the English sample, but account for 35.5% of the French sample.

Sponsor Industries Most Epitomizing Passion

	English	French	Overall
Banks	23.7%	9.7%	17.4%
Restaurant	18.4%	12.9%	15.9%
CPGs	23.7%	3.2%	14.5%
Sports Apparel	13.2%	12.9%	13.0%
Alcohol	7.9%	12.9%	10.1%
Lottery	0.0%	22.6%	10.1%
Telecommunications	10.5%	6.5%	8.7%
Home Improvement	2.6%	6.5%	4.4%
Other	0.0%	13.0%	5.8%

5 Analysis

1. Strategic industry Findings

What is the state of current sponsorship, especially in evaluation, activation, industry size and sponsorship types.

2. Current Considerations

Themed questions that allow insight in to what sponsorship stakeholders are thinking.

3. Organizational Insight

Looking at characteristics of particular sponsors and French and English sponsors, sponsees and agencies.

4. Future Opportunities

An examination of what the future of sponsorship in Canada holds according to sponsorship professionals.

5.3 Organizational Insight

Language Insights | Sponsors

The differences between English Canadian and French Canadian sponsors were analyzed and statistically significant differences were identified. They are summarized below:

- French sponsors had significantly higher proportions of their marketing budgets allocated to sponsorship compared to English sponsors
- English sponsors had a much higher proportion of sponsorship investment as value-in-kind products or services, whereas French sponsors had a higher proportion as cash
- English sponsorship were significantly more optimistic about 2012
- English sponsors invested significantly more (as a proportion of overall spend) in professional sport, amateur/Olympic sport, entertainment and the arts whereas French sponsors invested significantly more (as a proportion of overall spend) in festivals
- In activation:
    - English sponsors had a significantly higher activation ratio
    - English sponsors were more likely to utilize hosting/hospitality, product sampling and ancillary events as activation tactics
    - French sponsors were more likely to use advertising as an activation tactic
- In evaluation:
    - English sponsors were significantly more likely to evaluate sponsorships; this included pre-sponsorship evaluation
- Regarding ROI:
    - English sponsors were significantly more satisfied with their ROI from sponsorship compared to French sponsors
    - English sponsors had the greatest ROI (for their organization) in professional sport and considered that the greatest ROI (in general) was for professional sport
    - French sponsors had the greatest ROI (for their organization) in festivals and considered that the greatest ROI (in general) was for festivals
- English sponsors tended to have a more national reach, whereas French sponsors had a more regional reach; both had similar levels of local and international reach

Sponsor Reach for English and French Sponsors

Variable	English	French
International	6.9%	5.3%
National	24.6%	0.2%
Provincial	30.5%	13.6%
Regional/Local	38.1%	80.8%

5.3 Organizational Insight

Language Insights I Sponsees

The differences between English Canadian and French Canadian sponsees were analyzed and statistically significant differences were identified. They are summarized below:

- French sponsees had significantly more sponsors than English sponsees, although there was no difference int he number of categories sought after
- English sponsees were much larger; they had more staff, more volunteers, larger budgets and larger sponsorship revenues
- French sponsees were more likely to attract value-in-kind services, but less likely to attract cash. There was no difference for value-in-kind products.
- French sponsees invested more than English sponsees in activation, but there was no difference in the types of activation tactics they used
- English sponsees were more likely to receive money via an agency
- English sponsees were more likely to receive sponsorship from an international sponsor

Activation Investment for English and French Sponsees

English

14.2%

Activation Investment

French

21.0%

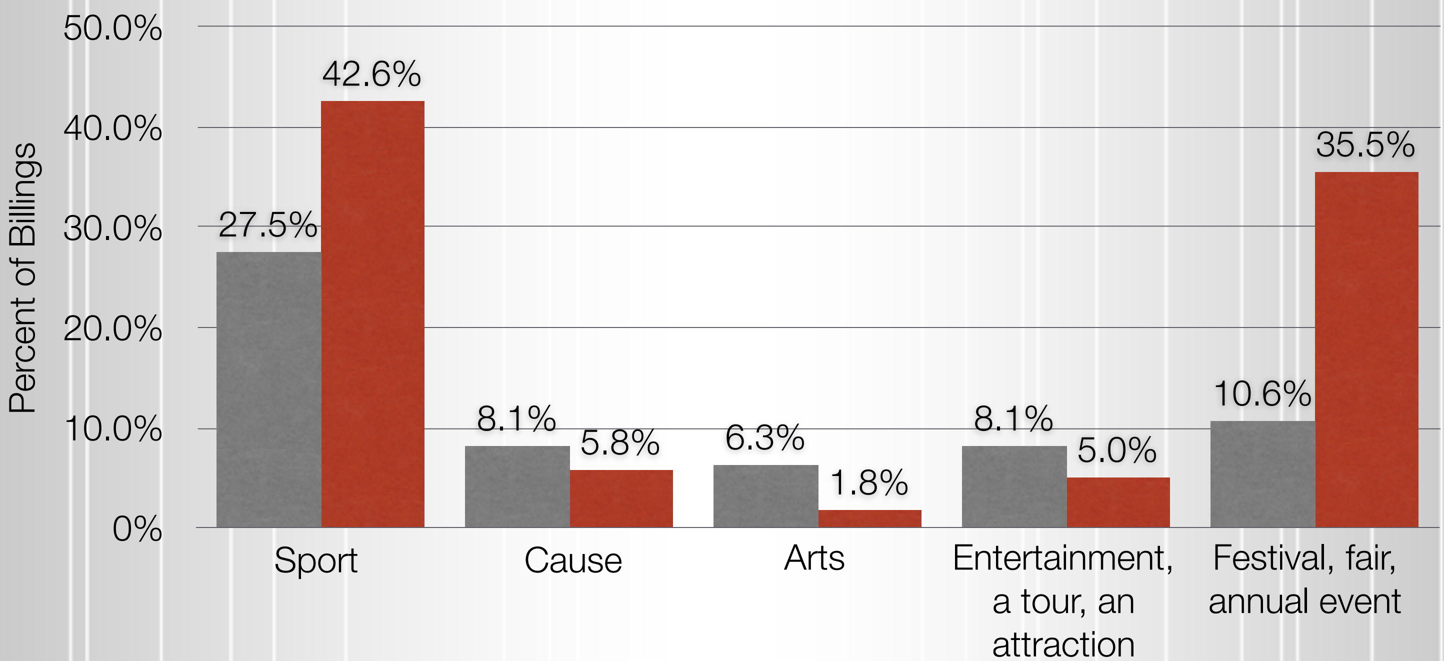
5.3 Organizational Insight

Language Insights I Agencies

The differences between English and French agencies were analyzed and statistically significant differences were identified. They are summarized below:

- French agencies had significantly more billings in sport and festivals
- English agencies had more staff than French agencies
- French agencies had more sponsorship clients and worked on more sponsorships (both per agency and per client)
- French agencies were more optimistic than English agencies
- French agencies were more likely to do work in media and events
- English agencies were more likely to work on the development of activation programs, research, evaluation, sponsorship contracts and negotiations
- Sponsorships that were worked on by English agencies were more likely to be evaluated
- Sponsorships that were worked on by English agencies were more likely to be activated
- English agencies were more likely to have clients with global sponsors
- English agencies were more likely to work on sponsorships between for-profit sponsors and not-for-profit agencies

Percent of Agency Sponsorship Billings for English and French Agencies



5.3 Organizational Insight

Sponsor #1 | Small Sponsor X

Small Sponsor X

Average
Rights Fees: $23,497
Activation: 0.41
Evaluation: 0.93%

- Invested $45,000 in sponsorship rights fees
- Fell within the service industry
- Invested 60% of their marketing budget on sponsorship
- Were not sure when they established their sponsorship budget
- Invested in 4 properties (3 were NFPs; 1 was international, 1 national, 2 provincial)
- Spent $0 in VIK product and $40,000 in VIK services
- Expected to spend 33% more next year (for both cash and VIK)
- Spent $1,000 on activation, predominantly in hosting/hospitality
- Spent $0 on evaluation
- Renewed their sponsorships frequently
- Believed business conferences provided the best ROI
- Their largest sponsorship investment was $14,500
- Did not use agencies
- Were satisfied with the level of service provided by sponsees

5.3 Organizational Insight

Sponsor #2 | Medium Sponsor Y

Medium Sponsor Y

Average
Rights Fees: $1.81M
Activation: 0.59
Evaluation: 5.41%

- Invested $1.65 million in sponsorship rights fees (90% cash and 95% NFPs)
- 20% spent provincially, 50% regionally and 30 % locally
- Spent 35% sport, 30% arts, 20% education, 5% entertainment, 15% festivals, 5% other
- Chose festivals because they connect to the community and offer best ROI
- Were concerned about ROI, measurement, metrics and having proof of effectiveness
- Were from the financial sector
- Frequently renew sponsorships, but are not happy with their service

- Decided sponsorship budget in October; spent 17% of marketing budget in sponsorship
- Invested in 500 sponsorships; their largest sponsorship was $150,000
- Expected to spend 3% more on sponsorship in 2012
- Spent $40,000 on sponsorship rights outside of Canada
- Spent $95,000 in activation - 30% hospitality, 20% ads, 10% PR, 40% sales/promos
- Did not evaluate and do not use agencies
- Identify they need to improve on activation

5.3 Organizational Insight

Sponsor #3 | Large Sponsor Z

Large Sponsor Z

Average
Rights Fees: $13.39M
Activation: 0.66
Evaluation: 2.25%

- Invested $14.2 million in sponsorship rights fees (all cash; 95% for-profit)
- 70% spent nationally, 30% regionally; 80% pro sport, 10% other sport, 10% cause
- Preferred pro sport because of it's ability to reach and be relevant to Canadians
- Major concern was a cluttered marketplace and big competition
- Expected to spend 1% less on sponsorship in 2012
- Established their budget in August
- Invested in 30 properties
- Spent $2.5 million on sponsorship rights outside of Canada
- Spent $5.25 million in activation using a mix of strategies
- Spent 2% of budget on evaluation, but did not use pre-sponsorship evaluation
- Experienced greatest ROI from pro sport
- Invested 10% via an agency
- Their largest sponsorship was $3 million
- Were happy with ROI from sponsorship

5 Analysis

1. Strategic industry Findings

What is the state of current sponsorship, especially in evaluation, activation, industry size and sponsorship types.

2. Current Considerations

Themed questions that allow insight in to what sponsorship stakeholders are thinking.

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4. Future Opportunities

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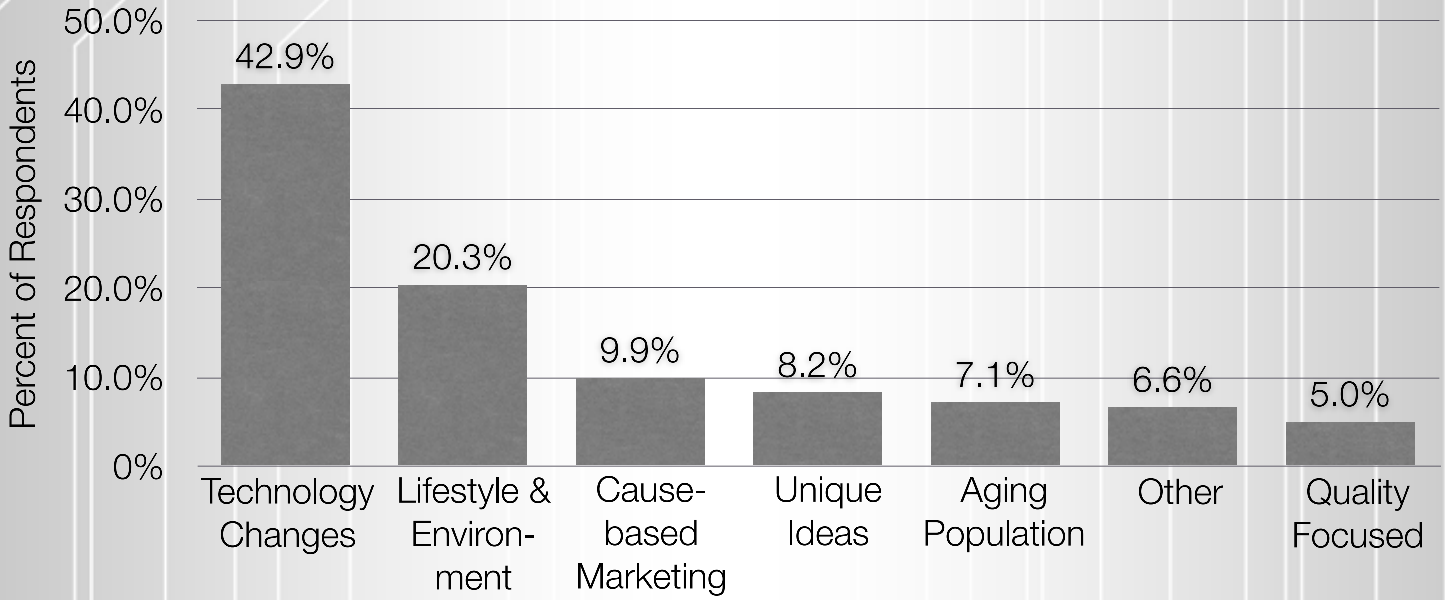
5.4 Future Opportunities

Consumer Trends

Respondents were asked what they considered to be the two most influential consumer trends facing sponsorship in the near future. The largest consumer trend identified was changes in technology. followed distantly by consumer concerns for a healthier lifestyles and the environment.

Influential Consumer Trends Identified

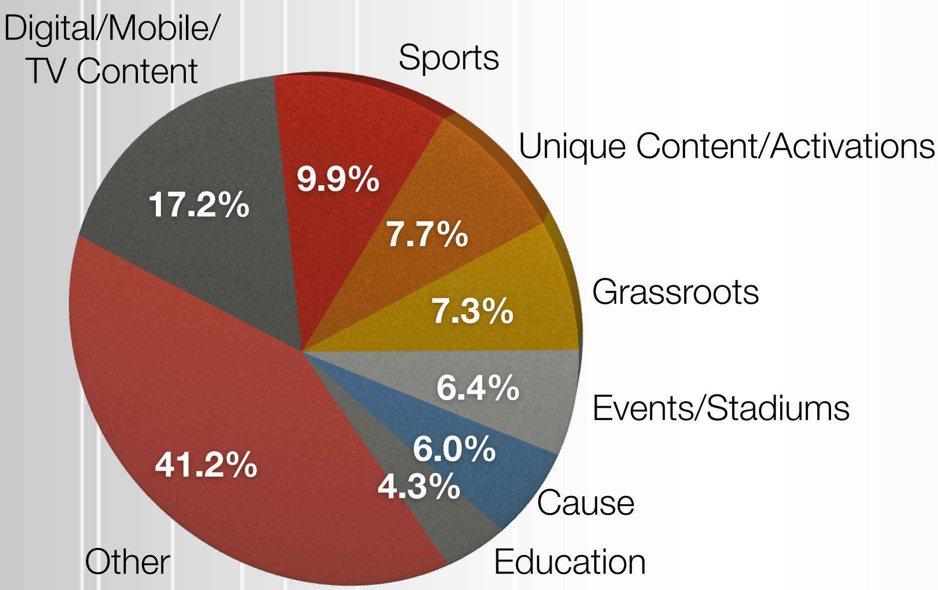


5.4 Future Opportunities

Areas of Growth

Respondents were asked to identify the areas that they believe will have the largest growth in sponsorship spending in the next two years. The results were analyzed for a theme. While there are seven specific areas that were considered by respondents to be areas of potential, what should also be noted from the results is the extreme diversity in areas that were identified. The scope of sponsorship has expanded and people expect that it will continue to do so in upcoming years.

Identified Areas of Growth



Other includes several areas identified by respondents as opportunities for growth in the next few years. These included: aboriginal, immigrant, health, natural resources, arts and music, automobile, international events, collaborations, financial, military, naming rights, measurement, government and not-for-profits, medium size business, human resources, corporate social responsibility, pouring rights, professional development and training events, other services.

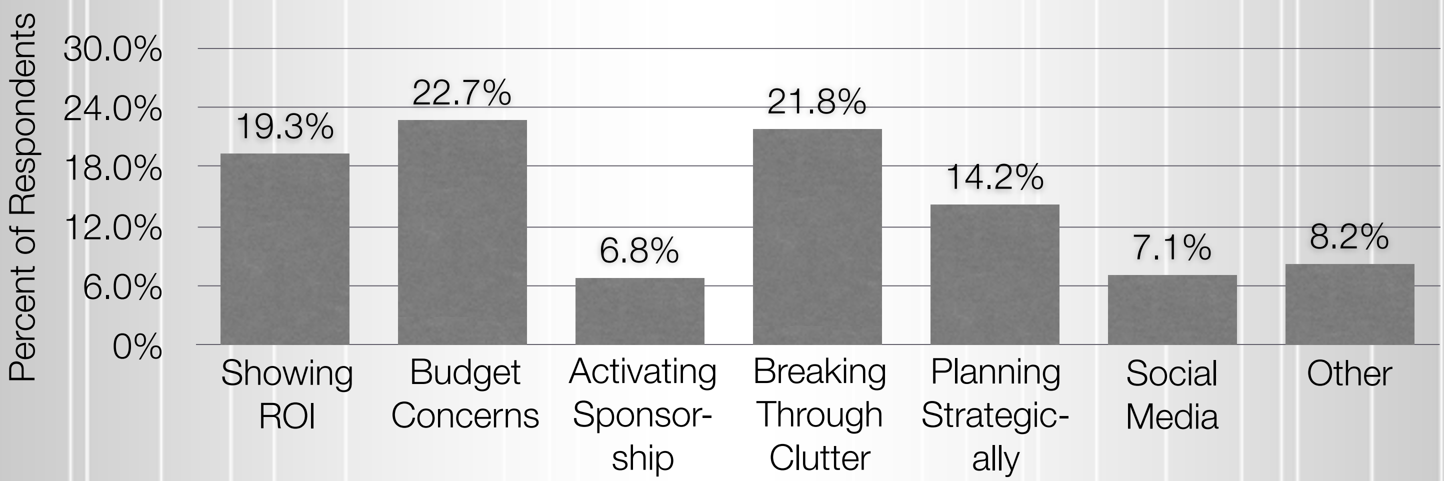
5.4 Future Opportunities

Future Challenges

Respondents were asked what they consider to be the largest challenges facing sponsors, sponsees and agencies in the next two years. These results were analyzed and grouped by themes. There were six main themes that arose - demonstrating return on investment, budget constraints and economic concerns, activating the sponsorship, standing out in clutter, planning and approaching sponsorship strategically, and capitalizing on social media.

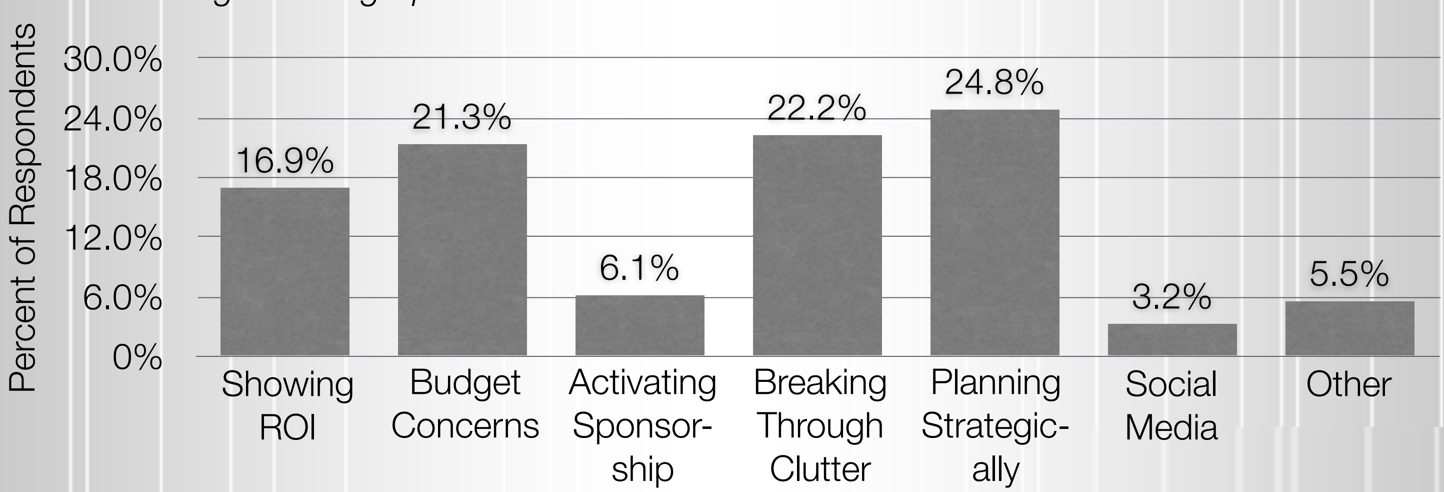
The largest challenges facing sponsors were related to budget, breaking through clutter and demonstrating return on investment.

Future Challenges Facing Sponsors



The largest challenges facing sponsees were related to strategic planning and breaking through clutter and dealing with budget concerns.

Future Challenges Facing Sponsees

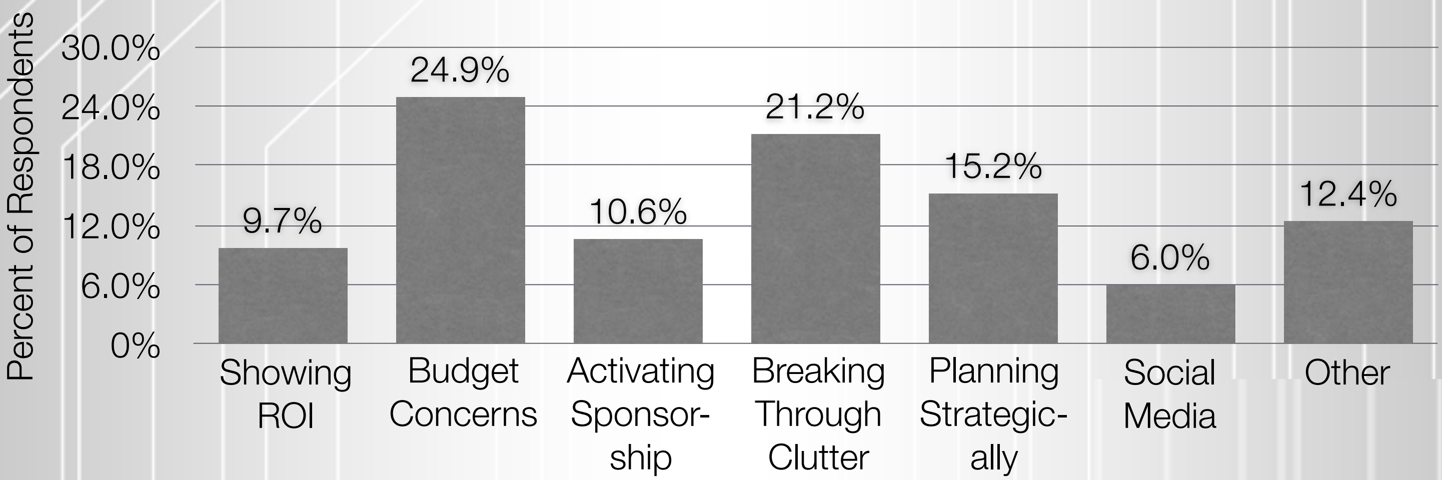


5.4 Future Opportunities

Future Challenges

The largest challenges facing agencies were related to budget and economic concerns, breaking through clutter and ensuring strategic planning around sponsorship.

Future Challenges Facing Agencies



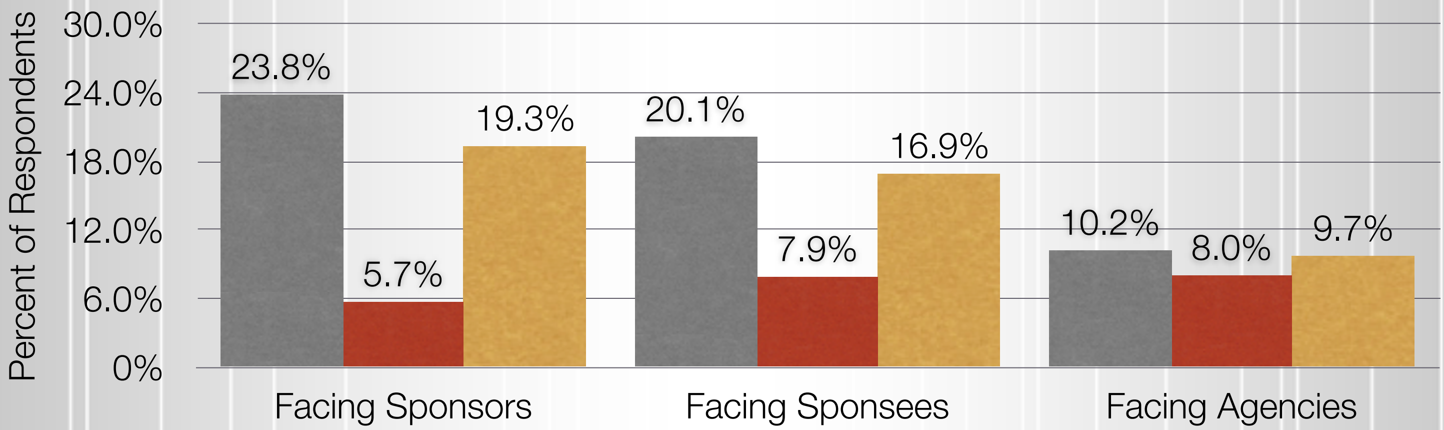
Many of the concerns facing sponsors, sponsees and agencies in 2011 were very similar to concerns from 2010. Demonstrating return on investment and value in sponsorship, breaking through clutter and limited resource and budget concerns were consistently challenges facing sponsorship organizations year after year.

5.4 Future Opportunities

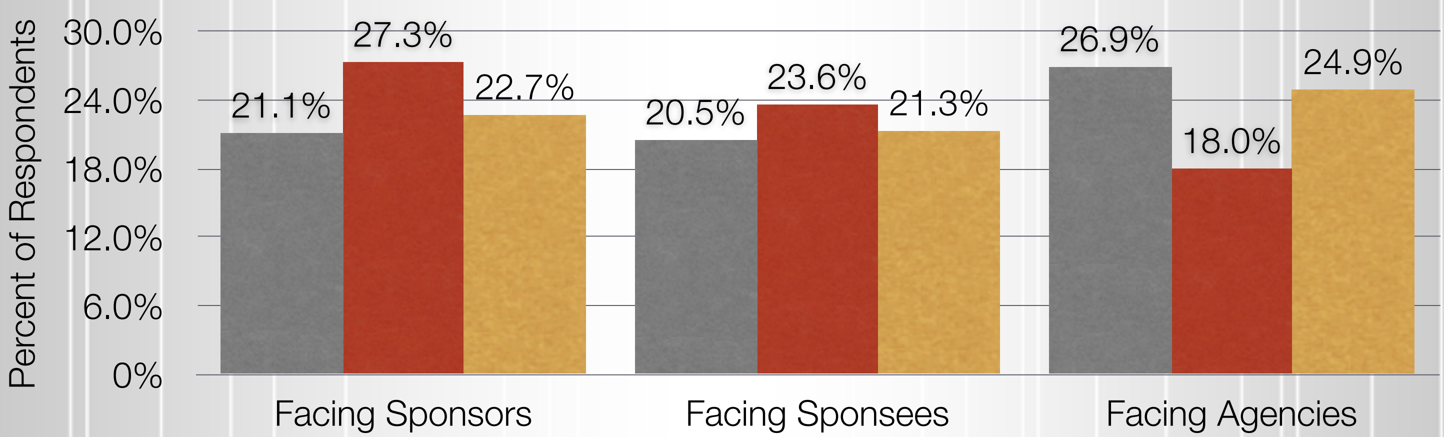
Future Challenges

Future challenges were also examined by language of response. Many of the concerns for future challenges were shared by English and French respondents, however there were a few noticeable differences. French respondents were much less concerned with demonstrating return on investment, especially for sponsors and sponsees. Activating the sponsorship was less of a concern for French agencies than English agencies. Also, French agencies were much more concerned with ensuring sponsorship was approached and planned for strategically than their English counterparts.

Future Challenges Facing Sponsorship Organizations - Demonstrating Return on Investment



Future Challenges Facing Sponsorship Organizations - Economic and Budget Concerns

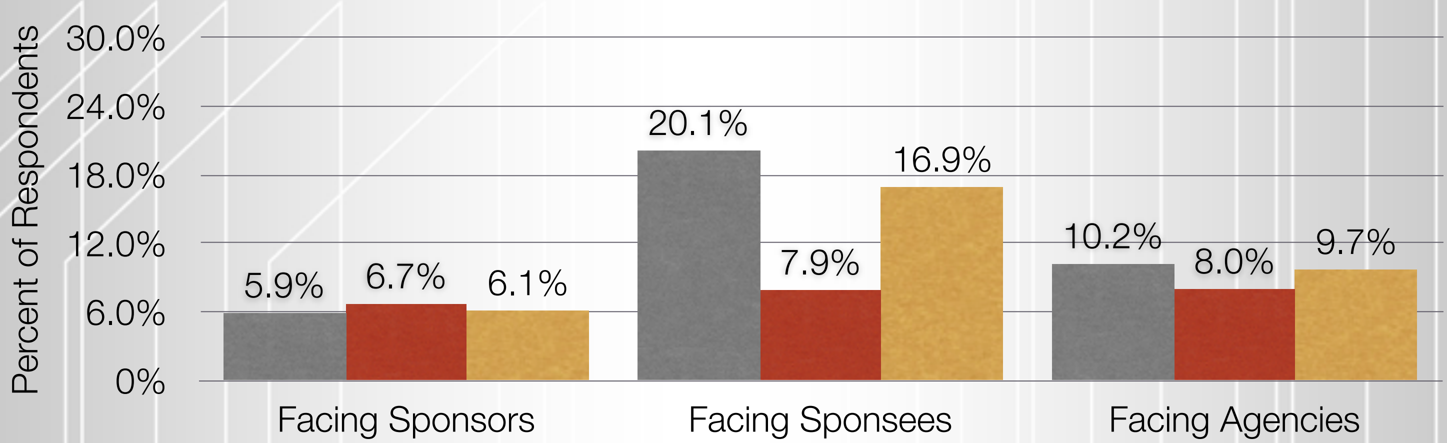


English French Overall

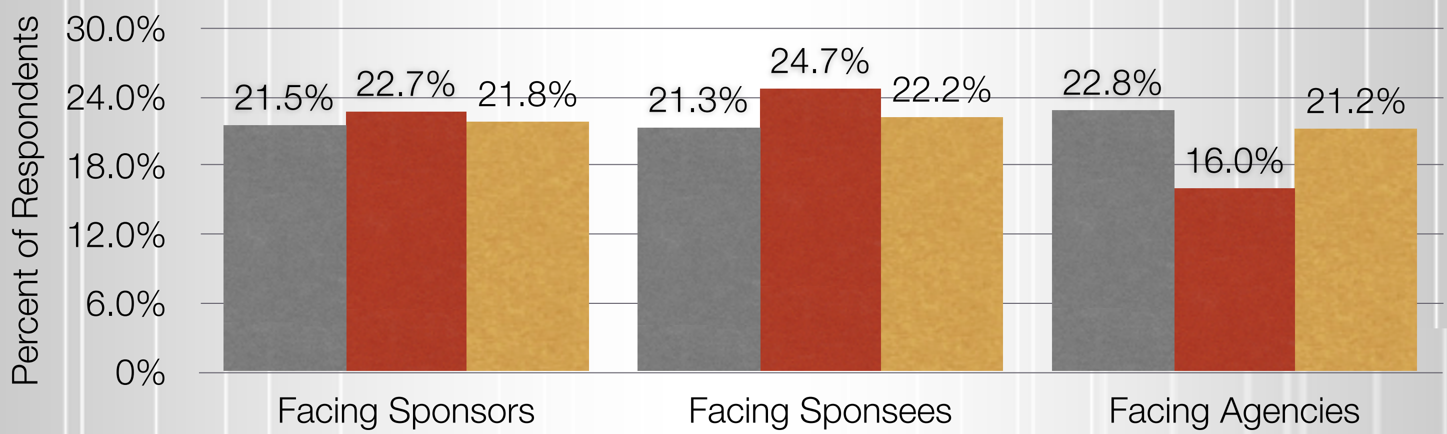
5.4 Future Opportunities

Future Challenges

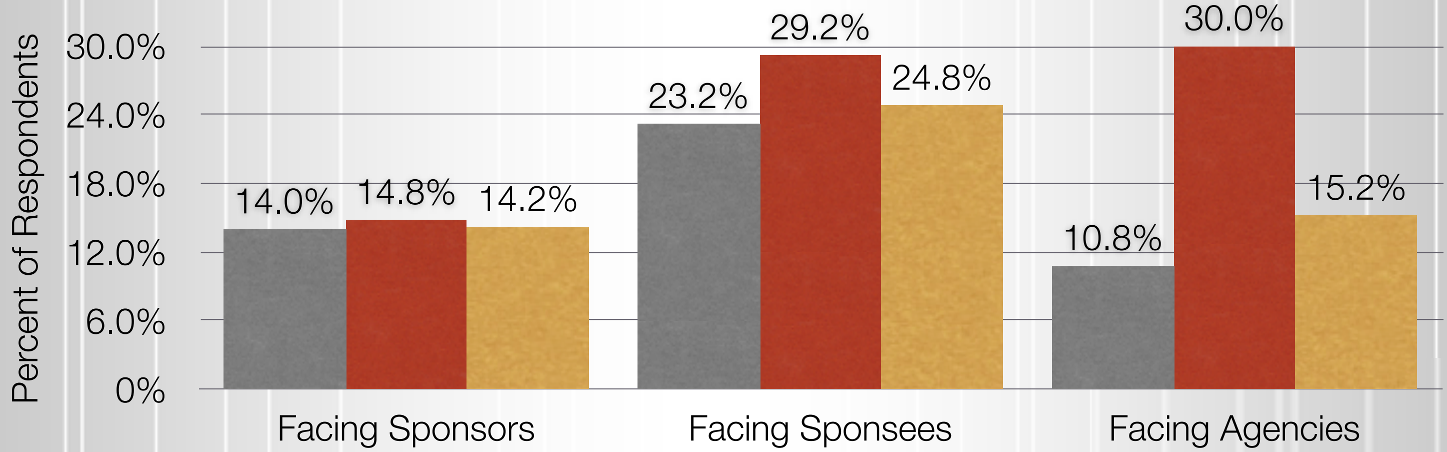
Challenges Facing Sponsorship Organizations - Activating the Sponsorship



Future Challenges Facing Sponsorship Organizations - Breaking Through Clutter



Future Challenges Facing Sponsorship Organizations - Planning Strategically

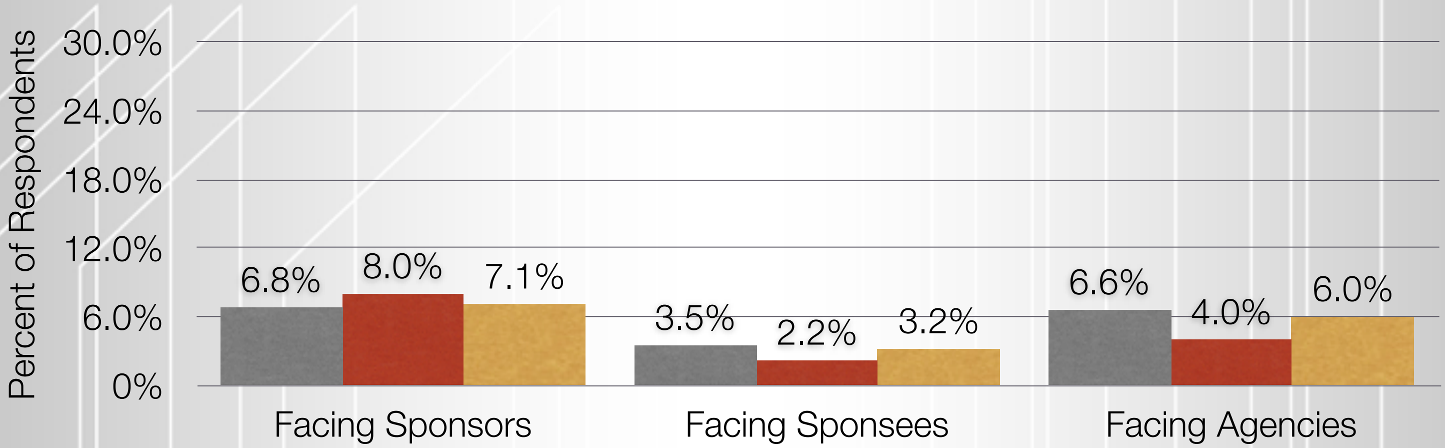


English French Overall

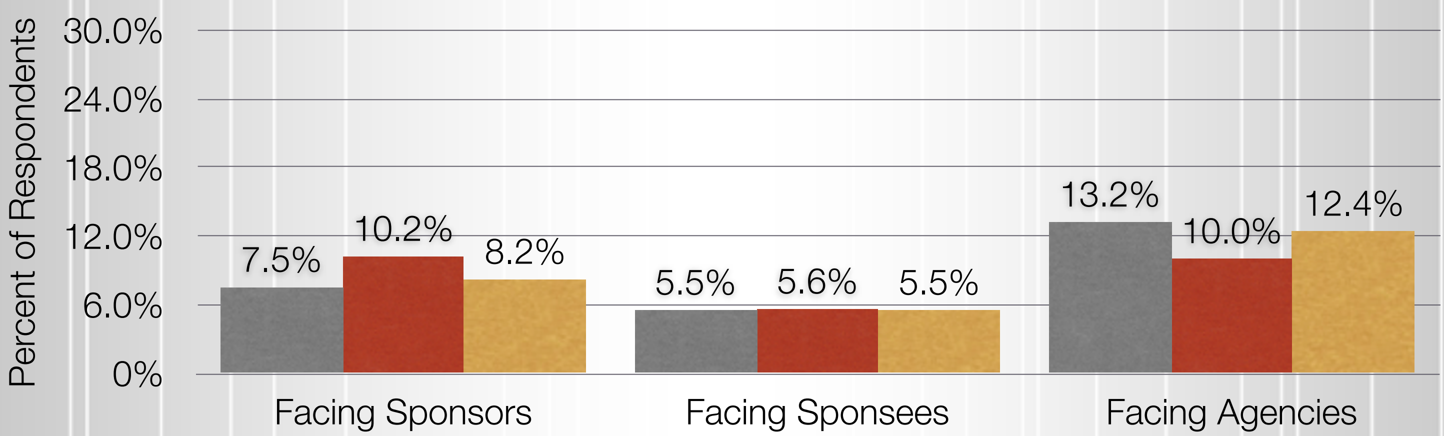
5.4 Future Opportunities

Future Challenges

Challenges Facing Sponsorship Organizations - Social Media



Future Challenges Facing Sponsorship Organizations - Other



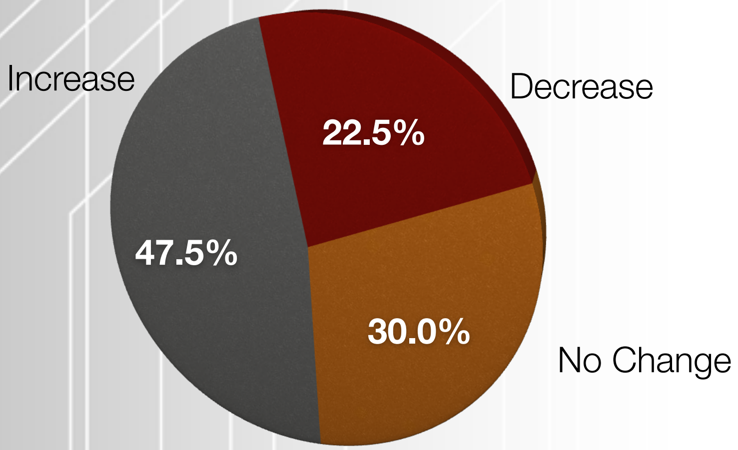
English French Overall

5.4 Future Opportunities

Forecasting

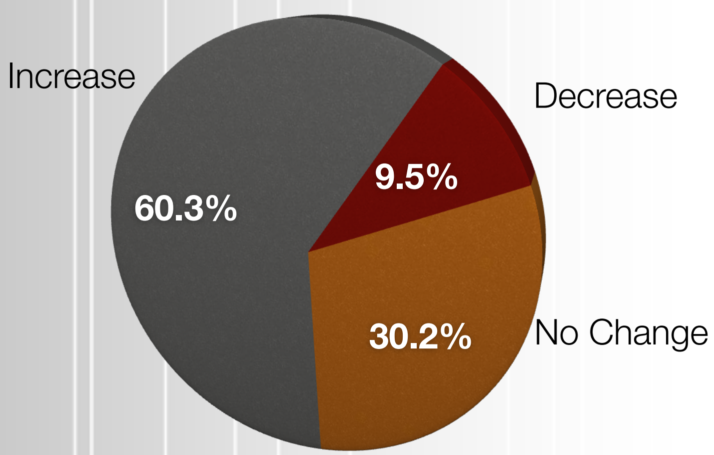
Expectations for 2012

Sponsor Spending



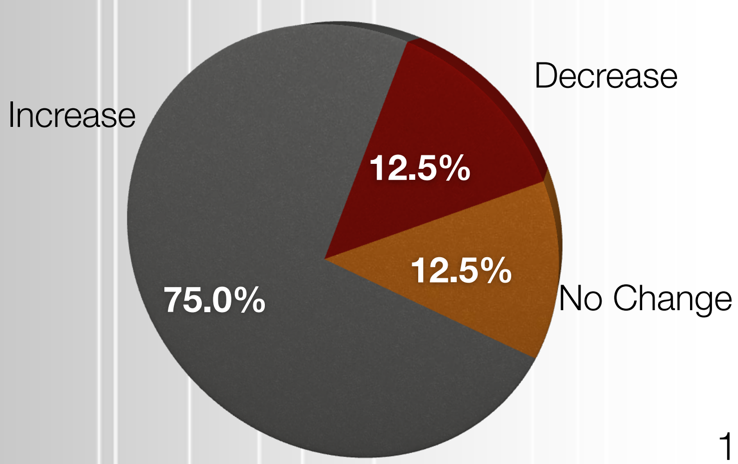
‣Sponsors expected an average increase of 7.8% (+/- 9.7%; range of 1% to 33%)
‣Sponsors expected an average decrease of 2.8% (+/- 6.3%; range of 1% to 25%)
‣Overall, the sample expected a modest 3.7% increase

Sponsee Revenue



‣Sponsees expected an average increase of 52.5% (range of 1% to 800%)
‣Sponsees expected an average decrease of 4.0% (range of 1% to 50%)
‣Overall, the sample expected a significant 44.9% increase

Agency Billings



‣Agencies expected an average increase of 17.1%
‣Agencies expected an average increase of 11.4%
‣Overall, the sample expected a significant 11.4% increase

CSLS
Canadian Sponsorship Landscape Study

6 Contact Information

Contact Information

If you have any questions or concerns about the study or would like more information, please feel free to contact any of the following individuals:

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