10TH ANNUAL

CANADIAN SPONSORSHIP LANDSCAPE STUDY

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EXECUTIVE SUMMARY | DECEMBER 2016

IMI

SPONSORSHIP MARKETING COUNCIL CANADA

10TH ANNUAL CSLS EXECUTIVE SUMMARY

	2015	Change
Industry Size	$1.74 B	4.8%
Activation Spend	$0.87 B	27.9%
Total Spend	$2.62 B	12.0%

	Average	2015 Change
Sponsors Spending	$3,035,588	38%
Property Revenue	$2,767,983	26%
Agency Billing	$975,525	70%

236 Responses

92.7%	7.3%
English	French

Activation Ratio

0.51

For every dollar spent on rights fees, 51 cents is spent on activation

Sponsorship Marketing Budget

26.1%

As percentage of total marketing communication budget

Evaluation

3.25%

of overall sponsorship marketing budget is spent on sponsorship evaluation

10 YEARS OF CSLS

2008
IIHF
WORLD CHAMPIONSHIP
CANADA
Halifax•Québec City

Juste pour rire
Just for laughs

MasterCard
MEMORIAL CUP
SASKATOON
2013

RBC ROYAL BANK
BLUESFEST
1994 20 YEARS 2014
ANNIVERSARY EDITION
JULY 3-13
LEBRETON FLATS

ALL-STAR
TORONTO
2016

2007-2009

- New study driven by the industry
- Added qualitative questions
- Recession proof
- Activation jump

2010-2012

- Evaluation decline
- SMCC partnership
- Gap in service expands
- Industry concerns move from ROI to digital

2013-2015

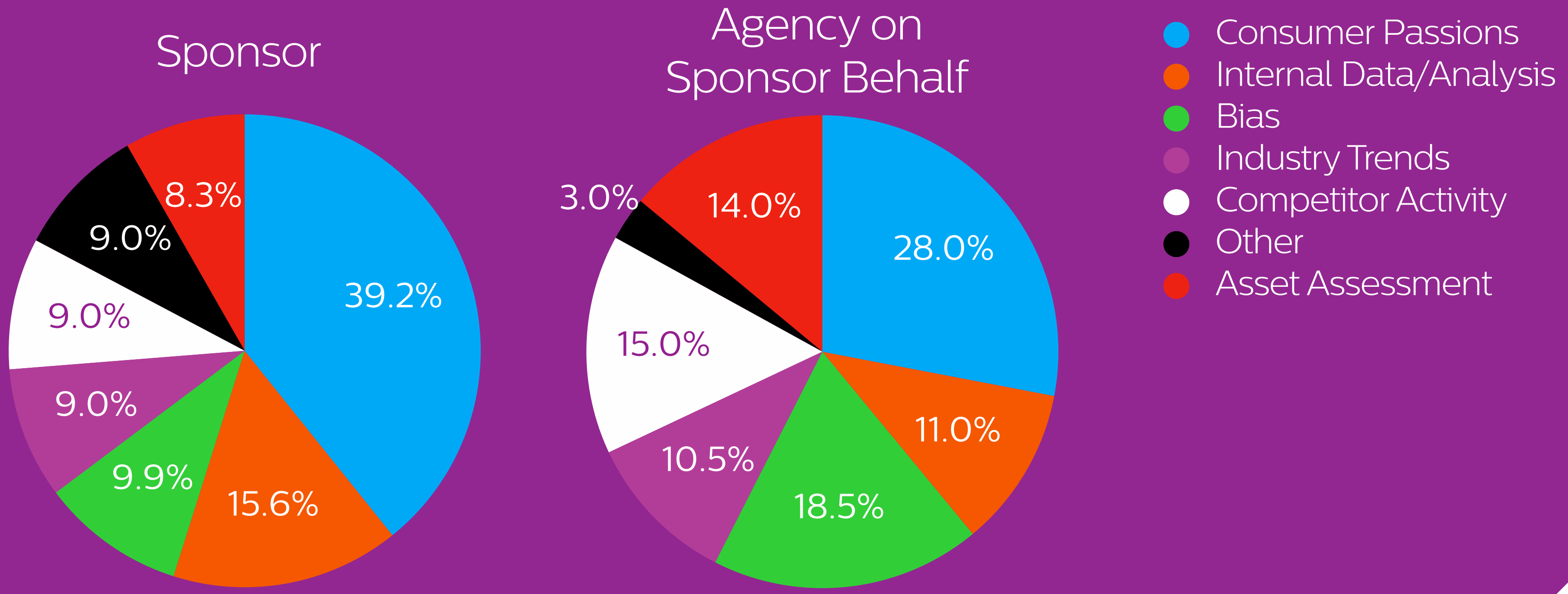
- Activation rebound
- Festivals on par with pro sport
- Pro sport adapts
- 1 in 4 marketing $ is on sponsorship

OPPORTUNITIES AND THREATS IN SPONSORSHIP TODAY

THREAT	OPPORTUNITY	OPPORTUNITY
Talent Gap	Co-Sponsorship	Digital & Content
• Lack of implementation, evaluation and activation knowledge • Limited professional development opportunities • Succession planning	• Having sponsors work together instead of competing for attention • Increased integration of sponsor brands	• Decline of traditional mediums (e.g., cable TV) • Integration across platforms, as well as enhanced digital activities are realities of sponsorship today

Opportunities

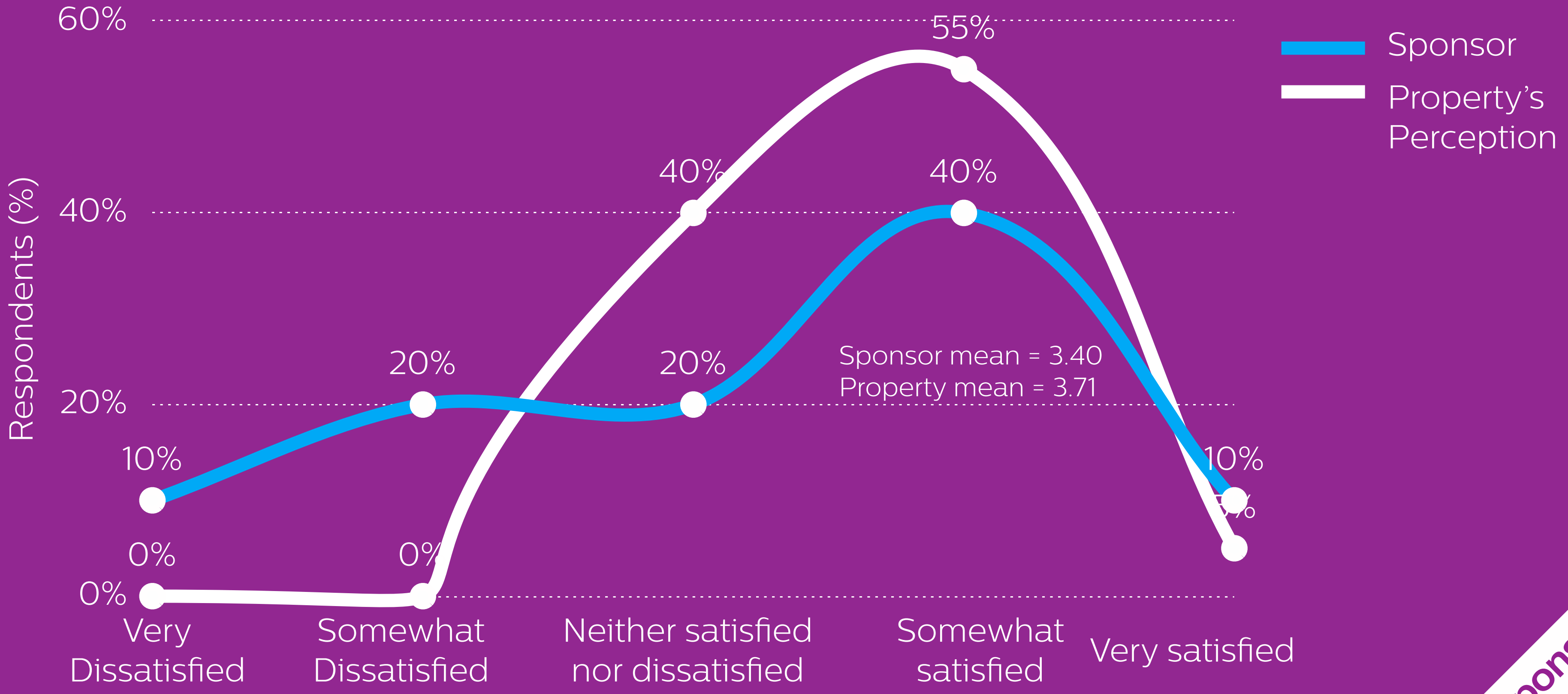
INFLUENCE ON SPONSORSHIP DECISIONS



39.2% of sponsors say that “Consumer Passions” influence their sponsorship decisions. 18.5% of agencies (on sponsors’ behalf) say that “Bias” influences their sponsorship decisions.

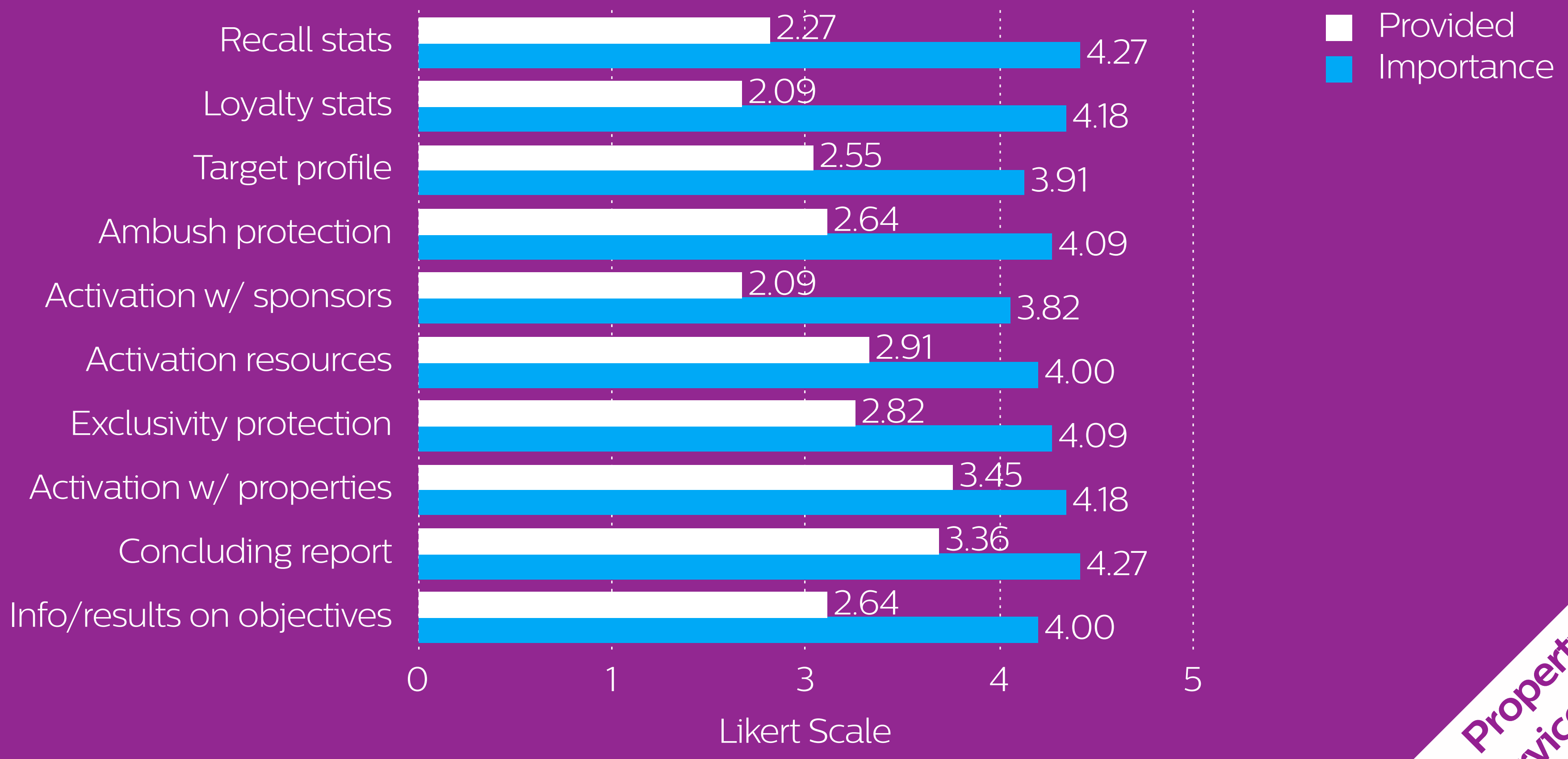
Sponsor Decisions

ROI SATISFACTION



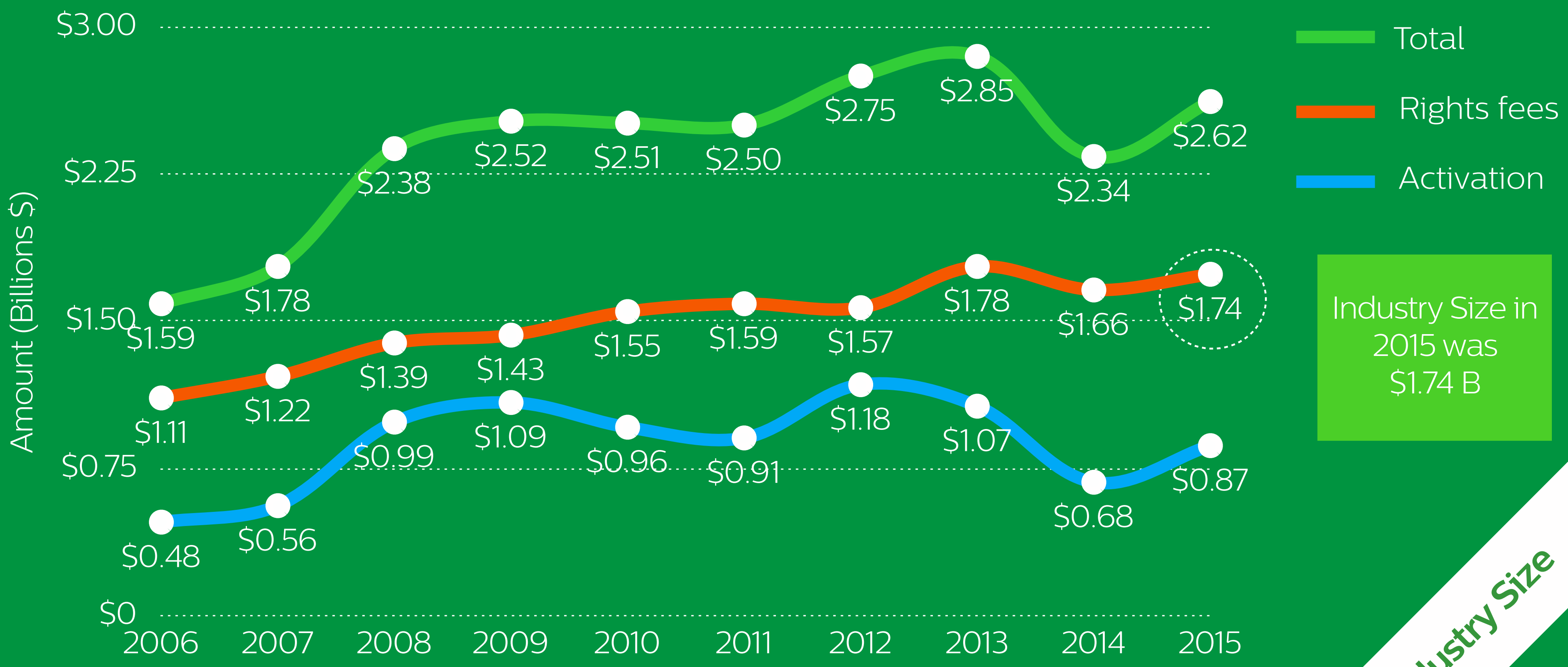
Sponsor ROI

SPONSORSHIP DISSERVICE



Property Service Gap

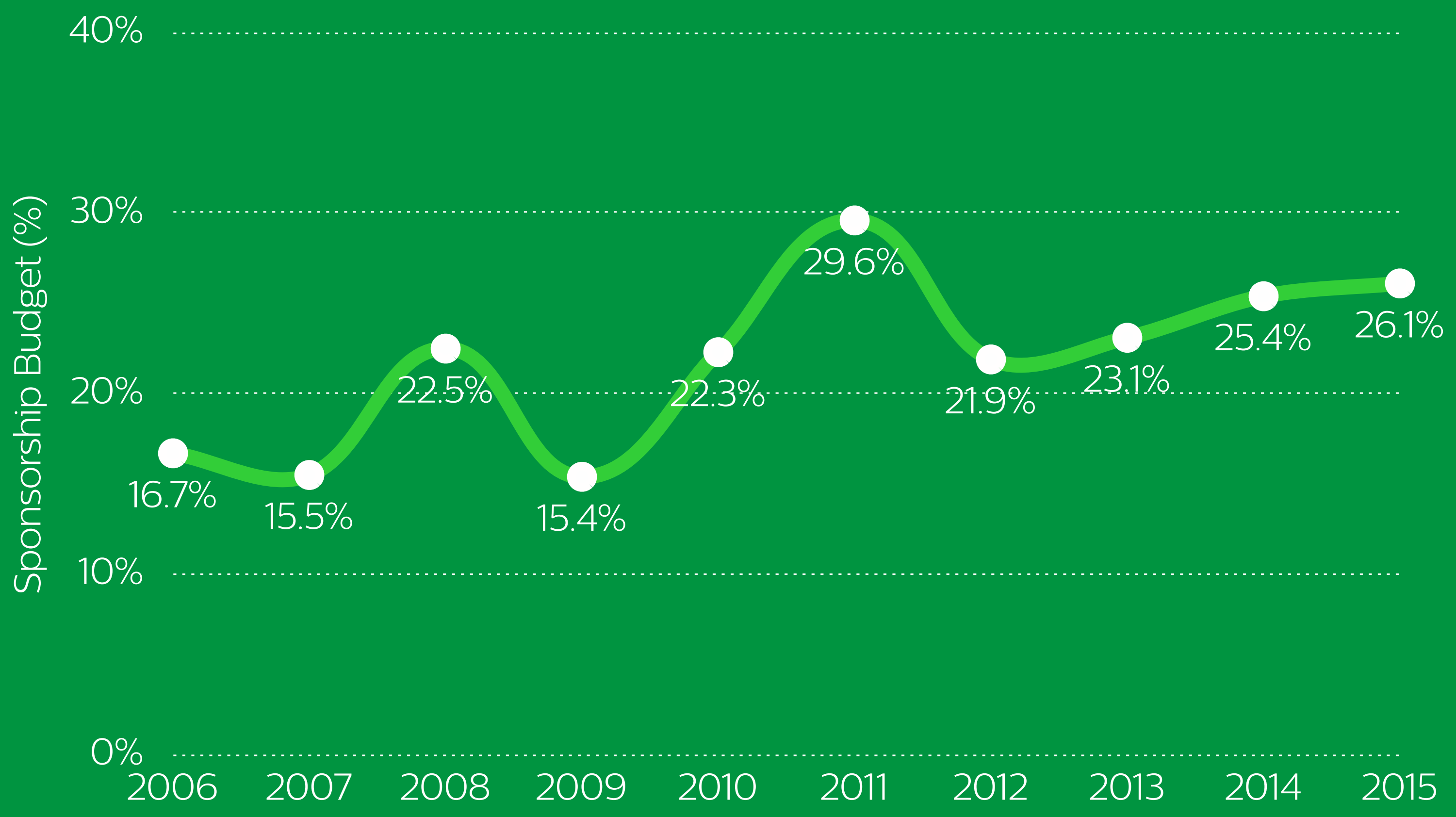
CANADIAN SPONSORSHIP INDUSTRY



Industry Size in 2015 was $1.74 B

Industry Size

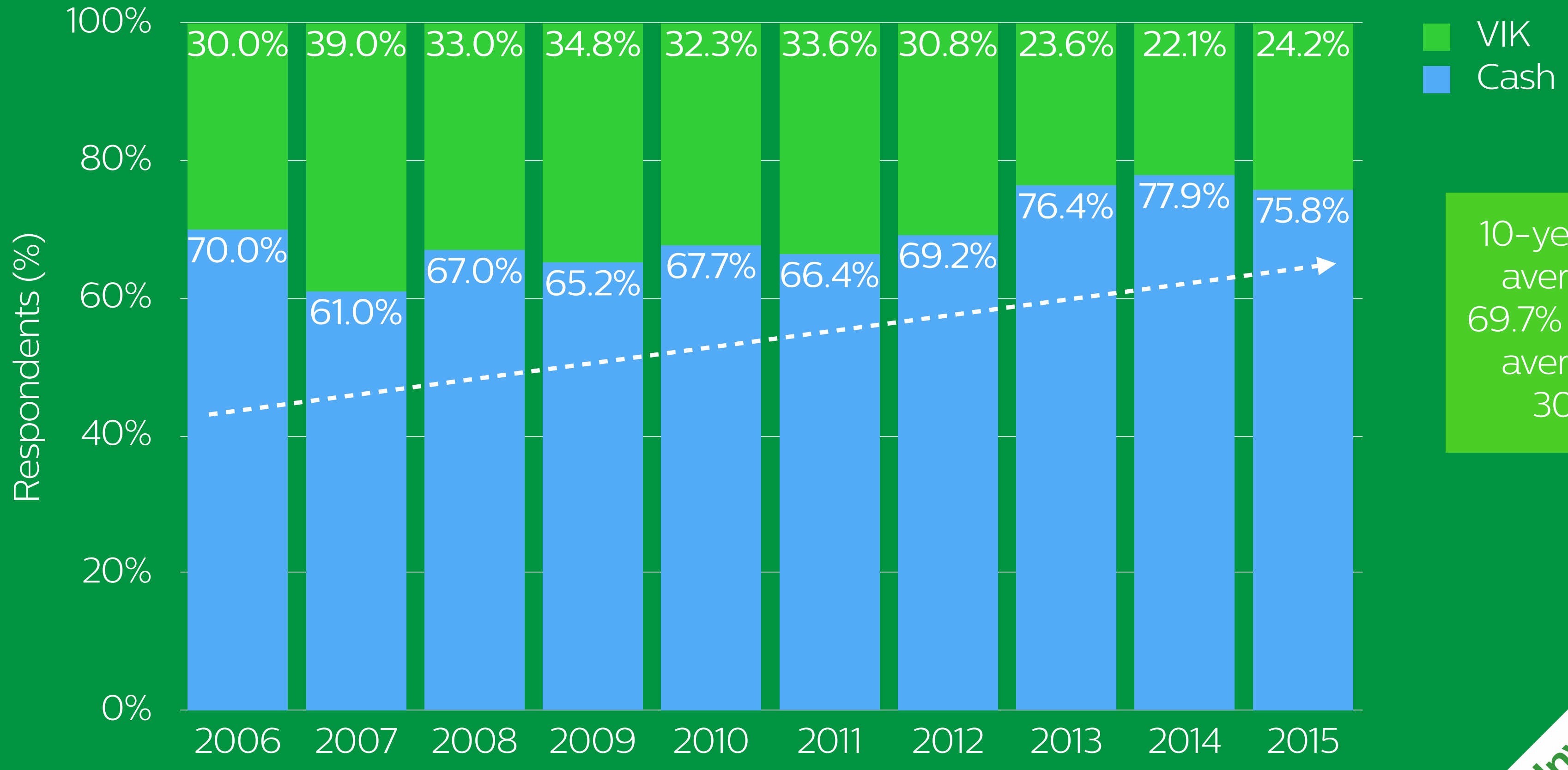
MARKETING COMMUNICATIONS BUDGET



10-year average is 21.9%

Investment Structure

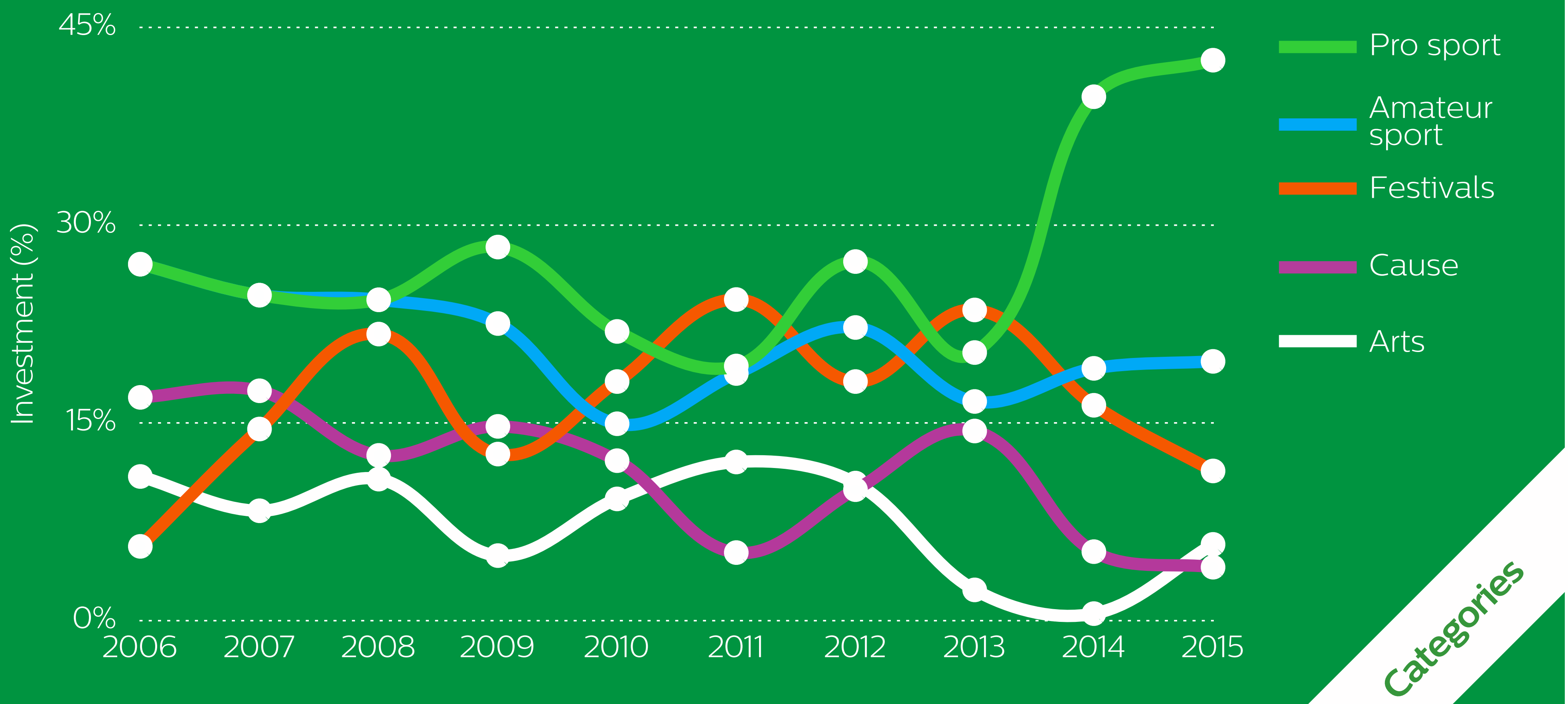
CASH VS. VALUE-IN-KIND REVENUE



10-year cash average is 69.7% and VIK average is 30.3%

Investment Structure

SPONSORSHIP SPEND (BIG 5)



GEOGRAPHIC FOCUS OF SPONSORSHIP SPEND

International **8.6%**

National **30.6%**

Multi-Provincial **8.5%**

2006 - 2015 average by region

Provincial **20.3%**

Regional **13.9%**

Local **17.1%**

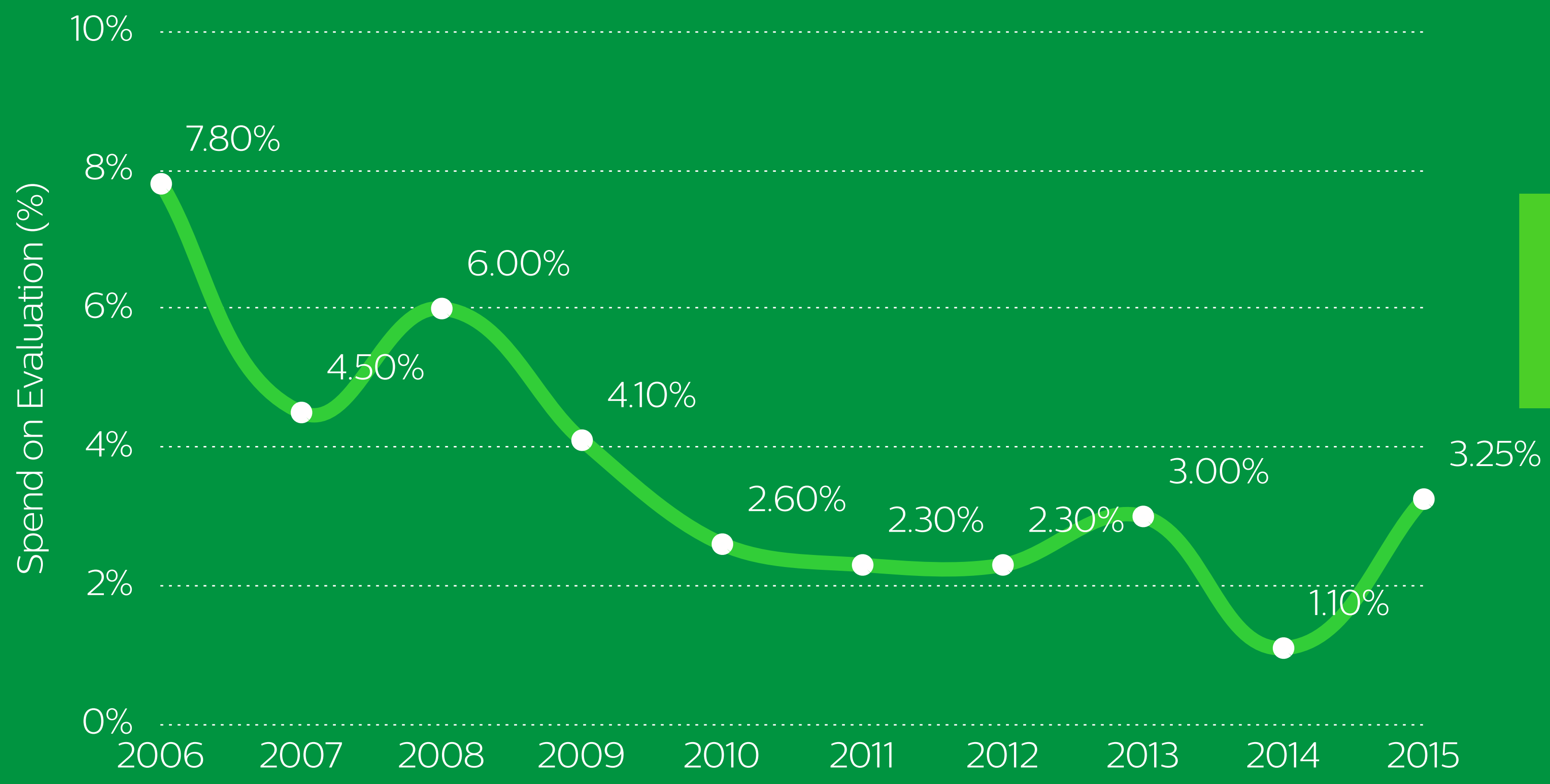
Geography

ACTIVATION RATIO

10-year average is 0.58; US is consistently near 1.70 (per IEG)

Activation

EVALUATION



10-year average is 3.70%

Evaluation

SUMMARY

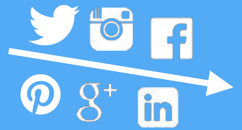
1ST | 2007	2ND | 2008	3RD | 2009	4TH | 2010	5TH | 2011
LAUNCH & LEARNING	BIGGEST ISSUE: ROI	WHAT RECESSION?	ROI TO DIGITAL CONCERNS	RETRACTION
6TH | 2012	7TH | 2013	8TH | 2014	9TH | 2015	10TH | 2016
"FESTIVALIZATION"	ACTIVATION RISES	RISE OF SOCIAL MEDIA SPEND	PRO SPORT RENAISSANCE	BRANDED CONTENT

WHAT'S NEXT? OUR EXPECTATIONS

1 The industry spend on both rights fees will hold steady. However, the nature of how sponsors and properties activate will change.

2 Organizations will move towards integrating sponsorships more internally.

3 Social media will fall as a target of activation investment.



4 Companies will integrate traditional platforms for sponsorship with new platforms.

5 Live content will continue its reign as a driver of sponsorship investment.

WHAT'S NEXT? OUR EXPECTATIONS

6 Festivalization is a fundamental activation platform that will see a lot of growth and diversification in the coming years.

7 Cause will need to be an integral component of all great sponsorships.

8 Sponsorship marketers will become more strategic about who they want to interact with. Target markets will become more defined.

9 The industry will see a change in how sponsorship activations and interactions are measured.

10 Training, education, and resources to aid with sponsorship practices will become more formalized.

THANK YOU!

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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CSLS
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