

## Sponsorship's influence

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**ADMAP**

This article explores different types of brand sponsorship deals, analysing the impact of different types of sponsorship for different consumer categories.

- Brand managers need to be able to understand whether sponsorship would be more effective than other touchpoints, and how sponsorship would be best activated.
- The value of sponsorship - and the effectiveness of various activation touchpoints - varies by category and type of sponsorship.
- 'Good cause', event and sports sponsorship are all of greater value than TV or radio deals, but tie-ups need to be a good brand fit as deals people perceive as insincere or hypocritical have less impact.
- Sports sponsorships are most effective for sportswear and alcohol brands, possibly because consumers can see a natural link between brands and sports.
- Unlike many other forms of advertising, sponsorships are more likely to be remembered several years later - probably because of the high frequency of messaging over a sustained period - with long term deals having a lasting association.

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ZenithOptimedia and Sponsorship Intelligence

### Admap: Boost the impact of sponsorship

This article is from the **November 2014 issue** of Admap, which focuses on 'boosting the impact of sponsorship' marketing strategies.

**Sponsors need to understand how a sponsorship's influence can vary by the property the category and the target demographic. The Touchpoints Rol Tracker helps to measure these variations.**

One of the key tasks for any brand manager considering investing in sponsorship is to understand whether the budget would be better invested in sponsorship rather than the multitude of other potential touchpoints available. In order to make this decision, the brand manager needs to understand the relative influence of sponsorship compared with other touchpoints. Once the decision to invest in sponsorship has been made, a brand manager

also needs to know which touchpoints are best suited to activating it.

This is an increasingly complex task for two main reasons. First, the range of touchpoints available for a marketer to invest in is growing at an exponential rate. Drawing comparisons across these potential touchpoints is hampered by the lack of comparable (or even existence of) measurement metrics. Second, the influence of a medium, like sponsorship, is not homogeneous. Its influence varies according to the product category and the target audience. Methodologies that try to provide a single view of the influence of sponsorship are masking important variations.

Recognising these concerns, ZenithOptimedia has used Integration's MCA methodology to understand the relative influence of touchpoints on a category-specific basis (Figure 1). Since 2003, we have interviewed more than three-quarters of a million consumers. This represents the world's largest database of interviews relating to media influence.



For this article, we'll focus on the 226,572 consumer interviews we have conducted in North America and Europe since 2010. This data encompasses 145 different categories, ranging from soft drinks, cars and sportswear brands to less-researched categories such as monster trucks, lotteries and painkillers.

We can begin by looking at the influence per exposure of sponsorship as a touchpoint group and comparing it with other groups of touchpoints. Influence is scored on a scale of 0 to 100 - with 100 being the highest influence possible. The key touchpoints groups are: advice and recommendation (e.g. friend and family recommendation, expert recommendation, independent reviews and print articles), one-to-one (e.g. direct mail and e-mail), mass media (e.g. TV, newspaper, internet ads) and point-of-sale (e.g. in-store ads, in-store demonstrations).

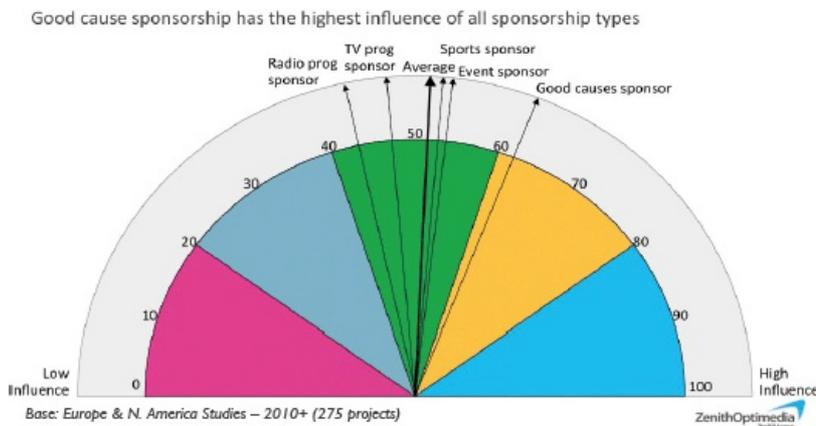
From this macro view, we can see that the influence per exposure score for sponsorship, with a Contact Clout Factor (CCF) of 52, is significantly lower than advice and recommendation and point-of-sale which have CCFs of 74 and 75 respectively. However, these are the two most influential touchpoint groups deriving their power from their impartiality and the power of reaching consumers at the most appropriate moment. If we look instead at mass media (CCF of 54) or one-to-one (CCF of 59) touchpoints, we can see sponsorships have a comparable influence.

While the relative overall influence of sponsorship is interesting, it masks many variations. Sponsorship is not a single, homogeneous entity. The data is more informative if we look at types of sponsorship. These include:

good cause sponsorship, event sponsorship, sports sponsorship, and broadcast sponsorships (whether they are TV or radio). When we split data at this level, we can see that good cause sponsorship (CCF at 62 vs. an average of 52) is more influential than any other form of sponsorship. For the remaining sponsorship types, event and sport sponsorship have a slightly above average influence on consumers (a CCF score of 54 and 53 respectively), while broadcast sponsorships tend to be weakest (radio sponsorships have a CCF of 44 and TV of 48).

Good cause sponsorships tend to be particularly powerful as consumers increasingly feel that companies should act in a socially responsible manner (Figure 2). According to nVision 76% of consumers agree that companies should be legally obliged to act in a socially responsible manner. However, it is not easy to tap into the potential power. Consumers are sensitive to associations which they feel are either not genuinely motivated or seemingly hypocritical. Michael Barone (2011) has recently shown that if a brand's underlying motivations for a tie-up are judged to be insincere, then it significantly impacts the influence of the association. That said, when good cause sponsorships are executed well there is a fantastic opportunity to build positive associations for a brand. Orange's sponsorship of RockCorps in the UK and France, which significantly boosted various brand metrics, clearly illustrates this.

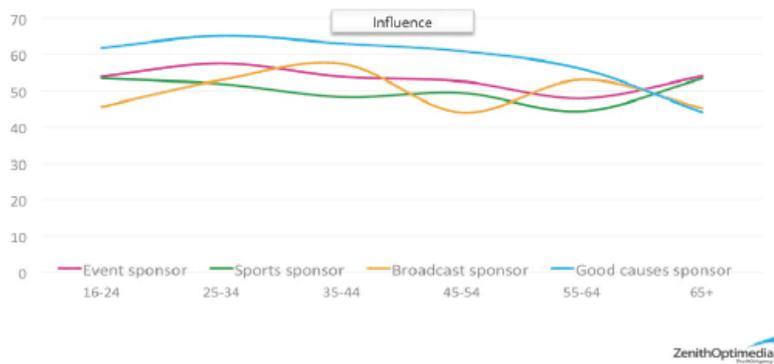
**FIGURE 2**



As mentioned earlier, the appeal of touchpoints varies by target audience segment. The impact of demographics is apparent with regard to good cause sponsorships. These sponsorships are influential for all age groups up until 65. However, after 65, their influence drops dramatically (Figure 3). In fact, for those over 65 their influence is lower than any other sponsorship type. This may be a reflection of the fact that brands have only become vocal in their support of good causes relatively recently. Older consumers, not brought up on this type of association, might be more likely to interpret brands' motivations cynically.

**FIGURE 3**

The influence of good cause sponsorships drops considerably amongst consumers over 65

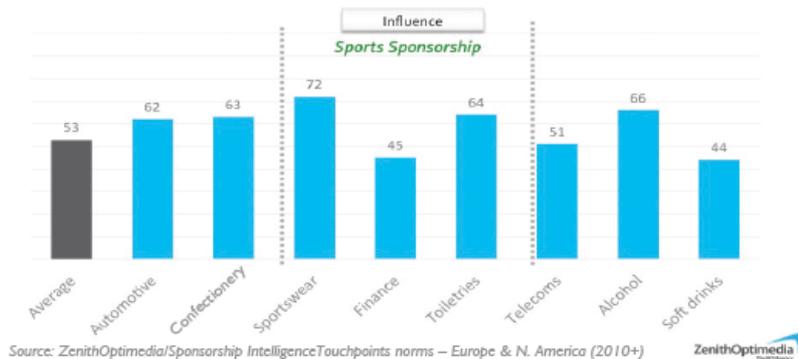


The other interesting finding on a sub-category level is the relative strength of sports and events sponsorships versus broadcast sponsorships. One explanation for this is the significant volume of assets that an event or sports sponsorships brings with it. The judicious use of these assets, promoted across multiple touchpoints, can build brand equity. O2 is a particularly strong case in point, where it has used assets associated with its sponsorship of the England Rugby team and the O2 concert venue in London to provide compelling experiences, such as exclusive tickets or rugby-themed prizes, to improve the experience of customers and boost consideration among non-customers.

Just as influence varies by sponsorship type and demographic group, our exhaustive database shows that sponsorship has a marked difference in influence by category. So if we look at sports sponsorships, we can see that there is a huge spread of influence from soft drinks with a CCF of 44 to sportswear with a CCF of 72 (Figure 4).

**FIGURE 4**

Within sports sponsorships there is a significant variation in influence by category



Source: ZenithOptimedia/Sponsorship IntelligenceTouchpoints norms – Europe & N. America (2010+)

So why are sports sponsorships so much more powerful in some categories than others? The relevance of the sponsorship to the category seems to be a particularly important driver of influence. If consumers can see a natural fit between the brand and the property, it will boost the impact of the sponsorship. This helps explain the strength of sportswear and alcohol in terms of sports sponsorships.

Variations by category are particularly interesting as investment levels by category do not seem to reflect influence. An apparent mismatch between influence and investment levels occurs in the soft drinks category. Respondents claim sports sponsorship has a relatively low influence (a CCF of 44 versus an average of 53 across all categories) on their purchase, yet brands such as Coca-Cola have made sizeable investments. For brands such as Coca-Cola, the sponsorships make sense because the direct influence of the sponsorship is only one consideration. The real value lies in the combination of the direct impact of the sponsorship with the

subtler subliminal benefits from associating with their audience's passions and the ability to differentiate at point of purchase with sports-themed promotions.

We have been tracking brand association with various touchpoints since 2003. Over this time, one of most interesting findings is the longevity of associations between brands and sponsorships. Unlike many other forms of advertising, many sponsorships seem to reside in consumers' memories for several years after they have ended. This longevity is most likely driven by the high frequency of messaging over a sustained period.

This, of course, has a very strong positive element for brands – as sponsorships not only deliver value for the years they are active but also for a sizeable aftermath. However, the negative side, which is less often discussed, is that brands who purchase the rights to a previously sponsored property might struggle to stamp their mark on it.

One instructive example is in the lager category. Lagers spend heavily on sports sponsorships. Budweiser, for example, has spent hundreds of millions on its World Cup and FA Cup sponsorships.

However, in the UK, one of the brands currently most associated with sports sponsorships is Carling. This is despite the fact that its association with football ended with the termination of its Carling Cup sponsorship in 2012. The strength of its continuing association is partly due to the fact that it sponsored the League Cup for nine years. However, one also wonders whether some of the success is down to less quantifiable reasons. Perhaps the association continues to reverberate for so long because of the alliteration of the name. The longevity of brand associations with sponsorships suggests that brands following a well-established sponsorship need to invest in a long-term association themselves and ensure their activation programme is focused on creating a point of difference with the previous incumbent.

In conclusion, the Touchpoints RoI Tracker database gives us compelling insight into the role of sponsorship in influencing consumers. It's apparent that sponsorships, used in the right manner, can play a pivotal role in influencing consumers. However, general statements about sponsorship are belied by the data. We see significant variation in the impact of sponsorship by type of sponsorship, by product category and by consumer segment. If brands are to be successfully involved with sponsorship, marketers need to be aware of, and act upon, these nuances.

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### **About the authors**

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