

Sponsorship in Marketing

Chapter 8: Measuring Sponsorship Outcomes

Measuring Sponsorship Outcomes

Measurement approaches in sponsorship could be broadly grouped as value assessment or value investigation.

- Value assessment approaches are those that estimate the nature, quality and market worth accruing from a partnership.*
- Value investigation approaches are those that examine the contribution of partnership activities to the worth of the brand or organization.*

Measuring Sponsorship Outcomes

Value Assessment - AVE

The value assessment approach is utilized across properties and sponsors around the world.

One of the ubiquitous sponsorship measurements is advertising value equivalency (AVE).

This measure calculates equivalence by estimating the value of an exposure (e.g., duration, number of brand exposures) by comparing it to the cost of a comparable advertisement.

For example, if 30 seconds of clear and in-focus logo exposure were detected during a televised race, the question asked would be what would 30 seconds of advertising time in that race have cost?

Measuring Sponsorship Outcomes

Value Assessment

- Typical value assessment has several buckets and these vary across brands, companies, and agencies.

Common value assessed include:

- Media impressions
- Social and Earned Media
- Assets that have market value (e.g., signage, tickets)
- Transactions linked to sponsoring

Common Sponsorship Value Estimation Categories

Media Impressions – exposure equivalence (e.g., 15,000 seconds of logo exposure equivalent to value of 500 commercial spots) discounted depending on visual quality, elevated based on audience quality

Social and Earn Media – post impressions equivalence and earned impressions value based on reach and engagement

Assets – market value (signage, merchandise, tickets, hospitality, celebrity appearances, use of marks and intellectual property)

Transactions – direct sales (on-sight pouring rights, retailing)

**Sponsorship
Value
Estimation**

Measuring Sponsorship Outcomes

Value Assessment

- *The challenge is that measuring media exposure only indicates the impressions that the audience **might** have.*
- *There is continuing pressure to move from media equivalence to financial outcomes.*

Further, there is expanding interest on other types of returns, such as return on objectives (e.g., interim marketing or communication) and return on purpose (e.g., societal or environmental goals).

Measuring Sponsorship Outcomes

Value Investigation

- Central to value investigations are financial outcome attributions to sponsoring (ROI).
- Value Investigations can also assess return on objectives such as:
 - Brand Awareness
 - Brand Associations
 - Brand Attitudes
 - Brand Attachment
 - Brand Experience

MEASUREMENT SCALES

- Value investigations often require measurement instruments such as scales which are then used in surveys. Example measures include:
 - Brand equity
 - Congruence
 - Relationship Authenticity
- Value investigations might also be undertaken with unstructured data that is available (e.g., text, video, audio, social media, or geolocation data).

Measurement Responsibility

- The property being sponsored (e.g., recap or fulfillment report)
- The sponsor
- Commercial suppliers
- Other interested parties (e.g., tourism board, economic development agency)

MANAGERIAL PERSPECTIVES ON MEASURING (Michael Hammer)

- 1. Vanity –the selection of measures that make management look good.*
- 2. Provincialism – keeping within organizational or industry boundaries when new measures are needed.*
- 3. Narcissism – measuring from one's own point of view, not that of the customer.*
- 4. Laziness – assuming one knows what to measure without giving it thought.*
- 5. Pettiness – measuring a small subset of what should be measured.*
- 6. Inanity – measuring without consideration of how the measurement or actions based on it will influence the organization.*
- 7. Frivolity – not being serious about measuring.*

Measuring Sponsorship Outcomes Questions

- 1. When and how are value assessment approaches used to measure sponsorship outcomes?*
- 2. Why are advertising value equivalency measures criticized?*
- 3. What might be the associated challenges of utilizing a value investigation approach?*
- 4. How do the measures of congruence and authenticity differ?*
- 5. What are the advantages and disadvantages of recap reports, produced by properties and shared with sponsors, that detail how the sponsorship contract was fulfilled?*