

9th ANNUAL

CANADIAN SPONSORSHIP LANDSCAPE STUDY

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IMI

Research Partners



EXECUTIVE SUMMARY (2014)

	2014	2014 Change
Industry Size	\$1.66B	(6.6%)
Activation Spend	\$0.70B	(57.1%)
Total Spend	\$2.36B	(21.6%)

	Average
Sponsors Spending	\$2.2MM
Property Revenue	\$2.2MM
Agency Billing	\$575,000

211 Responses
89.5% **10.5%**
English French

Activation Ratio
0.42
For every dollar spent on rights fees, 42 cents is spent on activation

Sponsorship Marketing Budget
25.4%
As percentage of total marketing communication budget

Evaluation
1.4%
of overall sponsorship marketing budget is spent on sponsorship evaluation

REPORT

1 **CSLS Background** About, History & Method

2 **9th Annual Results** Sponsors, Properties & Agencies

3 **Sponsorship in 2015** Key Lessons from the 9th CSLS

9th Annual CSLS

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

The study examines both academic and 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 years, the study has engaged several partners, including the Canadian Sponsorship Forum and the Sponsorship Marketing Council of Canada, where the findings are regularly presented at annual conferences. Key research partners are IMI International the T1 agency.

In order to serve its purpose and ensure the findings are readily available and can be applied broadly, the survey report is publicly available.

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

1 Canadian Sponsorship Landscape Study

ABOUT, HISTORY & METHOD

METHOD



Origins

Industry Need, Share



Design

Perspectives, Industry



Process

Online, Partners, Streamline



Analysis

Trends, Comparative

Data Collection

In 2015, data collection was completed online, through a secure website provided by IMI International. An option to complete the survey offline was also provided, where paper responses could be mailed to the researchers. Most respondents chose to provide their information via the secure online site (90.2%).

Procedure

The study included three surveys (available in both english and french): one for each of sponsors, properties and agencies. Although they share some common questions, specific questions were developed for each of the three groups of partners (sponsors, properties 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 by a university each year of the study.

In subsequent years, questions have been modified, adapted and added based upon the feedback from survey respondents and other partners.

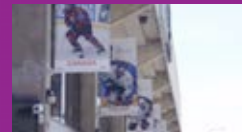
HISTORY

2007



CSF, Toronto

2008



CSF, Halifax

2009



CSF, Quebec City

2010



CSF, Vancouver
SMCC Annual Conference, Toronto

2011



CSF, Montreal
SMCC Annual Conference, Toronto

2012



CSF, Montreal
SMCC Annual Conference,
Toronto; SMCC West, Calgary
Infopresse: RDF Commandite,
Montreal

2013



CSF, Saskatoon
SMCC Annual Conference,
Toronto; SMCC West, Calgary
Infopresse: RDF Commandite,
Montreal

2014



CSFX, Ottawa
Festivals & Events Ontario, Toronto

2015



CSFX, Edmonton
SMCC Annual Conference,
Toronto

Background

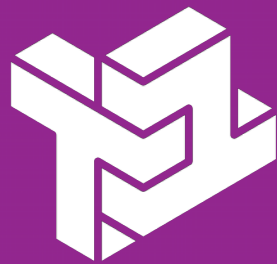
2015 marks the ninth annual CSLS. The study began in 2007 as a way to meet the several needs within the Canadian sponsorship industry.

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 regarding sponsorship in Canada.

Additionally, during this time there was a push within academia to formalize the field of research and provided academic literature on sponsorship, especially with regards to its professional application.

Finally, anecdotal disconnect within the industry, often between sponsors and properties, 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.

STUDY PARTNERS



Partners

Since 2007, 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 academics from Canadian universities. Two years later, the Sponsorship and Marketing Council of Canada joined the team as co-presenter of the study for several years. In 2015, the partners of the study are listed here.

CSFX

Since its inception in 2005, the Canadian Sponsorship Forum has delivered best-in-class sponsorship data and information while partnering with top tier Canadian properties. CSFX continues to present a conference format completely unique to the industry, working overtime to provide delegates with the total sponsorship and experiential marketing package.

IMI International

As a leading market research firm, IMI International supports the CSLS through the provision of a secure website that allowed for survey administration, data collection and storage.

The T1 Agency

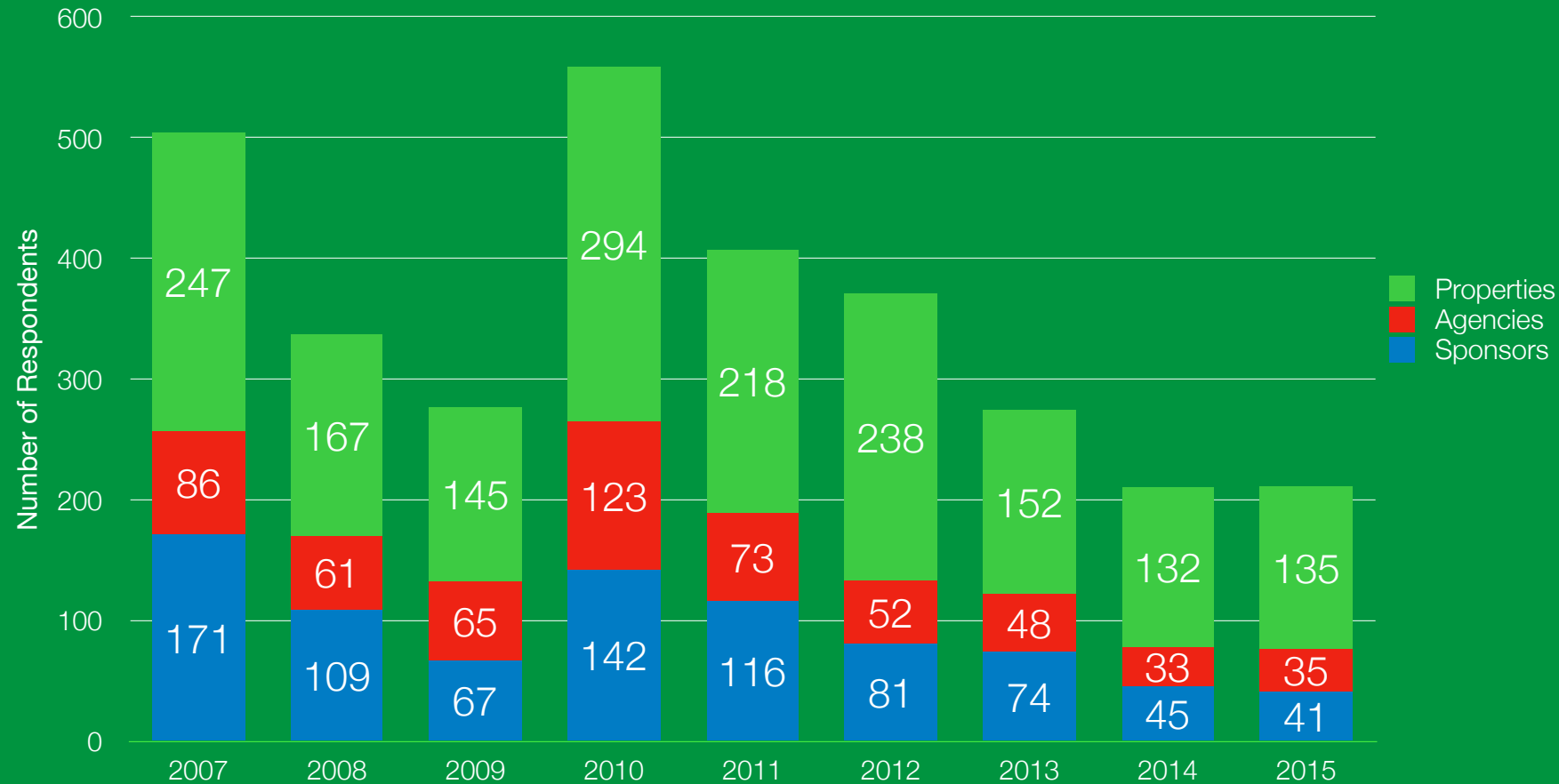
An agency proficient in leveraging the passions of consumers to create brand experiences. We've built a reputation for developing ownable properties and ideas that engage consumers and bring brands to life.

29th Annual Results

FINDINGS, TRENDS & WHAT'S NEXT

RESPONDENTS

Historical CSLS Survey Respondents



Sample Size

Over the nine years of the study, the CSLS has received over 3,150 responses. As such, the study continues to strengthen and expand with the longitudinal findings becoming more robust, allowing for key insights.

Language

The CSLS surveys have been available in both English and French since the inception of the study. In 2015, the vast majority (89.5%) of the respondents chose to answer in English.

Location

Most respondents indicated they had a head office in Ontario (45.0%), followed by Alberta/BC (15.1% each respectively) and Quebec (9.3%).

Respondent Profile

The majority (64%) of the CSLS respondents held senior positions (Director, VP, CEO) within their respective organizations. 22% of respondents held junior positions such as a sponsorship coordinator.

Sponsors

n = 41 (36 ENGLISH; 5 FRENCH)

SPONSORS

Average company budget:

\$971MM

Average # of sponsorships:

33.8 (range 1 to 200)

Average # of FT
Sponsorship employees:

4.50 (range 1 to 12)

Investment mix:

83.1% Cash
16.9% Value In-kind

\$891,505

average activation spend
(range \$0 to \$2.8MM)

**2015
Sponsor
Respondents
(n = 41)**

Property mix:

49.5% For-Profit
50.5% Not-For-Profit

\$2.2MM

Average rights fee spend
(\$20MM highest)

Investment reach:

0.7% International
25.1% Canada
6.4% Multi-Province
19.1% Provincial
21.0% Regional
27.5% Local

Largest sponsorship property:

65% Pro sport
23% Olympic/Amateur
12% Festivals, Fairs, Events

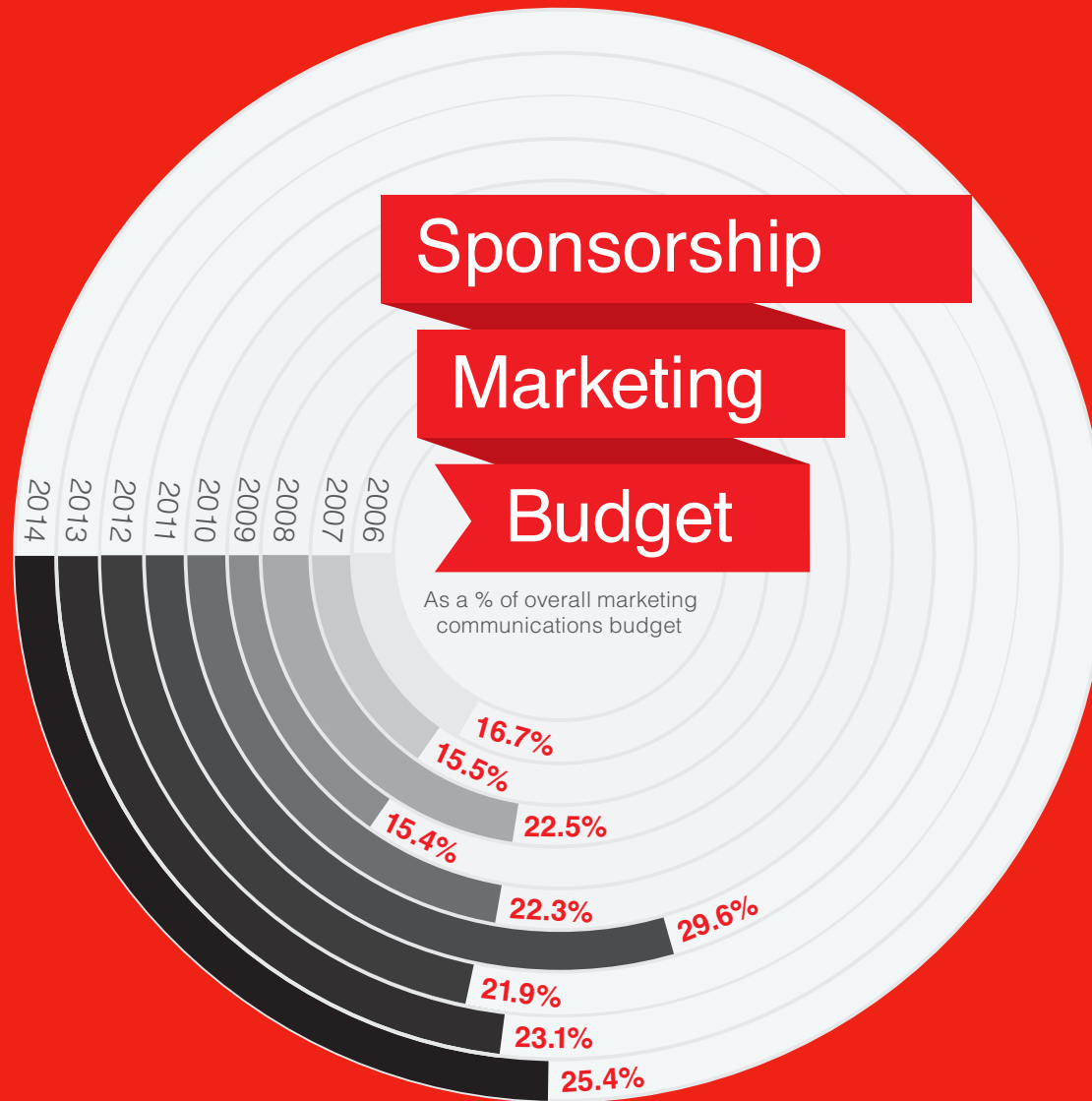
Profile

The sponsors that responded to the survey were very diverse in size, with annual sponsorship budgets in the range of close to \$1B. The average total sponsorship investment by a sponsor was \$2.2 million with the highest investment for total rights fees being \$20 million.

On average sponsors had 34 sponsorships (almost half from 80 in 2013). The vast majority of rights fees (83.1%) is being spent as cash, and the remainder split evenly between value-in-kind product and service.

Sponsors made sponsorship decisions year round, however, a large portion of sponsors (50%) made decisions in October and November.

MARKETING COMMUNICATIONS BUDGET



Findings

One of the key measures of the value of sponsorship is the overall ratio of spending on sponsorship as a percentage of sponsors' overall marketing communications budgets. In 2015, sponsorship accounted for over one in four marketing communications dollars.

This percentage fluctuated over the nine years of the study (the percentage is calculated on a combination of actual data, ranges and tiers of data, so some error exists), however what has remained consistent is that sponsorship continues to be a critical tool in the marketing communications mix.

GEOGRAPHICAL FOCUS



International 0.7%



National 25.1%



Multi-Provincial 6.4%



Provincial 19.1%



Regional 21.1%



Local 27.5%

Findings

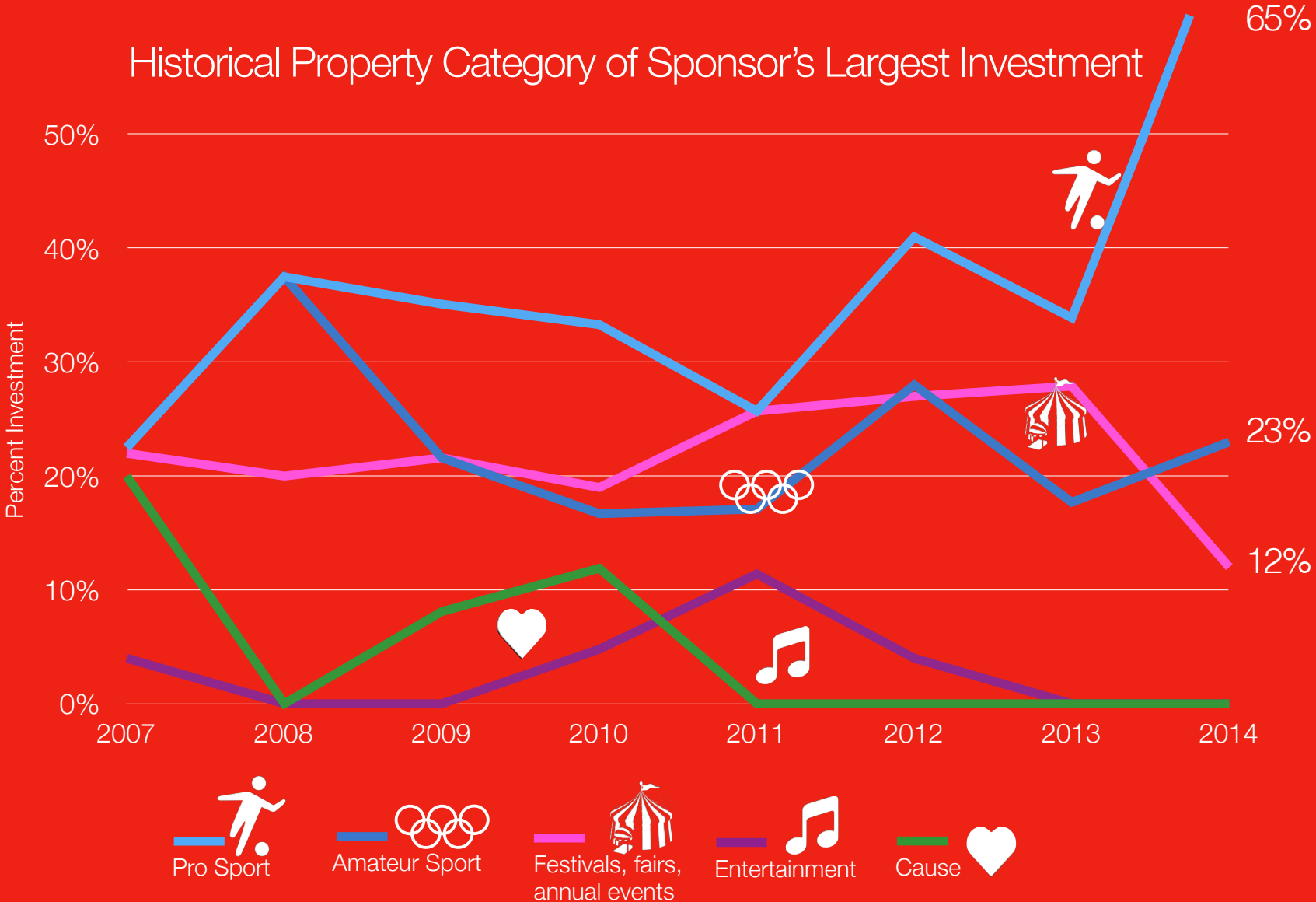
Sponsors were asked what percentage of their overall sponsorship budgets is designated to each of the following geographical areas.

Overall, sponsors were focused on markets across all the set geographical areas. The single largest focus was locally (27.5%). National focus, which was largest focus in 2014, is now the second largest area.

The grassroots and local approach is consistent with findings from 2014 as over 68% of budgets were targeted to provincial, regional and local markets suggesting that geographically close properties continue to be important for sponsors.

LARGEST INVESTMENT

Historical Property Category of Sponsor's Largest Investment



Findings

Sponsors were asked to describe their single biggest sponsorship investment in 2014. Nearly, two-thirds of these were in professional sport (65%), followed by almost one quarter (23%) in amateur sport. This focus on the sport category meant that categories such as festivals, fairs and annual events (8%). Entertainment and Causes did not represent any sponsor's largest investment.

The average size of the single largest sponsorship was just over \$852,000 which was an increase from 2014 (\$700,000 average) but falls below the 2012 high when the average size was over \$1 million.

Overall, the categories of arts, naming rights, or municipality did not have a single largest sponsorship investment.

Properties

n = 135 (126 ENGLISH; 9 FRENCH)

PROPERTY SUMMARY

Sponsorship revenue average:
\$2.2MM
(range \$5,000 to \$25MM)

\$241,000
average activation spend per property

Average annual budgets:
\$915MM
(2.3% from sponsorship)

Average # of sponsors:
19.8 (range 2 to 75)

2015
Property
Respondents
(n = 135)

Revenue mix:
77.5% Cash
22.5% Value In-kind
88.9% For-Profit
11.1% Not-For-Profit

Average # of FT
sponsorship employees:
4.9 (range 0 to 100)

\$445,500
average largest sponsorship
(max. was \$6MM)

Property reach:
25.2% International
28.0% Canada
2.5% Multi-Province
24.5% Provincial
14.8% Regional
5.0% Local

Volunteer workforce:
Male 38% vs. Female 62%

10.9%
of properties believe their
sponsors are very satisfied with
their ROI

Profile

The properties that responded to the survey were very diverse in size, where some had zero paid sponsorship staff, while others had up to 100. Properties spend on average \$241,000 on activation ranging up to \$2.8 million. This represented a property activation ratio of 0.098.

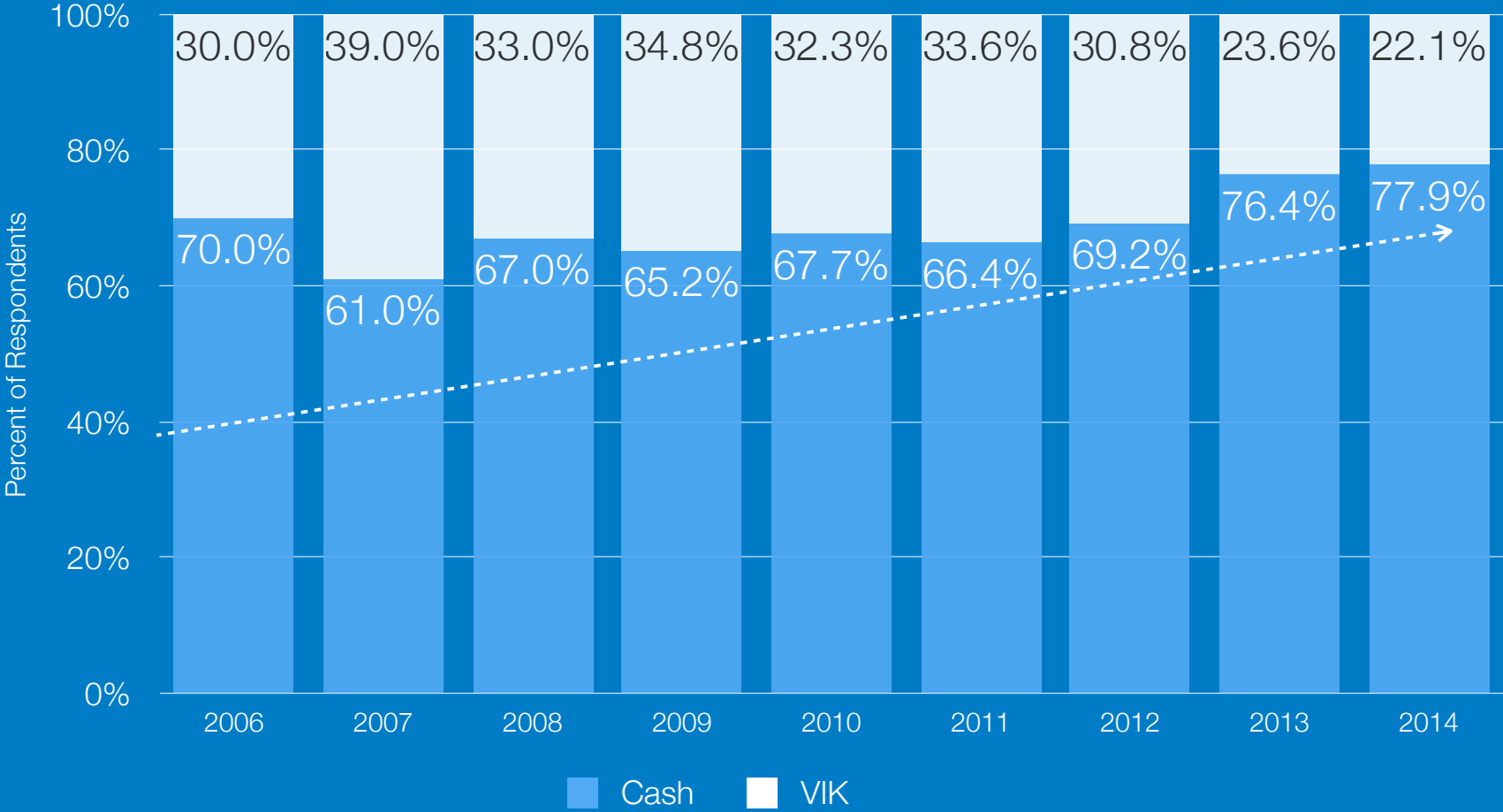
The average sponsorship revenue per property was nearly \$2.2 million ranging from thousands of dollars to multi-million. Interesting to note that 11.1% of sponsorship revenue was received from a not-for-profit sponsor.

46.2% of property respondents expect rights fees revenue to increase. This is compared to 23.1% of properties who expect a decrease and 30.8% who expected no change.

Properties tended to have an evenly distributed reach, with 45% having a local to provincial reach and 53% an international or national reach.

REVENUE TYPE

Cash vs. VIK Sponsorship Revenue



Sponsorship Revenue

Not all sponsorship revenue is in the form of cash payments. Properties often receive value-in-kind (VIK) from sponsors. Whether this in-kind sponsorship is from goods or services, they still contribute to the sponsorship revenue of a property.

The data set shows a fairly consistent trend over the last eight years, with VIK revenue accounting for a declining percentage of revenue. VIK revenue has dropped in the last two years and 2014 is the lowest VIK revenue has been. It is positive to note that as a whole, sponsorship revenue for properties is mainly received through cash rights fees.

CATEGORY OF PROPERTIES' LARGEST SPONSOR



20.9% Retail Trade
(22.1% in 2013)



20.9% Communications
(6.5% in 2013)



14.9% Finance
(12.3% in 2013)



9.2% Services
(12.9% in 2013)



6.9% Manufacturing
(11.5% in 2013)



6.9% Public Administration
(3.1% in 2013)

Revenue from Sponsors

Properties were asked what category their largest sponsor was from. In 2014, the most common largest sponsor category was Retail Trade & Communications. Properties who had a sponsor in those industries, received an average of 20.9% of the sponsorship revenue from them. This is followed by sponsors in the Finance, Services and Manufacturing sectors.

The top 6 categories have remained unchanged from 2014.

Agencies

n = 33 (27 ENGLISH; 6 FRENCH)

AGENCY SUMMARY

\$575,000
average sponsorship billings

Sponsorship billings account for
52%
of total billings

Largest sponsorship client:
17% Sponsor
83% Properties

Area of billings:
Causes 21.2%
Olympic Sport 18.6%
Pro sport 16.1%
Festivals 12.6%
Entertainment 10.2%

2015
Agency
Respondents
(n = 33)

Sponsorship billings:
59% For-Profit
41% Not-for-profit

Source of billings:
Sponsors 27.5%
Properties 67.1%
Agencies 5.4%

13.5
average # of sponsorships worked
on in 2014

Sponsorship billing by gender
targets:
26% Female
33% Male
41% Non-specific

Profile

Among this sample, 52% of agency billings came from sponsorship. Average sponsorship billings per client were just under \$575,000. Agencies worked on an average of 13.8 sponsorships.

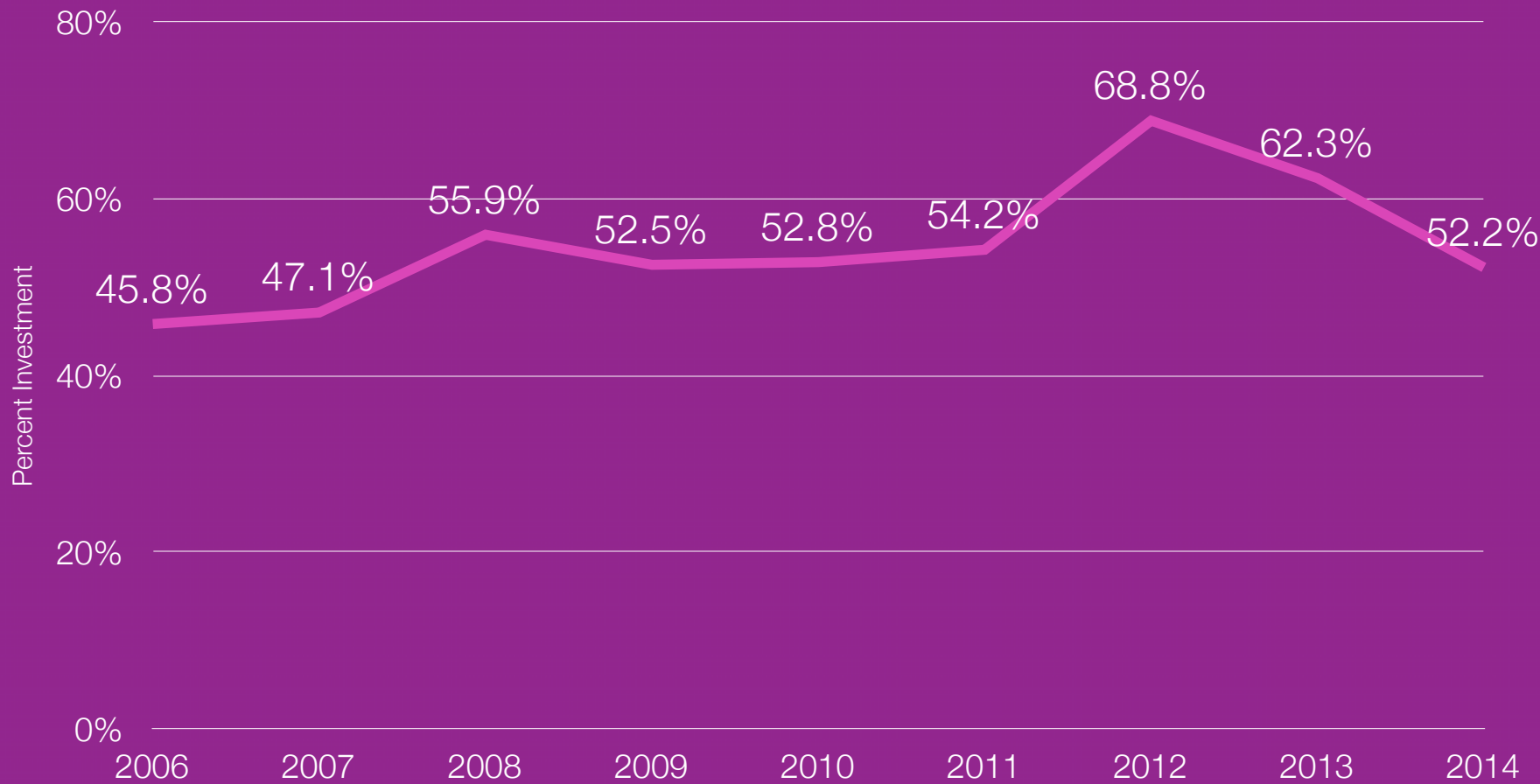
Agencies receive 59% of their sponsorship billings from for-profit versus not-for-profit clients representing 41%. On average, agency clients spent \$2.16 million activating their sponsorship, a client activation ratio of 3.69 which is much higher than sponsors.

0% of agencies indicated that they did not expect a decrease in billings in the future. This is compared to the 28.6% that expected an increase in billings and the majority (71.4%) who expected no change.

Of overall sponsorship billings, the majority of billings came from properties (67.1%) over sponsor clients (27.5%).

AGENCY BILLINGS BREAKDOWN

Historical Sponsorship Billings as Percentage of Total Billings



Findings

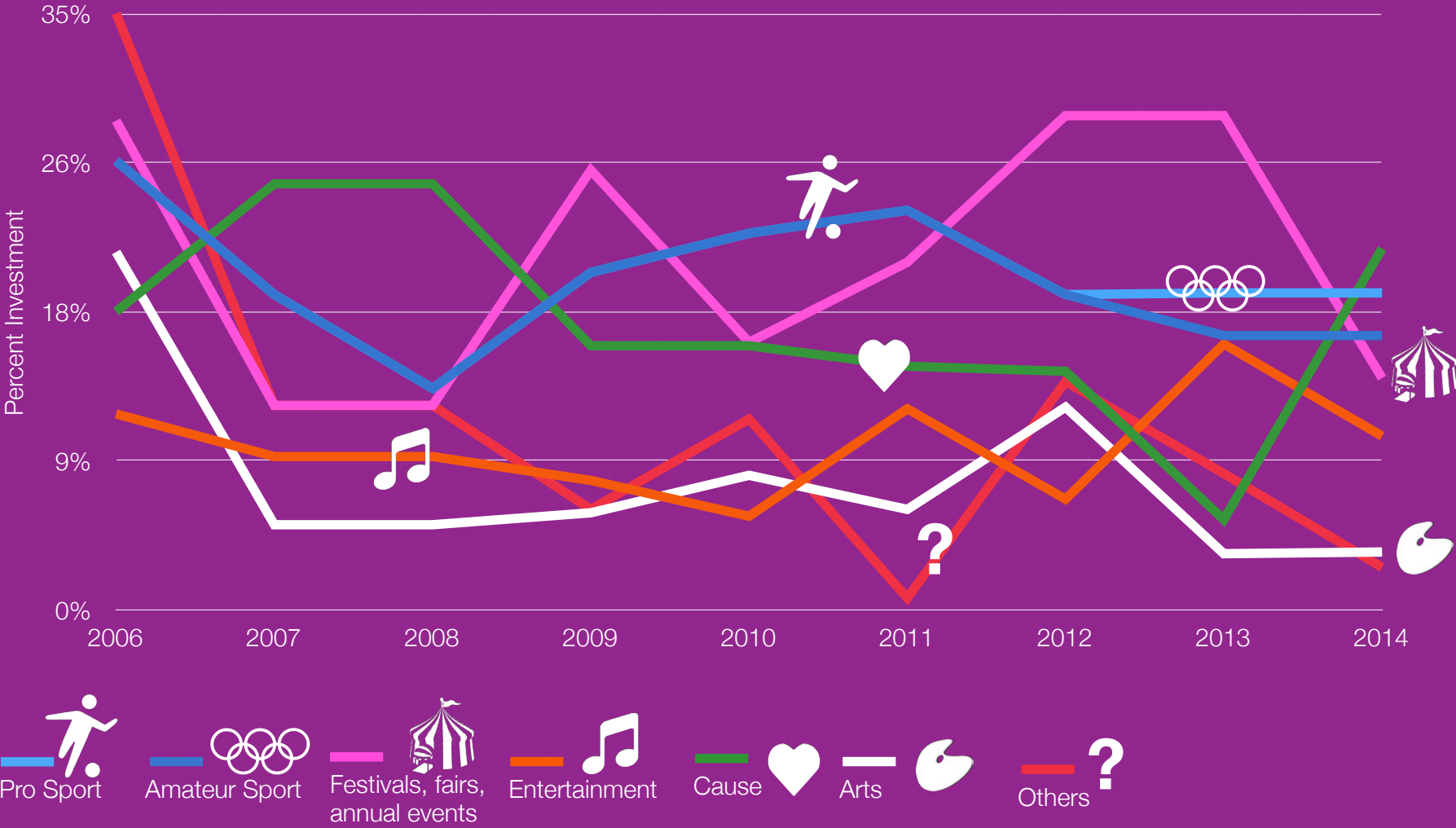
In 2015, the CSLS examined how much of agencies' total billings were accounted for through sponsorship billings. Given the nature of the study, the sponsorships billings for the agencies responding accounted for a large portion of their total income for the year.

Historically, agencies have witnessed their sponsorship billings grow as a percentage of their total billings. However, in the last two there this has not been the case, as sponsorship billings have decreased 24.4% relative to total billings.

The majority (67.5%) of agency billings came from properties in 2014 which is up slightly from 2013 (59.5%). Sponsor billings accounted for 27.2% which is down from 36.0%.

AGENCY BILLINGS

Area of Agency Billings (Properties)



Findings

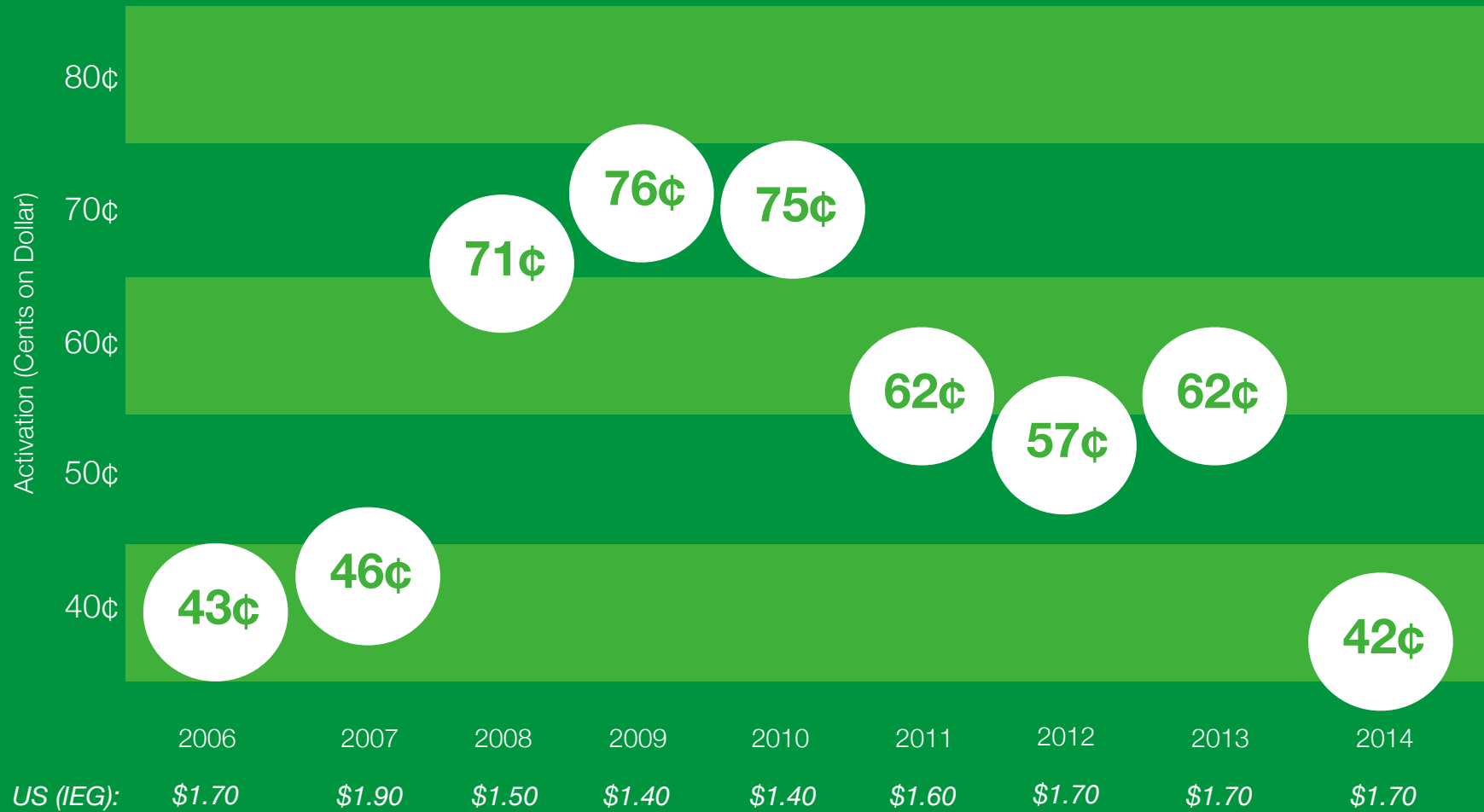
In terms of what property category billings come from, the numbers have fluctuated over the years. The usual big three categories of sport (professional + amateur) and festivals, fairs and events are the most common, however cause properties were the top area of agency billings in 2014.

Activation & Evaluation

RESULTS

ACTIVATION RATIO

Historical Activation Ratio (Canada & US)



Findings

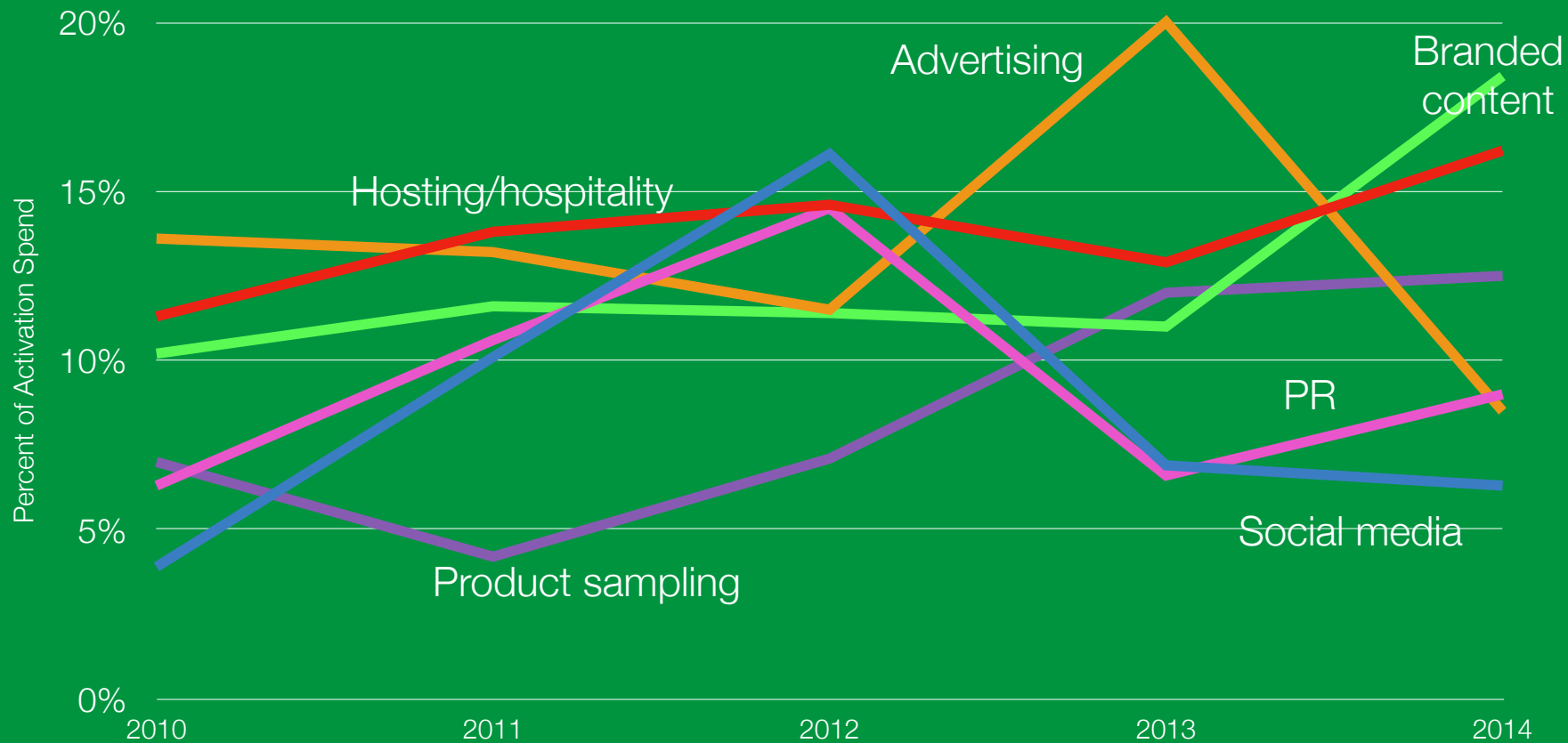
The activation ratio was determined by dividing the average amount spent on leveraging a sponsorship and comparing it to the average total rights fees paid.

Sponsorship activation fell significantly in 2014 reaching the lowest activation ratio (0.42) since the study began. Overall, it was a 33.8% decrease from the 2013 ratio.

Further, in keeping with historical international trends, the activation ratio in Canada is considerably lower than in the US.

ACTIVATION TACTICS

Historical Sponsor Activation Spend by Tactic



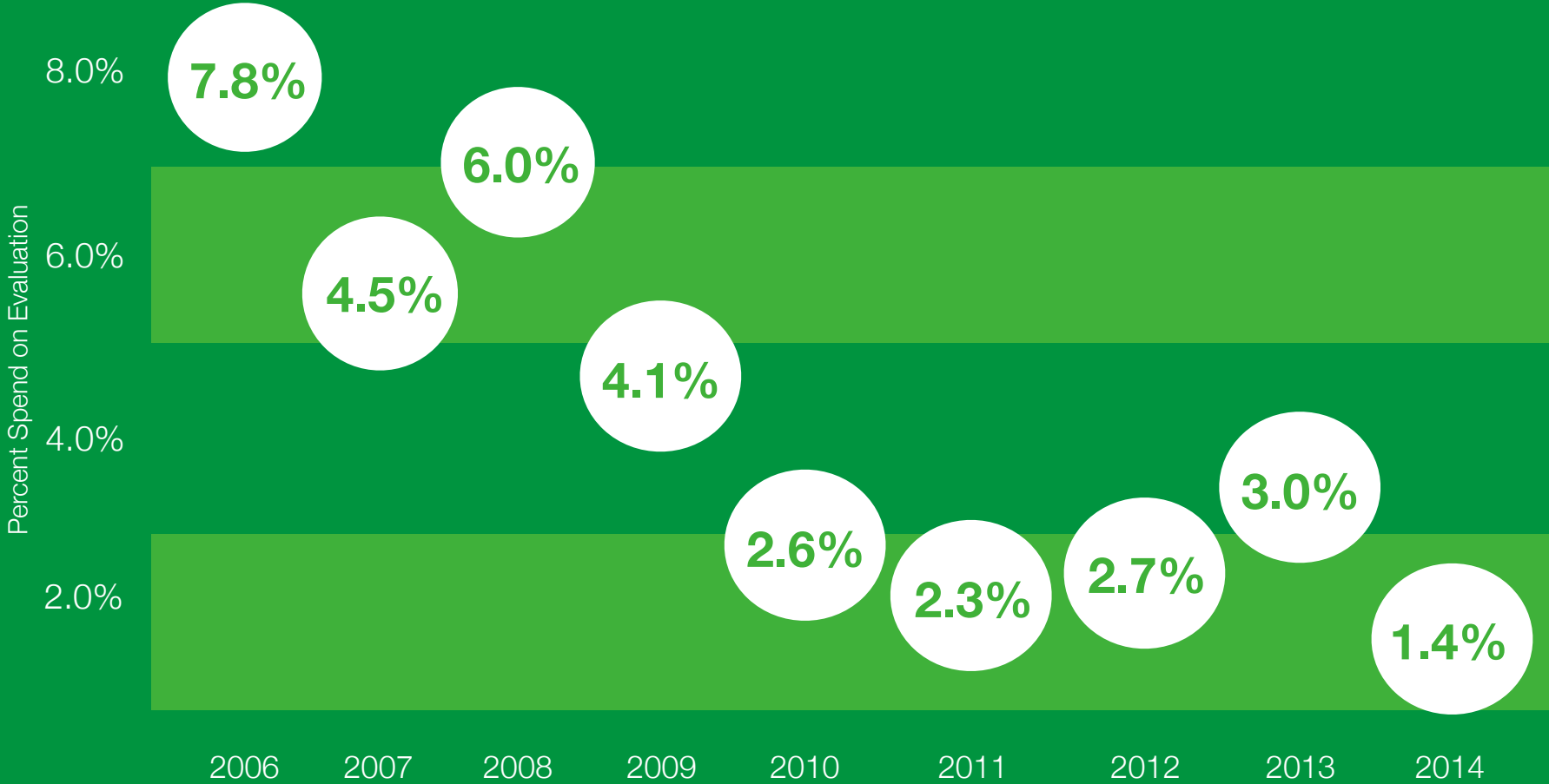
Activation Spend

Compared to 2013 where sponsors had been increasingly spending their dollars on advertising, the results show a dramatic decrease in the advertising tactic.

Social media continues to witness a downward fall as a tactic after being the highest category in 2012. Branded content held the highest percent of activation spend in 2014 and will be examined in more detail later in this report.

EVALUATION

Historical Sponsorship Evaluation



Findings

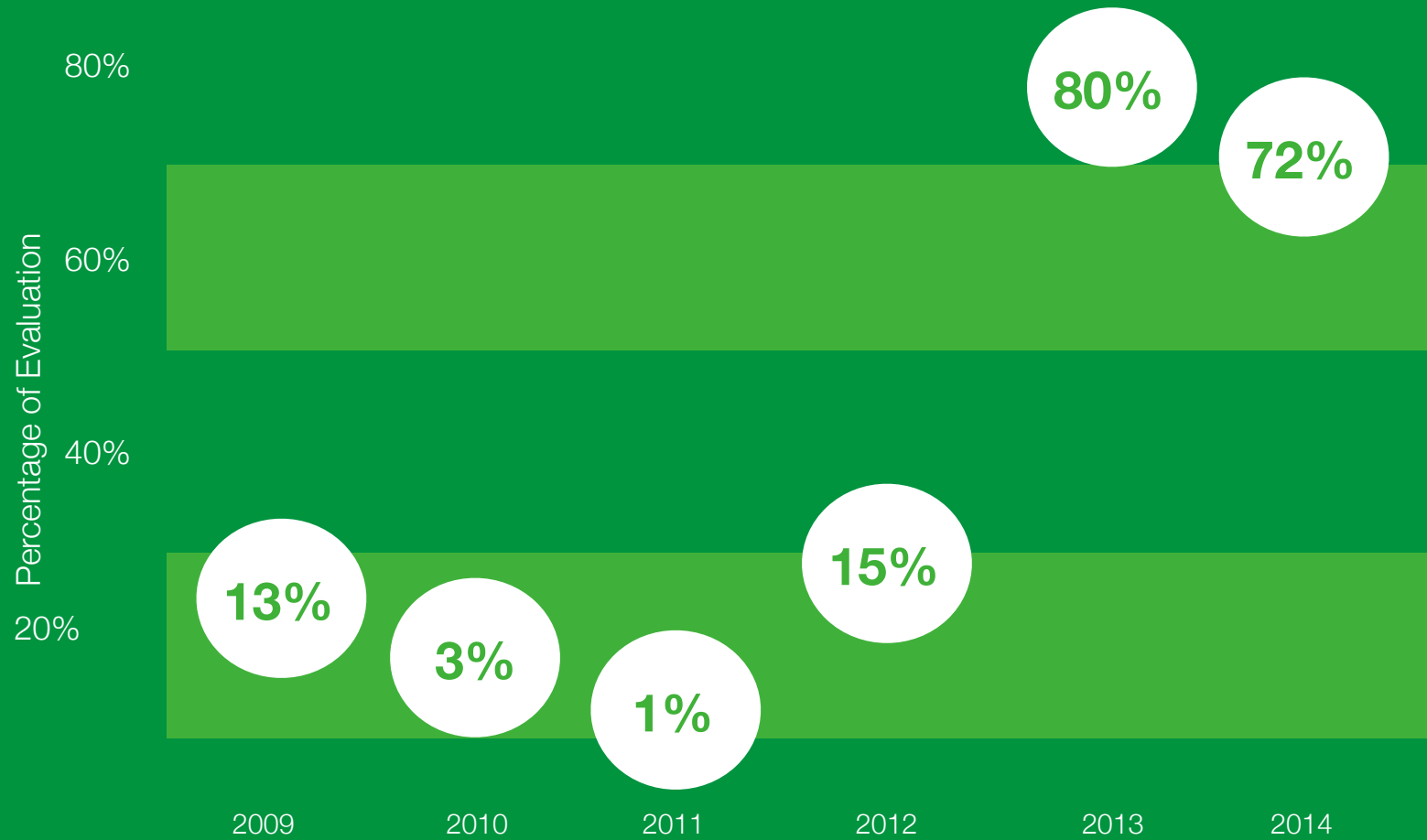
Sponsorship evaluation has declined since the study began in 2006. In 2014, there was once again a decrease in evaluation spend as a percentage of marketing budget following a slight bump in 2013.

The 2014 evaluation spend is the lowest percentage since the study began nine years ago. Since year one in 2006 the evaluation percentage has dropped by 85.8% compared to 2014.

The range for percentage of investment spent on evaluation is from 0% to 10%.

PRE-EVALUATION

Percentage of Evaluation Budget on Pre-Evaluation



Note: The question wasn't included until 2009.

Findings

Despite a drop in 2014, it is encouraging to note that among those that do evaluate, 72% invest in pre-evaluation.

Therefore, those who are evaluating are perceived to be doing a thorough job at it.

ROI SATISFACTION

Sponsor Satisfaction with Sponsorship ROI



Findings

In 2015, the study probed both sponsors and properties regarding satisfaction with sponsorship ROI. Properties were asked to indicate their perception of their sponsors satisfaction.

Overall, there appears to be some gaps for properties on their sponsor's satisfaction with sponsorship ROI. While no sponsors were very satisfied with their ROI, no sponsor was not at all satisfied as well.

1 in 10 respondents indicate they do not know their satisfaction with ROI from sponsorship.

3 Sponsorship in 2015

KEY LESSONS FROM THE 9TH ANNUAL CSLS

CANADIAN INDUSTRY SIZE

Industry Size

-6.2% from 2013
+49.6% from 2006

2014 **\$1.66B**

2013 **\$1.77B**

2012 **\$1.57B**

2011 **\$1.59B**

2010 **\$1.55B**

2009 **\$1.43B**

2008 **\$1.39B**

2007 **\$1.22B**

2006 **\$1.11B**

Expected Change for 2015

6.5%

74.0%

19.5%

Findings

The industry halted its growth - both in fees and in activation. This is not surprising given the large growth in 2013. However, this comes in conjunction with “smarter” spending.

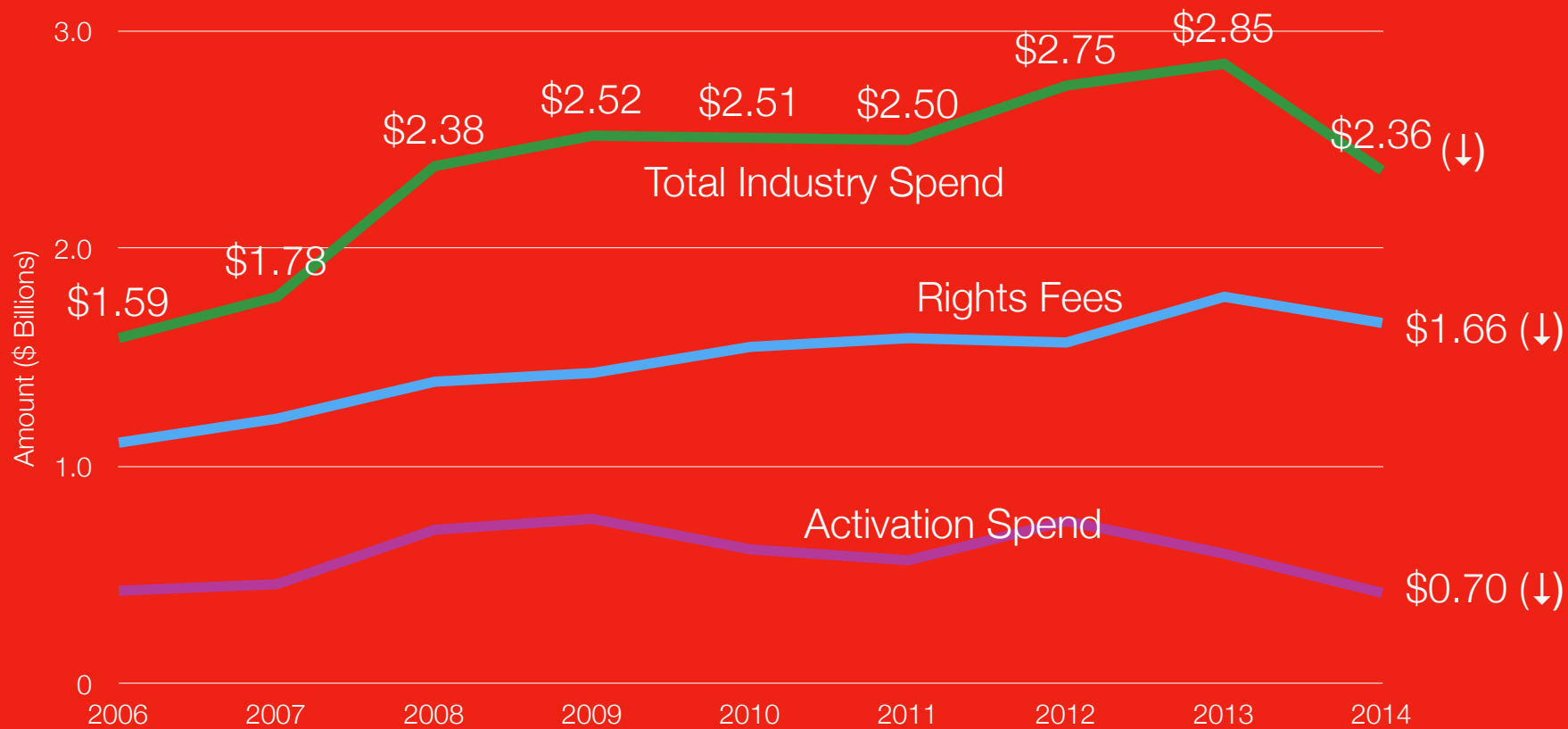
Conservative estimates indicate that the sponsorship industry in Canada in 2014 was \$1.66 B. Overall, the industry rights fees have increased by roughly 49.6% since we began the study in 2007.

Expectations

With the retraction in the Canadian sponsorship industry, professionals have a relatively stagnant outlook for next year, with very few professionals expecting a modest increase, even more expecting a decrease and just under three quarters expecting the industry size to remain relatively the same.

TOTAL INDUSTRY SPENDING

Historical Total Spend Trends (\$B)



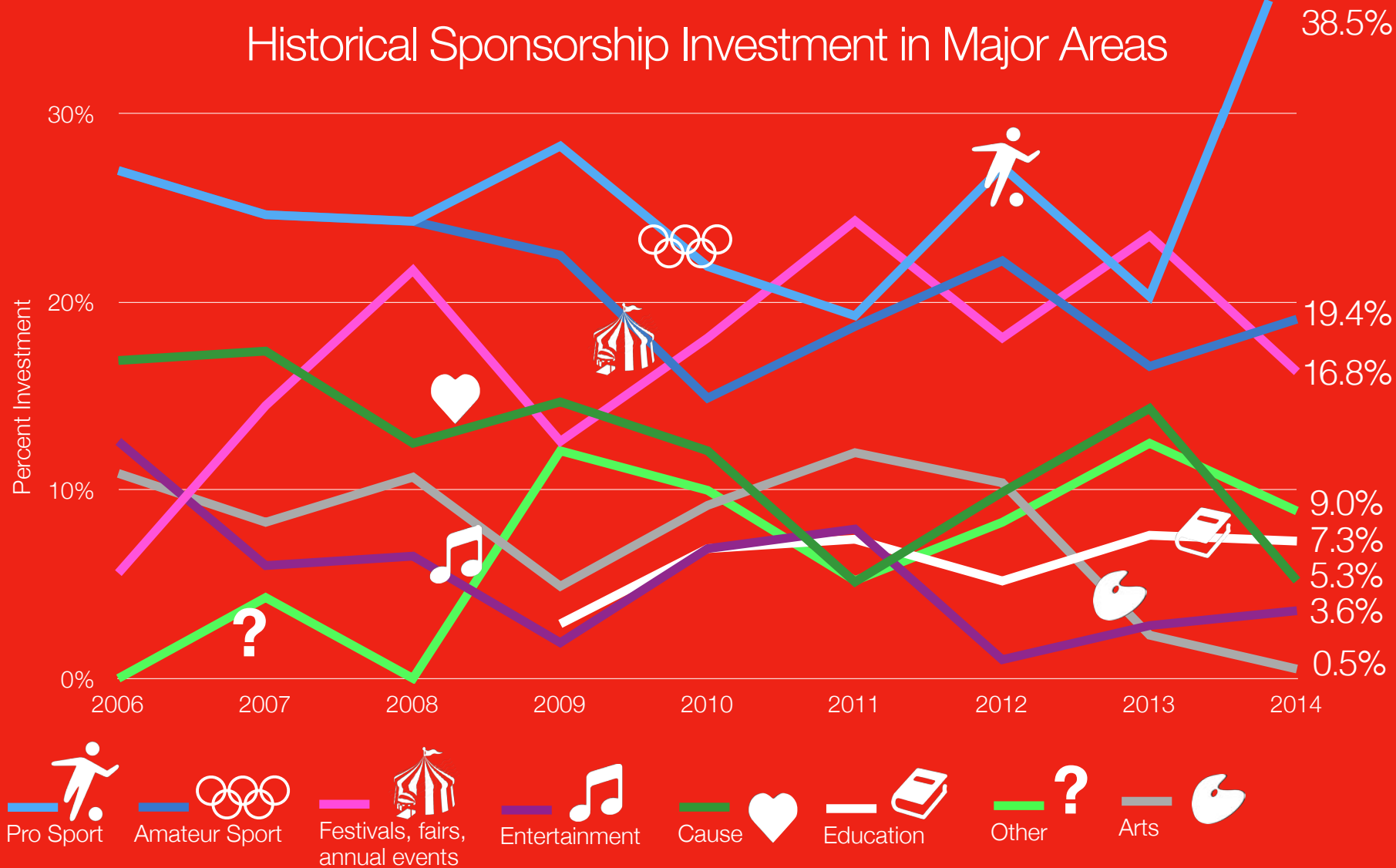
Decreasing Investment

In 2014, with a decline in the rights fees combined with a nine year low activation ratio, the overall industry fell by 17.9%.

Further, the \$2.36B total industry spend is the lowest spend since 2007.

SPONSORSHIP MIX

Historical Sponsorship Investment in Major Areas



Sponsorship Mix

Since the study began nine years ago, the percentage of sponsorship spending by area of investment (i.e., property type) has undergone appreciable change.

Sport sponsorships (both professional and amateur) have fluctuated as the most common investment categories. Festivals, fairs and annual events while growing in the last few years fell off in 2014, while other categories like arts and cause marketing have witnessed ebbs and flows.

For exact historical percentages and the dollar amount per investment area, please refer to Appendix A.

Note: Prior to 2009, sport was not differentiated by professional or amateur/Olympic, so an even split is assumed for those years.

ACTIVATION TACTICS

What activation tactic best drives business results?

Sponsors

Creating Branded Content (25%)
Public Relations (25%)
Broadcast (25%)
Sales/Consumer Promotions (25%)

Properties

Creating Branded Content (35%)
Hosting/Hospitality (16%)
Co-Promotions (16%)

Agencies

Creating Branded Content (44%)
Athletes (16%)
Product Sampling (15%)
Sales/Consumer Promotions (14%)
Other (11%)

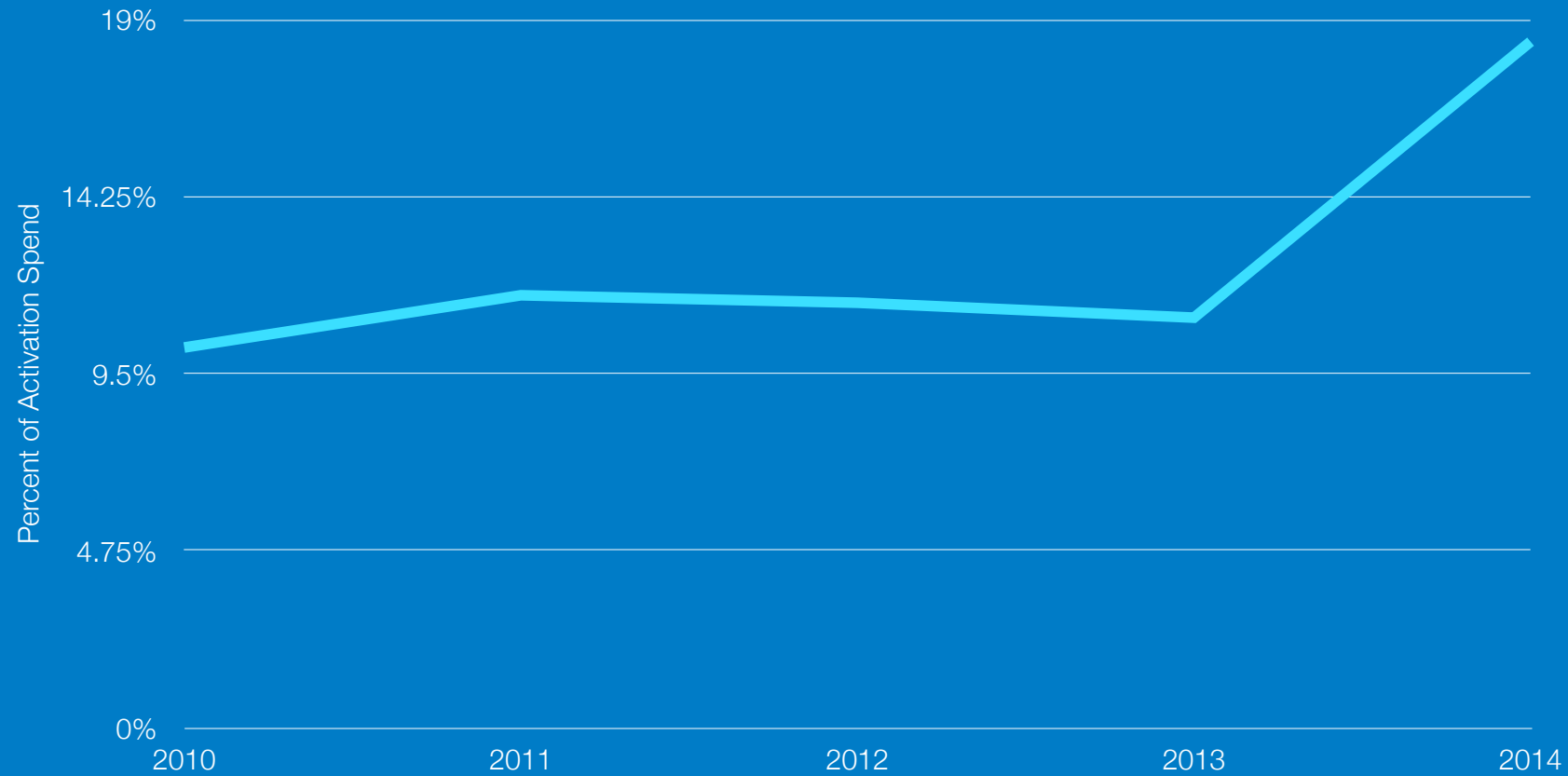
Findings

In 2015, respondents were asked a new question regarding which activation tactic best drives business results.

“Creating Branded Content” was recognized by sponsors, properties and agencies to be the activation tactic that best drives business results. Following branded content the only other commonality in the top 4 activation tactics was sales/consumer promotions which was listed by sponsors and agencies.

GROWTH OF BRANDED CONTENT

Historical Sponsor Activation Spend on Branded Content



Findings

Further to be consider the best activation tactic, the longitudinal results show the growth of branded content over the last 5 years of the study.

SPONSORSHIP INVESTMENT TARGET MARKETS



53.0%

of investments
not gender
specific



30.1%

of investments
targeted at
males



16.9%

of investments
targeted at
females

Findings

In 2012, the CSLS inquired about the number of sponsorship investments that targeted females. At the time, rather low numbers were uncovered.

For the ninth edition of the report, the CSLS authors decided to see if any changes have been found with the target markets. To make the data more complete, the ability to select not gender specific and male markets was added.

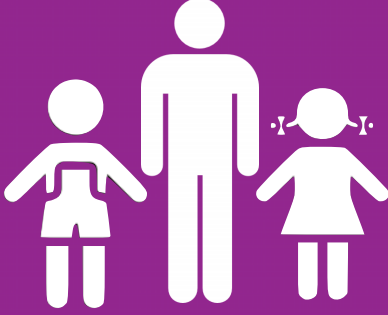
In 2014, the number of investments targeting females was about half of males. However, it is worthwhile to note that over half (53.0%) of investments are not gender specific.

DEMOGRAPHIC FOCUS OF PROPERTY



38.2%

Adults



26.4%

Children and Youth



25.0%

Other



5.2%

Women and/or Girls



5.2%

Men and/or Boys

Findings

Additionally, the survey asked property respondents to identify what their demographic focus of their property was.

The most common area was adults (38.2%) followed by children/youth (26.24%). Following that was “Other” which can be perceived that the respondent property had no individual focus or multiple focuses.

SPONSORSHIP BILLINGS BY TARGET MARKETS



41.0%

of investments
not gender
specific



33.0%

of investments
targeted at
males



26.0%

of investments
targeted at
females

Findings

Finally, the survey asked agencies a similar question to the sponsors regarding where their billings were focused in terms of target markets.

The gap between male and female was smaller compared to the sponsor responses, however the most common answer was the non-gender specific target once again.

A possible explanation for the gap being smaller is the increased sophistication seen by agencies.

WOMEN AND SPONSORSHIP

Metric		2012	2014	
		Women	Women	Men
Sponsors	Sponsorships that target	4.8%	18.0%	43.0%
	Sponsorship investment that targets	17.2%	16.9%	30.1%
	Working in sponsorship	58.8%	74.1%	25.9%
Agencies	Sponsorships that target	35.0%	26.0%	33.0%
	Working in sponsorship	15.6%	28.9%	72.0%
Properties	Focus of property's target market	6.3%	5.2%	5.2%
	Volunteers	66.3%	62.0%	38.0%
All	Primary sponsorship decision maker	29.8%	52.5%	47.5%

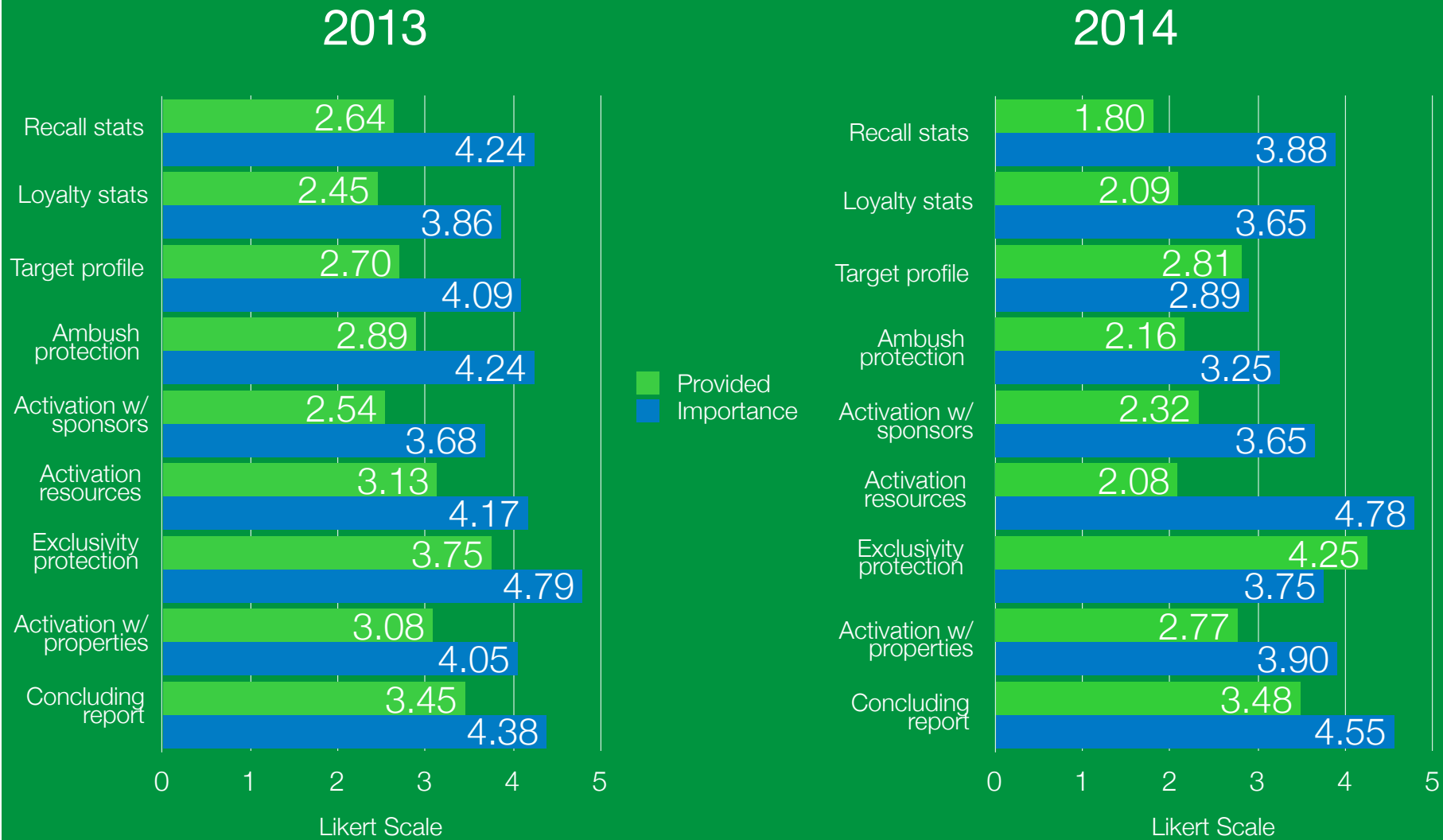
Findings

With the addition of inquiring about if men are the primary target, the study was able to identify if the lack of investments targeted at women was a result of a large number of investments focused on men.

While the numbers do skew in favor of males currently there is a positive change and overall, compared to 2012, there appears to be a positive change in the role of women in sponsorship.

It is interesting to note the increase in the percentage of women working in sponsorship (especially with sponsors). It is a 3:1 ratio of women to men within sponsor organizations.

SPONSORSHIP (DIS)SERVICE



Sponsorship (Dis)Service

Servicing of sponsorships by properties continues to fall short of sponsor's expectations.

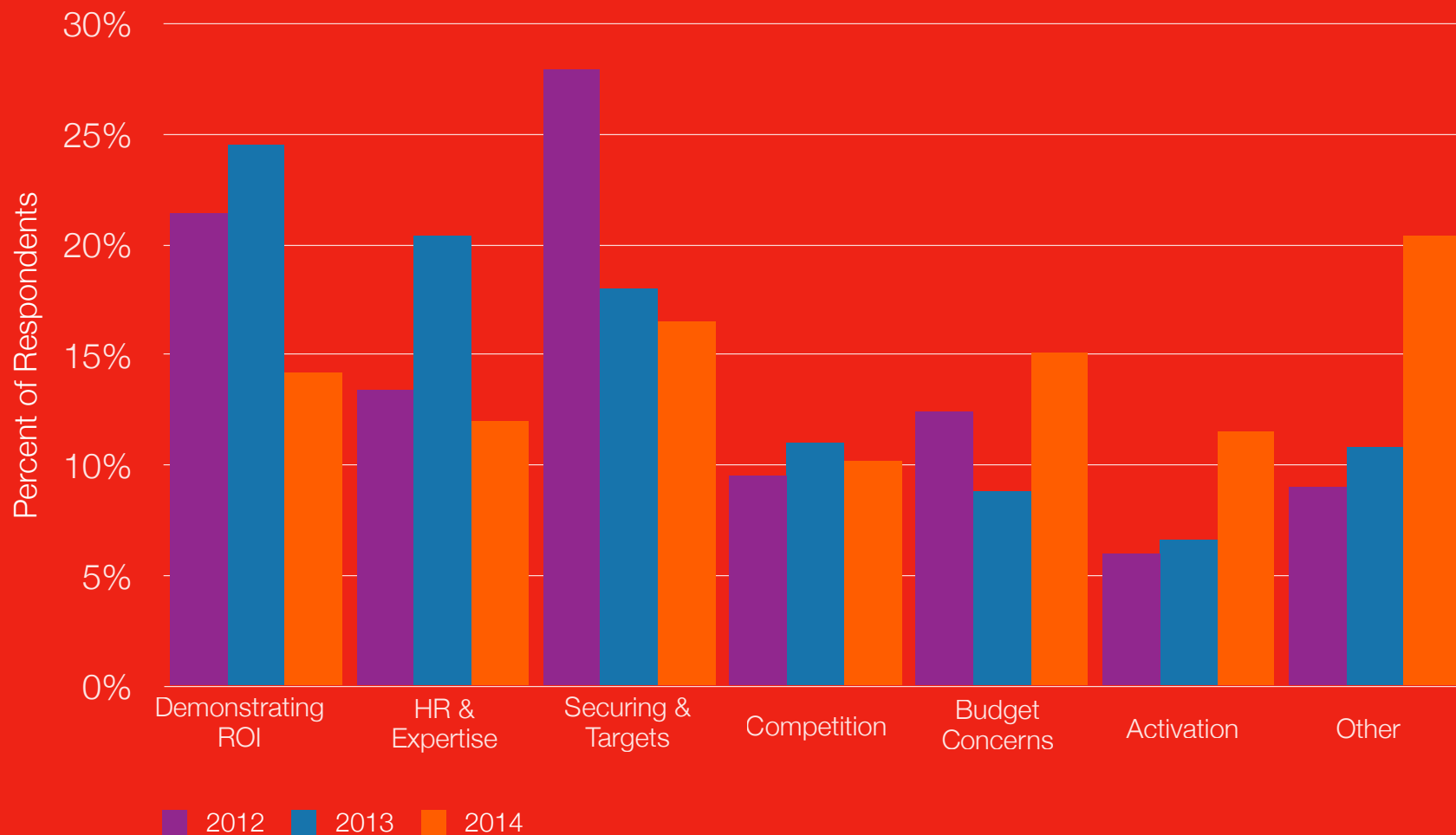
Sponsors were asked to describe the value of services they received in a sponsorship on a five-point Likert scale, where 5 was very valuable and 1 was not at all valuable. They were also asked to indicate how often those same services were provided to them on a five-point Likert scale, where 5 was always 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 properties and agencies provide to them.

Based on the data collected, properties consistently under-serve their sponsors. There are large statistical gaps across the board for what sponsors deem important versus what is provided to them.

For a historical overview of the value of services to sponsors, please refer to Appendix B.

SLEEPLESS NIGHTS

Historical Sponsorship Concerns Facing the Industry



Findings

Respondents were asked what keeps them up at night about sponsorship, which provided insight into what they considered to be the current concerns facing sponsorship.

People seem to be sleeping better than in years past. In particular, the top concerns of the past - demonstrating ROI, getting the right fit of HR and expertise, and securing targets - have made way for greater budget and activation concerns.

One main theme derived from the analysis in 2012 was related to getting sponsorship (e.g., sales) but, as seen in the graph, this is seen as less of an issue in 2014.

SLEEPLESS NIGHTS

“How do we monetize social media and content? The cost of creating engaging content is a challenge [and] we have to be able to see an ROI on these investments in new content and properties.”

“Working with sponsors who ‘want the world’ in terms of benefits, but aren’t willing and don’t see the value of paying.”

“A qualified next ‘generation’ of industry professionals lack training and support.”

“Corporate Canada is far behind sister companies in the US as it relates to how far ahead of an event they decide if they may sponsor/partner and secondly, that they make many decisions on activation too close to an event to do it effectively.”

Respondent Quotes

The 2015 CSLS survey asked qualitative questions of all three groups regarding what keeps them up at night. These quotes represent some consistent thoughts and feelings across the concerns in the industry regarding: social media, demonstrating ROI, HR and activation.

ASK THE AGENCIES

“Work with agencies who leverage this [HR] expertise in-house - you don't need the resource exclusively, but rely on it when you do.”

“Higher wages. Not-for-profits are notorious for under paying event staff. Lower the burn out rate (events are notorious for long hours and too little recognition [for the staff]).”

“Ensure that expectations and measurement systems are confirmed at the front end and written into the contracts.”

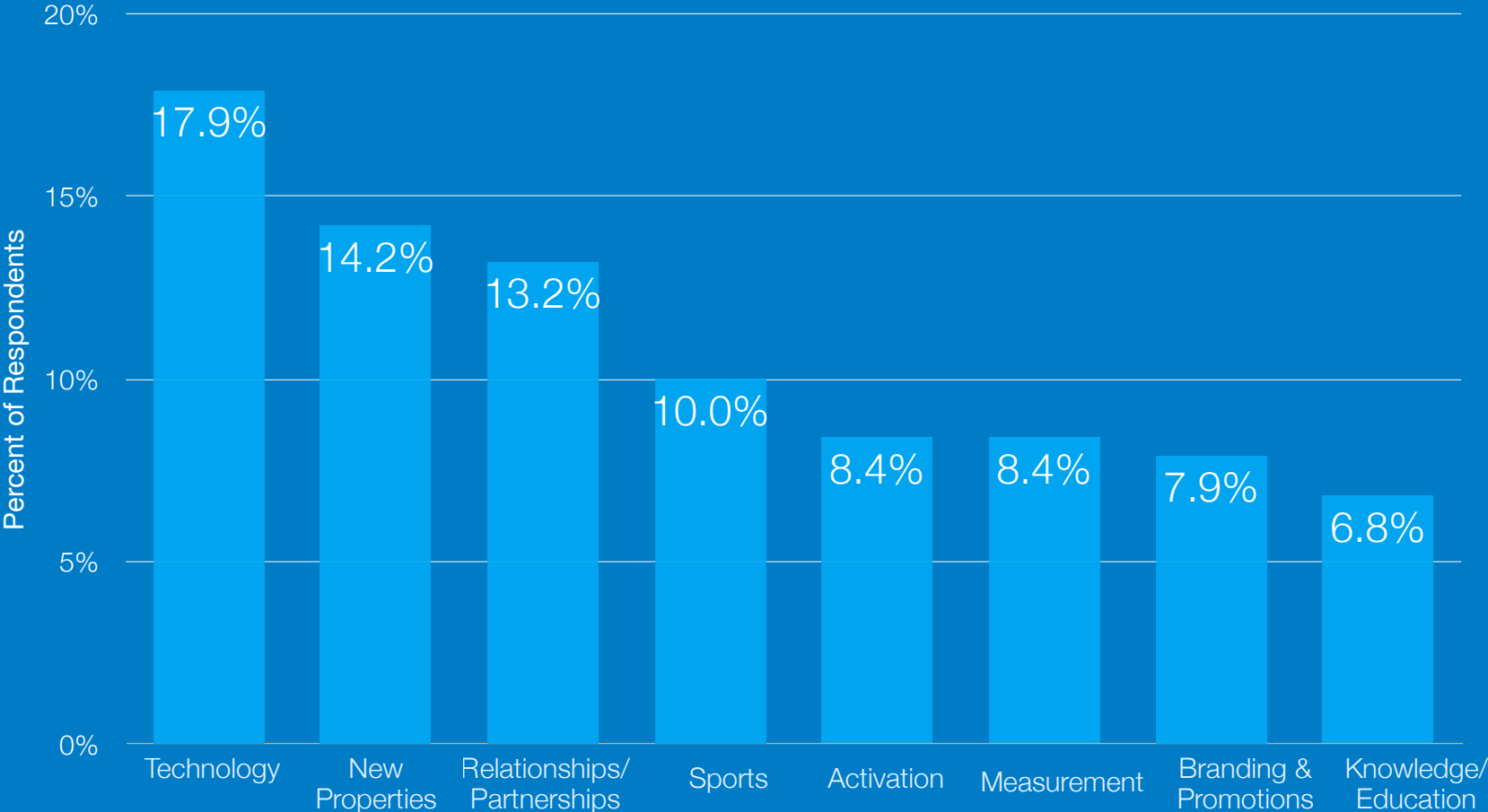
“I think the reduction in percentage [of social media spend] demonstrates lower costs to activate, not fewer activations. Social media is still relevant.”

Agency Quotes

The 2015 CSLS survey asked additional qualitative questions of agencies for their thoughts and feedback regarding: social media as tactic, demonstrating ROI for clients, human resources and expertise and timing of sponsorship budgets.

BIGGEST OPPORTUNITIES

Sponsorship in the Next 3 Years



Major Opportunities

Respondents were asked to identify what the biggest opportunities in the sponsorship industry were in the next three years. The question was left open-ended and the chart outlines the answers combined by theme.

Most industry professionals are expecting to see some changes to sponsorship in the next few years. Largely related to technological changes and flexibility. Interesting to note that the emergence of new properties is seen as an opportunities. There is often no shortage of properties for sponsors to pursue with their investment dollars but sponsors may be looking to change from their regular portfolios.

BIGGEST OPPORTUNITIES

“Continued growth in social and digital media integration into sponsorship.”

“Building partnerships that are not defined by a finite period of time; creating opportunities for a longer shelf life.”

“The momentum behind Canada’s 150th Anniversary celebrations.”

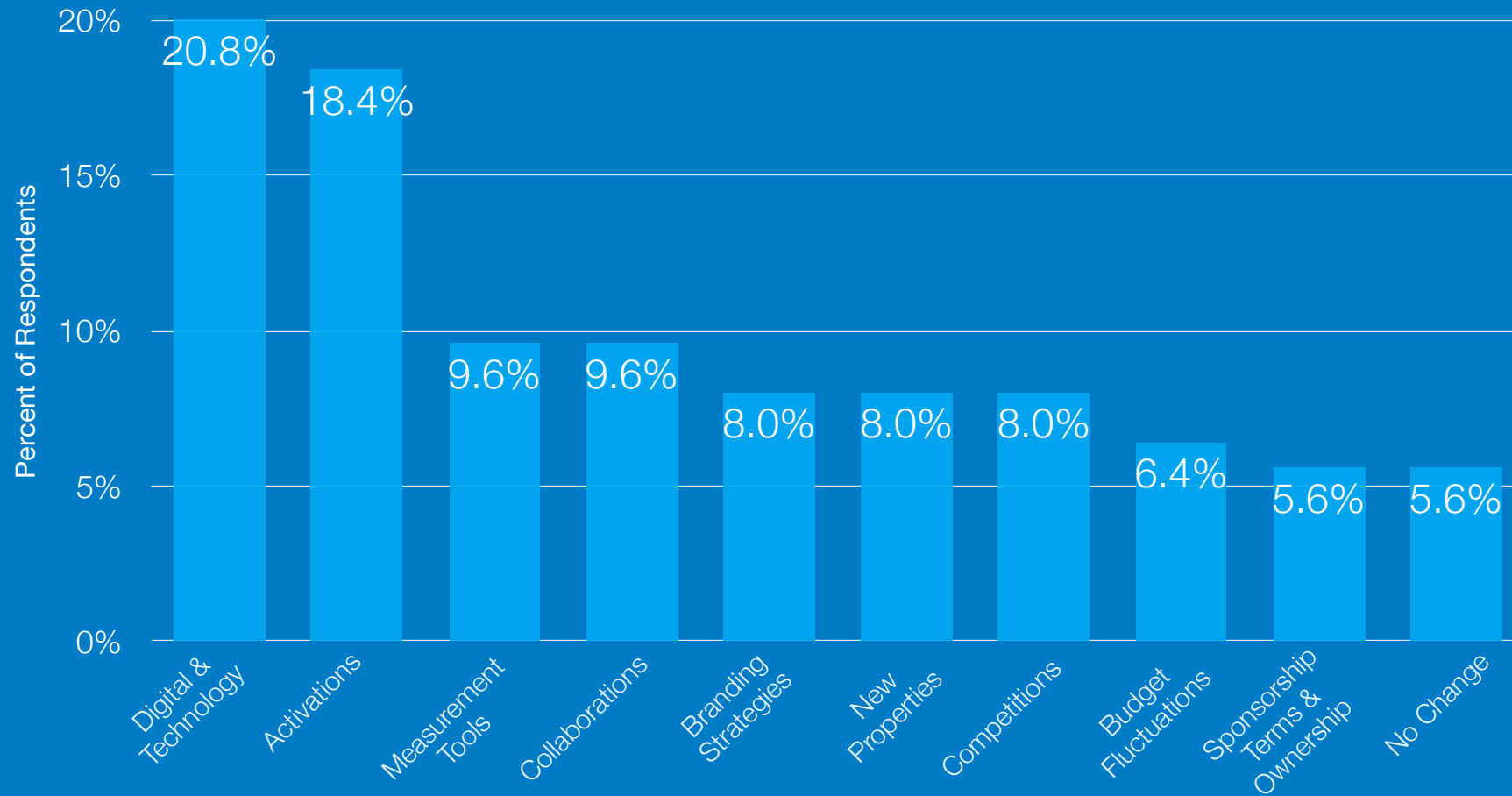
“There’s more than hockey in Canada...why don't we start working more with other properties and expose Canadians to more sports/music/events?”

Respondent Quotes

The 2015 CSLS survey asked qualitative questions of all three groups regarding opportunities in the industry. These quotes represent some consistent thoughts and feelings across the opportunities in the industry regarding: technology, new opportunities in the Canadian landscape and building long-term partnerships.

CHANGES COMING

Expected Changes to Traditional Sponsorship Model



Sponsorship Changes

Respondents were asked to share what they considered to be expected changes to traditional sponsorship. The question was left open-ended and the chart outlines the answers combined by theme.

This was a new qualitative question that was asked of all three respondent types. Not surprising, similar to the results of the biggest opportunities, respondents saw the potential for digital & technology to continue to change the way sponsorship is looked at. It is interesting to note that activations are seen as an expected change. With the low activation dollar commitment witnessed in this study, it might be expected that more respondents will place an emphasis on this important portion of sponsorship.

CHANGES COMING

“Multi-year agreements with assets that are flexible rather than set for the duration of the contract.”

“More onus on properties to create and develop the sponsorship program for clients.”

“Sponsoring public figures or major events will change in light of public groundswell against environmental or social disgrace.”

“More investment in the development of content for distribution through a variety of public (e.g., Facebook, YouTube) and private (e.g., corporate internal) digital channels.”

Respondent Quotes

The 2015 CSLS survey asked qualitative questions of all three groups regarding the expected changes in the sponsorship industry. These quotes represent some consistent thoughts and feelings across the potential changes in the industry including: flexible assets, increased pressure on properties, environmental concerns and a continued push on content and distribution.

SUMMARY

1 The Industry Calibrates
\$1.66B in Rights Fees

2 Increased Branded Content
Best Return for Respondents

3 Better Gender Balance
Primary Decision Makers (53% Women)

4 Servicing Falls Short
Except for Exclusivity

5 Progress is Being Made
ROI, HR and Target Concerns ↓

6 Change is Looming
Especially in Technology

Contacts

Author Bios & Contact Information

THANK YOU!

We thank you for reading the 2015 Canadian Sponsorship Landscape Study. If you have any questions regarding the data or information found in this report, please do not hesitate to reach out to any of the authors. We encourage you to share the CSLS with your networks and complete the survey as it is made available each year.



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Dr. Norm O'Reilly, Lead Researcher



Holder of the Richard P. & Joan S. Professor of Business at Ohio University, Dr. O'Reilly is a Full Professor and Chair of the world-ranked Department of Sports Administration in the College of Business. Dr. O'Reilly was recognized in 2013 as one of the "Five to Watch" in sport business in Canada by the Globe and Mail and is a lifetime Research Fellow of the North American Society for Sport Management. In 2011, he was the recipient of the University of Ottawa's Media Excellence Award (for media coverage of his research).

Dr. O'Reilly is an accomplished scholar and active business professional. He is an active consultant and expert legal witness, working closely with North American industry. As a consultant, he is minority owner and Senior Advisor with the Consulting Group of Toronto-based marketing agency, the T1 Agency, where he has worked for clients including Nike, UFC, the Canadian Paralympic Committee, BMO, and many more. Since first teaching at the university level in 2000, Dr. O'Reilly has taught more than 5,000 students. Prior to coming to Ohio, he has taught at the University of Ottawa, 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, and the Ted Rogers School of Management at Ryerson University. He has previously held positions as School Director, Vice-Dean and Director of a Research Centre.

Dr. O'Reilly is an active researcher and he has authored or co-authored 5 books, more than 80 articles in refereed management journals and more than 150 conference presentations in the areas of sport management, sponsorship, tourism marketing, marketing, risk management, sport finance, and social marketing. At conferences, he has won 11 Best Paper awards. Dr. O'Reilly is the lead researcher on the Canadian Sponsorship Landscape Study, a highlight of the annual Canadian Sponsorship Forum since 2007, currently in its 8th edition. Dr. O'Reilly holds a PhD in Management from the Sprott School of Business at Carleton University, a MBA from the Telfer School of Management at the University of Ottawa, a MA in Sports Administration from the University of Ottawa, and a B.Sc. (Kinesiology) from the University of Waterloo. Dr. O'Reilly also holds the CGA/CPA Accounting Designation.

Prior to joining academia, Dr. O'Reilly 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, and attended the 2012 Olympic Games in a research capacity.

Elisa Beselt, Researcher



Elisa brings strengths in research, analysis and strategy development to the Consulting Group at The T1 Agency. With a passion for sport and cause, Elisa enjoys finding ways for organizations to optimize their potential.

Elisa has been a researcher and co-author of the annual Canadian Sponsorship Landscape Study for four years. Additionally, she has been the lead consultant on some of the Consulting team's largest projects, including the development of a revenue generation and sponsorship strategy for the National Capital Commission, sponsorship strategy and support for the Canadian Association of Fire Chiefs, and the development of a revitalized sponsorship strategy for Esso.

Adam DeGrasse, Researcher



A graduate of Queen's University, Adam has a passion for learning, research and creative thinking. Having grown up playing competitive team sports established a foundation of collaborative teamwork and the drive towards reaching an end goal - qualities that Adam brings to life with his colleague and clients every day. Now he instills these same principles in Toronto youth as a community football coach alongside Mark Harrison, the T1 Agency's president and CEO.

Adam has experience working with a number of not-for-profit organizations and sponsorship projects. Recently, Adam has been an integral part of sponsorship consulting projects for clients such as Esso, OLG, National Capital Commission, Dairy Farmers of Canada, Kids Help Phone and Heart & Stroke Foundation. Additionally, he has provided strategy and sponsorship consulting to the Canadian Sponsorship Forum, Nike High School Grand Prix and Ottawa Duathlon, T1's intellectual properties. In years past, Adam has been a key contributor to the Canadian Sponsorship Landscape Study and the Most Valuable Property (MVP) Study, done in partnership with Ipsos Reid.



IMI



APPENDIX A

Historical Sponsorship Investment Areas (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Professional sport	27.0%	26.1%	24.3%	28.3%	21.9%	19.3%	27.2%	25.9%	39.7%
Amateur/ Olympic sport	27.0%	26.1%	24.3%	22.5%	14.9%	18.7%	22.2%	15.2%	19.1%
Cause marketing	16.9%	8.3%	12.5%	14.7%	12.1%	5.1%	9.9%	11.4%	5.2%
Festivals, fairs, annual events	5.6%	14.5%	21.7%	12.6%	18.1%	24.3%	18.1%	27.1%	16.1%
Arts	10.9%	8.3%	10.7%	4.9%	9.2%	12.0%	10.5%	4.1%	0.5%
Entertainment, tours, attractions	12.6%	6.0%	6.5%	1.9%	6.9%	7.9%	1.0%	3.2%	7.3%
Media	-	-	-	4.2%	5.3%	0.1%	5.9%	0.6%	1.4%

Sponsor Spend by Type (%)

This table outlines the percentage of sponsorship investment by area by year.

APPENDIX A

Historical Sponsorship Investment Areas (\$ Millions)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Professional sport	\$300	\$318	\$338	\$405	\$339	\$307	\$427	\$458	\$659
Amateur/ Olympic sport	\$300	\$318	\$338	\$322	\$231	\$297	\$349	\$269	\$317
Cause marketing	\$188	\$101	\$174	\$210	\$188	\$82	\$155	\$201	\$86
Festivals, fairs, annual events	\$62	\$177	\$302	\$180	\$280	\$387	\$284	\$479	\$267
Arts	\$121	\$101	\$149	\$70	\$143	\$190	\$167	\$73	\$8
Entertainment, tours, attractions	\$140	\$73	\$90	\$27	\$107	\$126	\$16	\$57	\$121
Media	-	-	-	\$60	\$82	\$2	\$93	\$11	\$23

Sponsor Spend by Type (\$ Millions)

This table outlines the amount of sponsorship investment by area by year.

APPENDIX B

Importance and Provision of Services to Sponsors

Variable	Importance						Provided					
	2009	2010	2011	2012	2013	2014	2009	2010	2011	2012	2013	2014
Resources for activation program	4.03	3.90	4.09	4.33	4.17	4.77	3.03	2.84	2.59	2.82	3.13	3.08
Sponsor recall stats	4.24	4.20	3.88	3.63	4.24	3.85	3.23	2.49	2.52	2.58	2.64	1.85
Concluding report/audit	-	4.22	3.94	3.61	4.38	4.54	3.34	3.02	3.03	2.98	3.45	3.54
Audience loyalty stats	4.09	4.00	3.55	3.59	3.86	3.69	3.09	2.52	2.74	2.74	2.45	2.00
Information on purchase behaviour of target group	3.91	3.51	3.50	3.48	4.09	3.92	3.11	2.64	2.27	2.26	2.70	2.85
Protection from ambush marketers	-	3.76	3.48	3.26	4.24	3.23	-	2.86	2.76	2.70	2.89	2.15
Protection of rights/exclusivity	4.33	4.02	3.24	3.24	4.79	3.77	3.69	3.21	3.70	3.91	3.75	4.23
Partnering on activation with other sponsors	4.03*	4.32*	3.06	2.99	3.68	3.62	3.09*	3.09*	2.62	2.67	2.54	2.31
Partnering on activation with other properties	-	-	3.06	2.85	4.05	3.23	-	-	-	2.55	3.08	2.15

*Note: In 2009 and 2010, the type of partnership (e.g., with sponsors or properties) was not specified.

Historical Value of Services to Sponsors

This table outlines the importance and provision of services provided to sponsors since 2009 based on a five-point Likert scale.