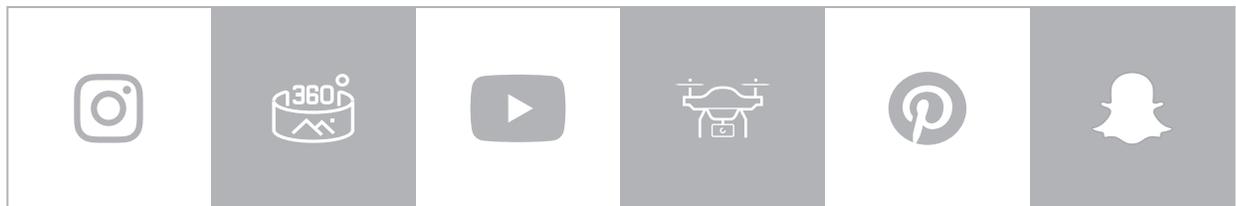




USE OF SOCIAL MEDIA AND ADVANCED TECHNOLOGIES FOR SPONSORSHIP



SEPTEMBER 2017

Table of Contents

I. Background	3
II. Executive Summary	5
III. Detailed Findings: Social Media	7
Use of Social Media to Support Sponsorship	7
Importance of Social Media for Sponsorship	8
Reasons for Using Social Media for Sponsorship	9
Social Media Platforms Used	10
Social Media Platforms Used: Internal or Sponsorship Property	11
Management of Social Media for Sponsorship	12
Measurement of Social Media for Sponsorship	13
Examples of How Social Media Has Supported Sponsorship	14
Aflac Case Study	15
Chase Case Study	16
Key Considerations for Activating Sponsorships on Twitter	17
IV. Detailed Findings: Advanced Technologies	18
Use of Advanced Technologies to Support Sponsorship	18
Industries Using Advanced Technologies for Sponsorship	18
Reasons for Using Advanced Technologies for Sponsorship	19
Management of Advanced Technologies for Sponsorship	20
Measurement of Advanced Technologies for Sponsorship	21
Intel Case Study	22
TXU Energy Case Study	23
V. Conclusions	24
VI. Acknowledgements	25

I. Background

The ANA has an active **Sponsorship & Event Marketing Committee**. We regularly poll committee members to identify topics of interest. In our most recent survey, the uses of social media and technology for sponsorship activations were identified as topics of keen interest. We conducted a survey among ANA members to learn more about these areas. Examples of social media used for sponsorship activations include Facebook, Twitter, and Instagram. Examples of technology used for sponsorship activations include 360-degree photography, beacons, drones, RFID, and virtual reality.

The ANA surveyed our members in June 2017. In total, 119 client-side marketers participated. Of those, 55 percent are “senior marketers” (director level and above) and 45 percent are “junior marketers” (manager level and below). Forty-nine percent of respondents have 15 years or more experience in marketing/advertising. Seventy-seven percent work at organizations which have an annual U.S. media budget less than \$100 million; the other 23 percent work at organizations which have an annual U.S. media budget of \$100 million or more. Those organizations are primarily B-to-C for 38 percent of respondents, primarily B-to-B for 20 percent, and equally B-to-C/B-to-B for the remainder.

As an overview and to add relevant background to this report, the following outlines the general state of sponsorship marketing, largely provided by **ESP/IEG**.

Sponsorship is defined as “a cash and/or in-kind fee paid to a property (typically sports, entertainment, non-profit event, or organization) in return for access to the exploitable commercial potential associated with that property.” Meanwhile, a *property* is defined as “a unique, commercially exploitable entity, typically in sports, arts, events, entertainment, or causes.” A property may also be referred to as a *rightsholder* or *seller*.

Sponsorship spending in North America is projected to be \$23 billion in 2017, up 4.1 percent. Sponsorship spending growth should outpace ad spending, which is expected to grow 2.6 percent.

Sports dominates, accounting for about 70 percent of all sponsorship spending. The share of spending for the North American sponsorship market is broken down as follows:

- Sports: 70 percent
- Entertainment: 10 percent
- Causes: 9 percent
- Arts: 4 percent
- Festival, fairs, annual events: 4 percent
- Association and membership organizations: 3 percent

The top industries for sponsorship spending are beverages, automotive, sports apparel, banking, retail, telecommunications, and insurance.

I. Background

Three examples of sponsorships:

- A recently announced high-profile sponsorship is the partnership between the Golden State Warriors and Rakuten, a Tokyo-headquartered company. For the first time in its history, the NBA approved the sale of jersey sponsorships, beginning with the 2017–18 season. The Rakuten logo will be featured on all of Golden State’s practice, regular, post-season, and Summer League uniforms. Additionally, Rakuten will become the official e-commerce partner, official video-on-demand partner, and official affiliate marketing partner of the Warriors, and the Warriors Practice Facility has been renamed the Rakuten Performance Center.
- Allstate has been a longtime supporter of college football, and has been the title sponsor of the Allstate Sugar Bowl since 2003. Allstate also sponsors the College Football Playoffs. Furthermore, via the Good Hands Field Goal Net Program, the Good Hands logo appears on the field goal nets of 90 college and university stadiums, as well as at championship and bowl game events. For every field goal kicked into these nets, Allstate donates to the school’s scholarship fund. Since 2005, Allstate has contributed millions of dollars to collegiate scholarships through this program.
- AB InBev is the most active sponsor of music festivals in North America, per ESP/IEG. The Budweiser Made in America Festival is an annual music festival, in its fifth year, held over Labor Day weekend in Philadelphia. Jay Z personally curates the eclectic mix of artists who perform, and the event features several stages that continuously host live music from a wide range of genres. In 2017, Budweiser premiered Budland, a two-day event in Los Angeles showcasing music, fashion, and food. For the last two years Budweiser has partnered with country star Thomas Rhett on his live shows.

Of particular relevance to this report, social media is the channel most used by sponsors to activate their sponsorships (98 percent), according to ESP/IEG, making it the most popular activation channel for the third year in a row. *Activation* is defined as “the marketing activities a company conducts to promote a sponsorship. Money spent on activation is over and above the rights fee paid to the sponsored property. It also known as *leverage*.”

II. Executive Summary

The key findings of this report are:

The great majority of respondents (85 percent) are using social media to support sponsorship activations, either before, during, or after a sponsorship. Meanwhile, slightly less than half of respondents (44 percent) use advanced technologies of any type to support a brand's sponsorship activations.

The specific social media platforms most used to support a brand's sponsorship activations were Facebook, Twitter, and Instagram.

The most commonly used advanced technologies were 360-degree photography, beacons, virtual reality, and RFID.

Top reasons for using either social media or advanced technologies to support a brand's sponsorship activations are the same:

- Generate awareness
- Connect with customers during the event
- Improve brand perception

Internal resources, notably the social media and sponsorship teams, are most often used for the management of either social media or advanced technologies to support a brand's sponsorship activations. External agency resources are also used (e.g., digital/social agency and sponsorship agency), but to a lesser extent.

The amount of social media exposure generated was the top choice, by a wide margin, for measuring the effectiveness of a brand's social media activity for sponsorship. For advanced technologies, on-site activity tracked at the sponsorship and the amount of social media exposure generated were the two top choices for measuring effectiveness.

II. Executive Summary

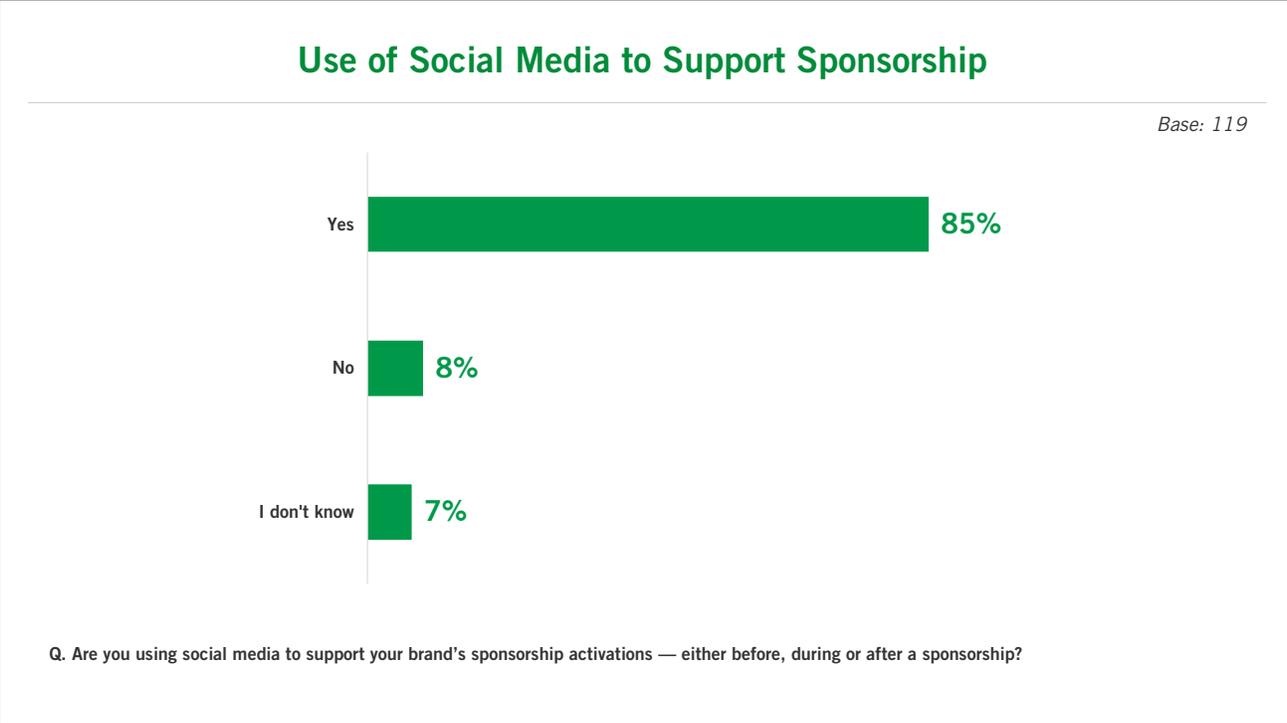
The conclusions of this report are as follows:

1. Social media is “table stakes” for sponsorship activation. Social media provides a relatively low-cost means to amplify and activate sponsorships. Given the importance that marketers are placing on social media as a sponsorship activation tool, they should approach it with rigor. Achieving goals such as connecting with consumers and improving brand perception will not happen solely with the posting of content to social media platforms. According to ESP/IEG, brands should have a plan for social media activation that sets specific and measurable objectives, details the resources necessary to produce the right volume and type of content, and accounts for the expectations of users of each platform — e.g., content appropriate for Twitter will not engage people on Instagram.
2. Meeting certain activation objectives may require the use of paid social media. Paid social media is significantly more cost-effective than traditional advertising, and allows for precise audience targeting (by interest, geography, demographics, etc.), potentially leading to higher conversion rates than organic posts. Paid social also allows marketers to develop specialized content that works best for each target audience.
3. The use of advanced technologies (e.g., 360-degree photography, beacons, drones, RFID, and virtual reality) for sponsorship activation is more nascent. Marketers are encouraged to test and learn here. Advertisers should discuss opportunities that leverage technology with their sponsorship partners, as it is likely that those partners are also evaluating new technology. Advertisers are encouraged to discuss the desire to explore new technologies early in negotiations. Some tech may result in unforeseen issues, incremental work, and risk, and contingencies for such situations should be agreed upon in advance.
4. There should be closer alignment between the reasons for using both social media and advanced technologies for sponsorship activation and the metrics used to measure effectiveness.
5. There is an opportunity for more marketers to take advantage of the social media platforms of properties to activate sponsorships. Sponsors and their property partners (i.e., sellers of sponsorships) should ensure that sponsor content is not merely advertising or promotional but adds value to the social media conversation and enhances the experience the user has in that channel.
6. It’s important for marketers to have in-house expertise to manage social media to support sponsorship activations. Speed of response time is a key reason for doing so. In-house expertise is also important for use of advanced technologies.

III. Detailed Findings: Social Media

Use of Social Media to Support Sponsorship

The great majority of respondents (85 percent) are using social media to support sponsorship activations, either before, during, or after a sponsorship. *Activation* is defined as “the marketing activities a company conducts to promote its sponsorship. Money spent on activation is over and above the rights fee paid to the sponsored property. It also known as *leverage*.”

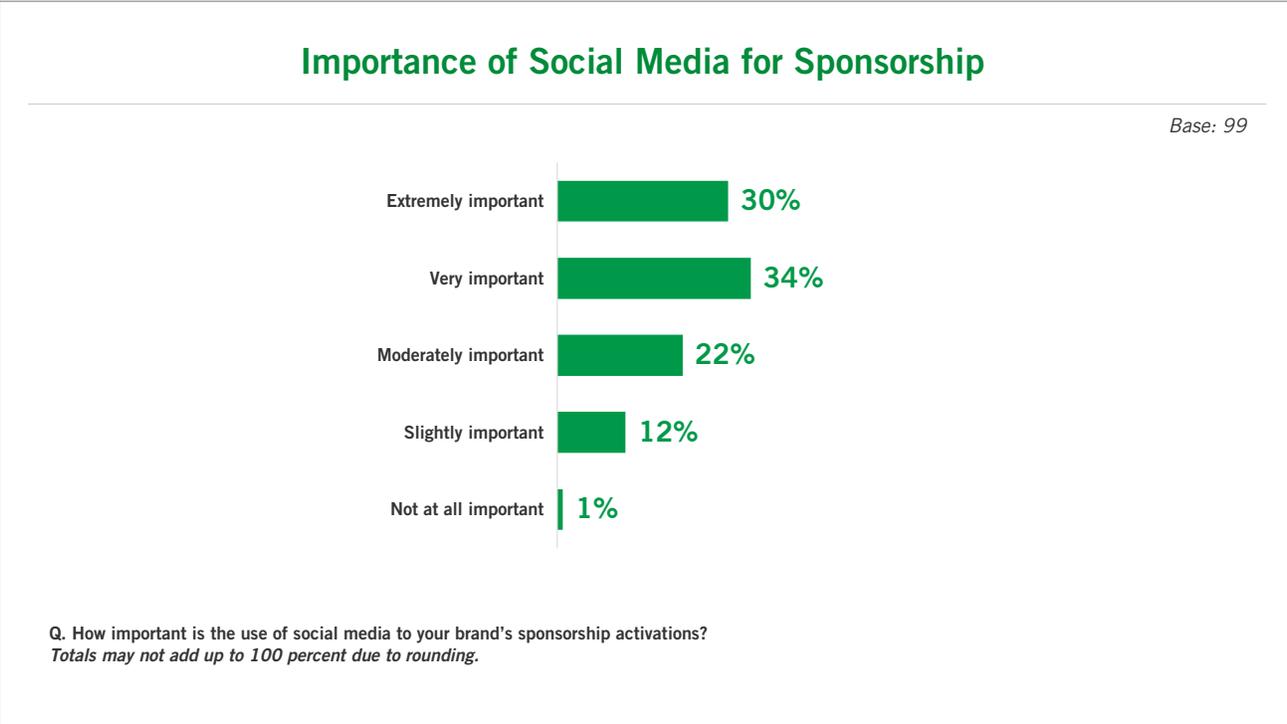


III. Detailed Findings: Social Media

Importance of Social Media for Sponsorship

The use of social media for a brand’s sponsorship activation is either extremely or very important to almost two-thirds (64 percent) of the respondents.

This demonstrates the importance of using social media as an “amplifier” for sponsorships. According to ESP/IEG, for every \$1 a marketer spends on a sponsorship, that marketer spends another \$2 for activation. In other words, the cost of activation is high. Social media provides a relatively low-cost means to activate sponsorships.



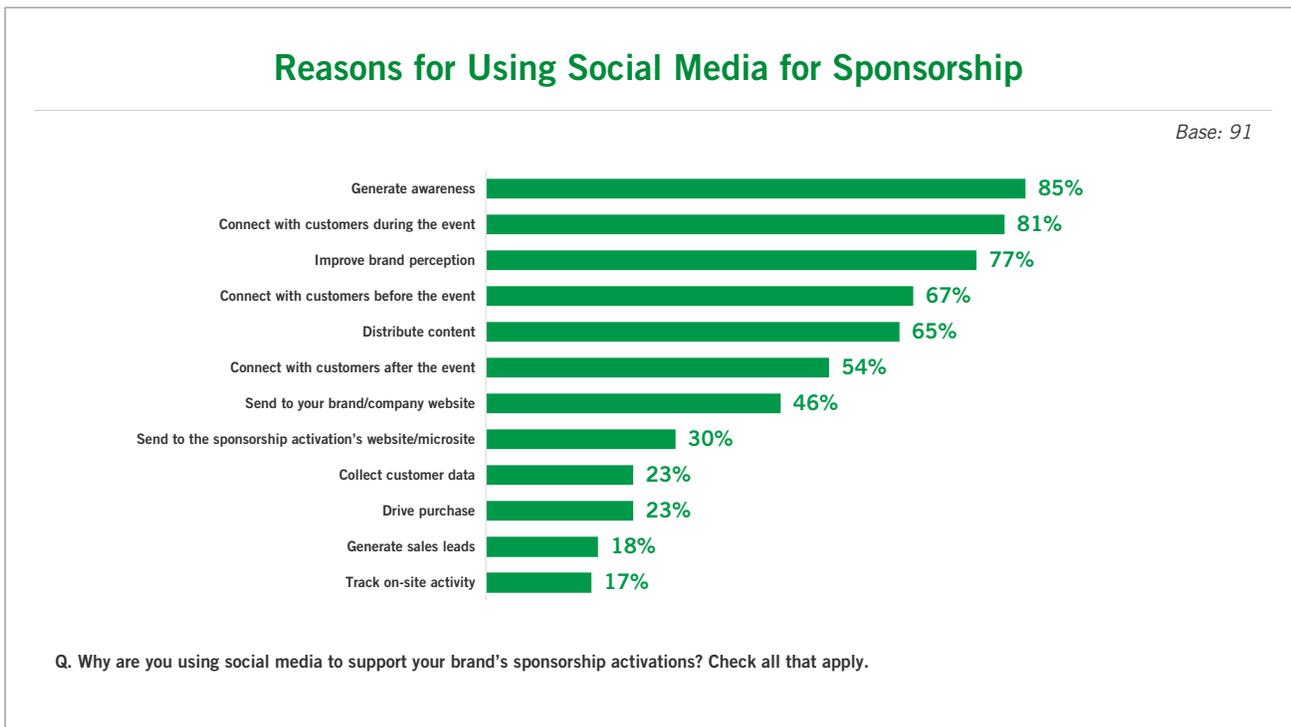
III. Detailed Findings: Social Media

Reasons for Using Social Media for Sponsorship

There are multiple reasons for using social media to support a brand's sponsorship activations. The top five:

1. Generate awareness
2. Connect with customers during the event
3. Improve brand perception
4. Connect with consumers before the event
5. Distribute content

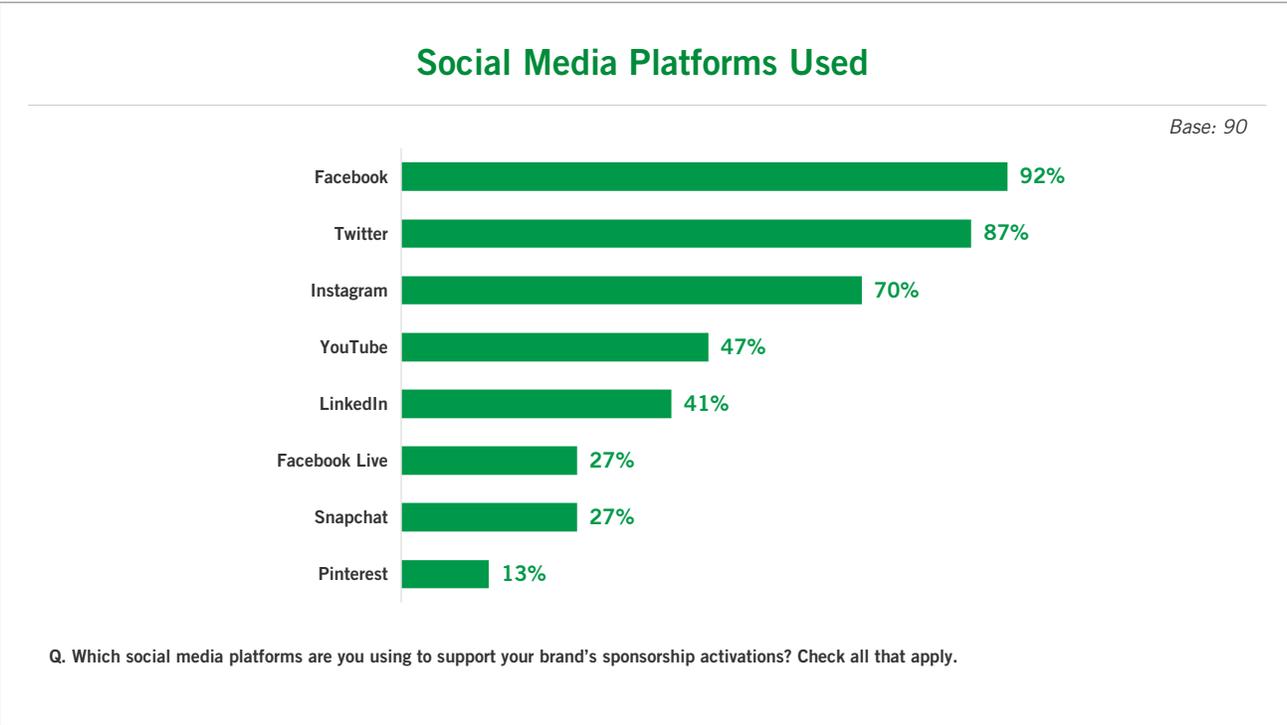
It's interesting that sales metrics (i.e., drive purchase and generate sales leads) are not ranked higher, given that most marketers seem to have difficulty monetizing social media.



III. Detailed Findings: Social Media

Social Media Platforms Used

The specific social media platforms most used to support a brand’s sponsorship activations are Facebook, Twitter, and Instagram.



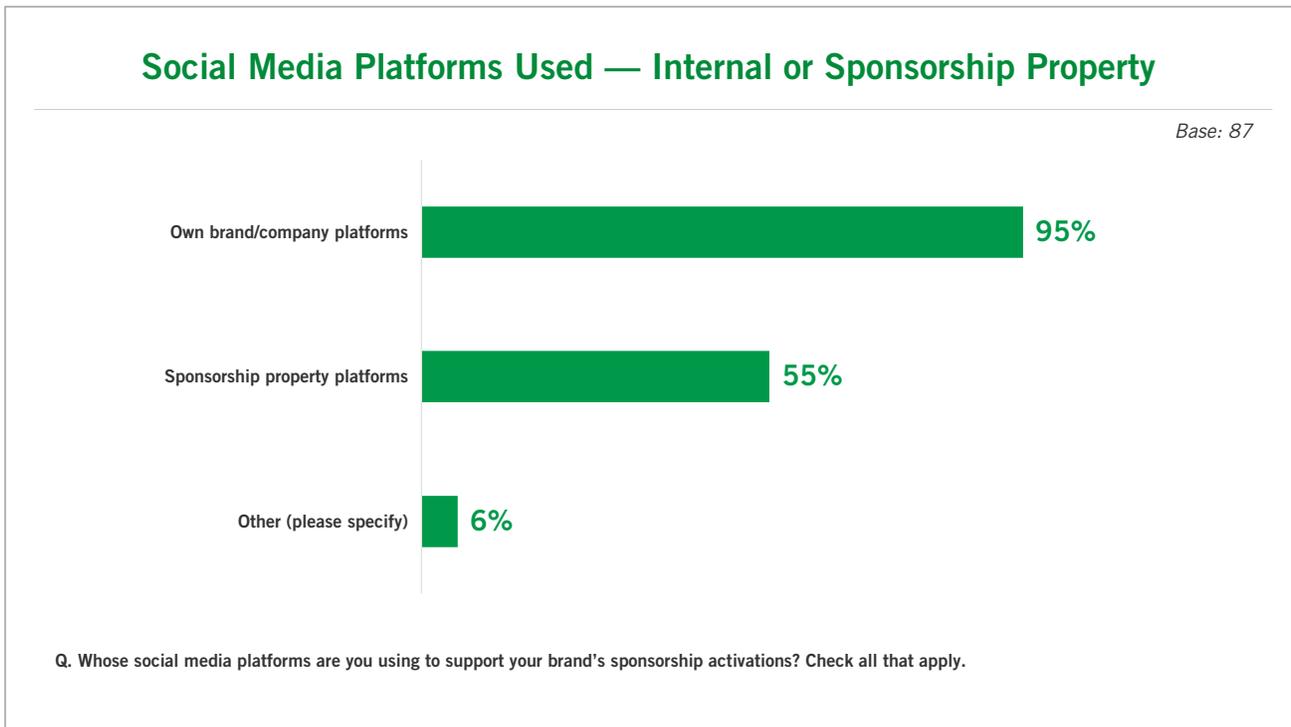
III. Detailed Findings: Social Media

Social Media Platforms Used: Internal or Sponsorship Property

Nearly all respondents (95 percent) use their own brand/company social media platforms to support sponsorship activations. Slightly more than half (55 percent) use the social media platforms of a sponsorship property. In the cases where “other” was noted, influencers were mentioned most.

There seems to be an opportunity for more marketers to take advantage of the social media platforms of properties to activate sponsorships, as those platforms can amplify/extend the messaging of the sponsorship.

However, according to ESP/IEG, the most likely reason this percentage isn't higher is that properties may be limiting the amount of sponsor messaging on their social media channels because of justifiable concerns about over-commercializing their social communities. There is a mutually beneficial middle ground that sponsors and their property partners should aim for — ensuring that sponsor content is not merely advertising or promotional but adds value to the social media conversation and enhances the experience the user has in that channel.

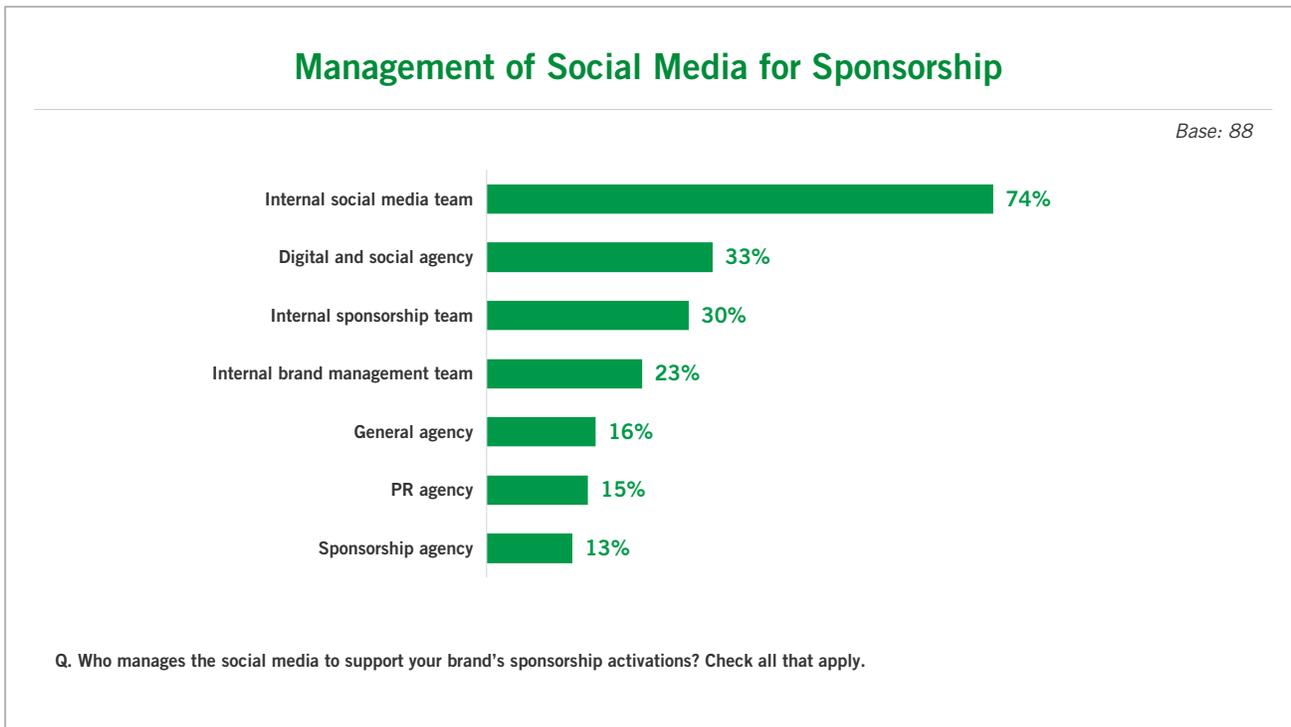


III. Detailed Findings: Social Media

Management of Social Media for Sponsorship

The management of social media to support a brand’s sponsorship activations is most often done by an internal social media team, cited by 74 percent of respondents. Interestingly, of the top four responses, three were internal teams (social media, sponsorship, brand) and only one was an external agency team. Therefore, the marketer clearly leads the management of social media to support sponsorship activations. According to ESP/IEG, marketer-led management of social media activation is also consistent with what they have seen.

These results regarding the internal management of social media for sponsorship are consistent with what the ANA has seen elsewhere. Newer media — specifically social media, online display advertising, and search engine marketing — rank high on the list of media services handled in-house, according to other ANA survey work (i.e., *“The Rise of the In-House Agency”*) as well as per qualitative discussions with members in forums including the [ANA In-House Agency Committee](#). The growth of digital and social media and the need for quicker turnaround there has played a role in the increased growth and responsibilities of in-house agencies.



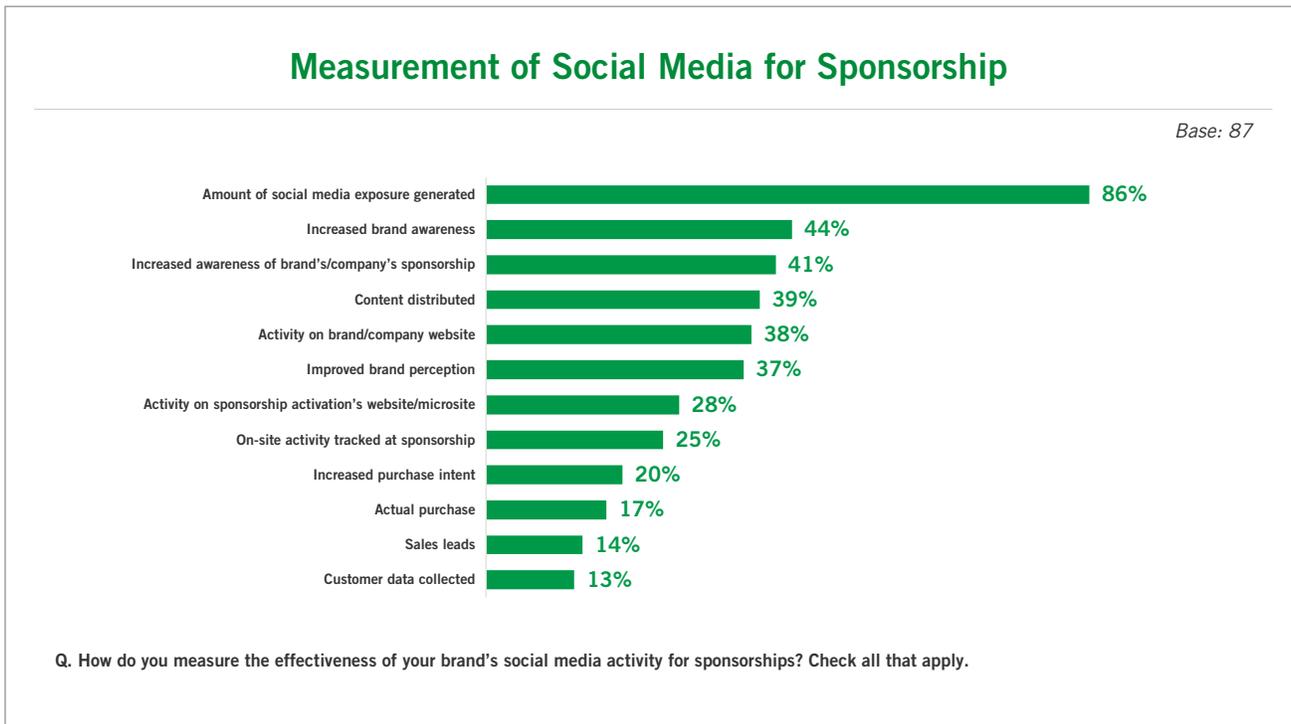
III. Detailed Findings: Social Media

Measurement of Social Media for Sponsorship

To measure the effectiveness of a brand's use of social media for sponsorship, the top response, by a wide margin, was the amount of social media exposure generated (86 percent). Media exposure has historically been a top measure of sponsorship activity for traditional media, so it's understandable that it also is the top metric for social media. What is noteworthy is the gap between that and every other measure.

There is a bit of an inconsistency between the top reasons for *using* social media for sponsorship (page 9) and the *measurement* of social media for sponsorship. Awareness was the top-rated reason for using social media as well as a top-rated way to measure its effectiveness. However, other top-rated reasons for using social media for sponsorship — connect with consumers during the event, improve brand perception — are not rated high for measurement.

“What gets measured, gets managed,” according to the legendary Peter Drucker. There should be closer alignment between the reasons for using social media for sponsorship and the measurement of social media for sponsorship.



III. Detailed Findings: Social Media

Examples of How Social Media Has Supported Sponsorship

Respondents were asked to provide examples of how social media has been successfully used to support a brand's sponsorship activations. Representative responses were:

- “We amplify our sponsorships in social platforms as standard practice.”
- “We use social media before, during, and after a program to drive awareness and engagement with our target audience.”
- “We capture content from our thought leaders and then repackage that for social amplification.”
- “Social media is central for communications with our target for our sponsorship activations. The platforms allow us to tease ideas, then follow them through to our website and other digital platforms, measure engagement once they get there, and collect information for further communications. We love the immediate feedback vs. more traditional media.”

Also, there were numerous comments about the use of social media to support sponsorship activations for charitable causes as well as using social media for games, contests, and sweepstakes.

III. Detailed Findings: Social Media

Aflac Case Study



In 2016, Aflac’s “Leaving Our Duckprints” campaign leveraged its social media platforms to help raise \$1.5 million to support the fight against childhood cancer. Aflac created an integrated campaign that included national activations promoted on social and traditional media with #Duckprints. That also included Aflac’s sponsorship of CureFest for Childhood Cancer, a grassroots event in Washington, D.C., with a mission of making childhood cancer research a national priority by uniting the childhood cancer community, the general public, the medical community, and elected leaders.

The company amplified its PR efforts by making and posting creative videos and graphics of the events, publishing thought leadership articles, and repurposing top-tier media. For every use of #Duckprints on Facebook, YouTube, Instagram, and Twitter, Aflac donated \$2 to the fight against childhood cancer.

III. Detailed Findings: Social Media

Chase Case Study



Chase has been a sponsor of the U.S. Open tennis tournament for 35 years, and was looking for new ways to provide a premium experience to fans. To extend its offline sponsorship, Chase teamed up with former U.S. Open winner Andy Roddick (@andyroddick) to add live video content to the ongoing #USOpen conversation on Twitter.

As part of an In-Stream Video Sponsorship, Chase and Roddick used a series of live broadcasts on Periscope (an app acquired by Twitter that allows live streaming of social video) to provide insight and commentary into the U.S. Open championship before, during, and after matches. Roddick commented on the matches from his home, on the way to the venue, and from the Arthur Ashe Stadium itself. Viewers were encouraged to send questions to Roddick using #MasterTheOpen, which he answered during the live broadcasts. After each broadcast, Roddick tweeted highlight clips that included a Chase pre-roll ad.

By working with Twitter and Roddick, Chase was able to significantly increase awareness of its involvement in the championships. The insider knowledge and excitement of Roddick at the events was clear in his Periscope broadcasts, and he provided unique and compelling insights. By making this happen, Chase was able to create a new and exciting way to highlight its involvement with the U.S. Open and add compelling live content to the #USOpen conversation.

In addition, the broadcast highlights promoted by the @Chase Twitter feed provided quick insights and information to U.S. Open fans on Twitter. This also allowed Chase to present its brand in an innovative way while driving more than two million views on its pre-roll ads.

Key results were:

- 185,000 unique viewers on a single Periscope broadcast
- More than 385 hours of Periscope video watched
- 2,000,000 pre-roll views on highlight videos

III. Detailed Findings: Social Media

Key Considerations for Activating Sponsorships on Twitter

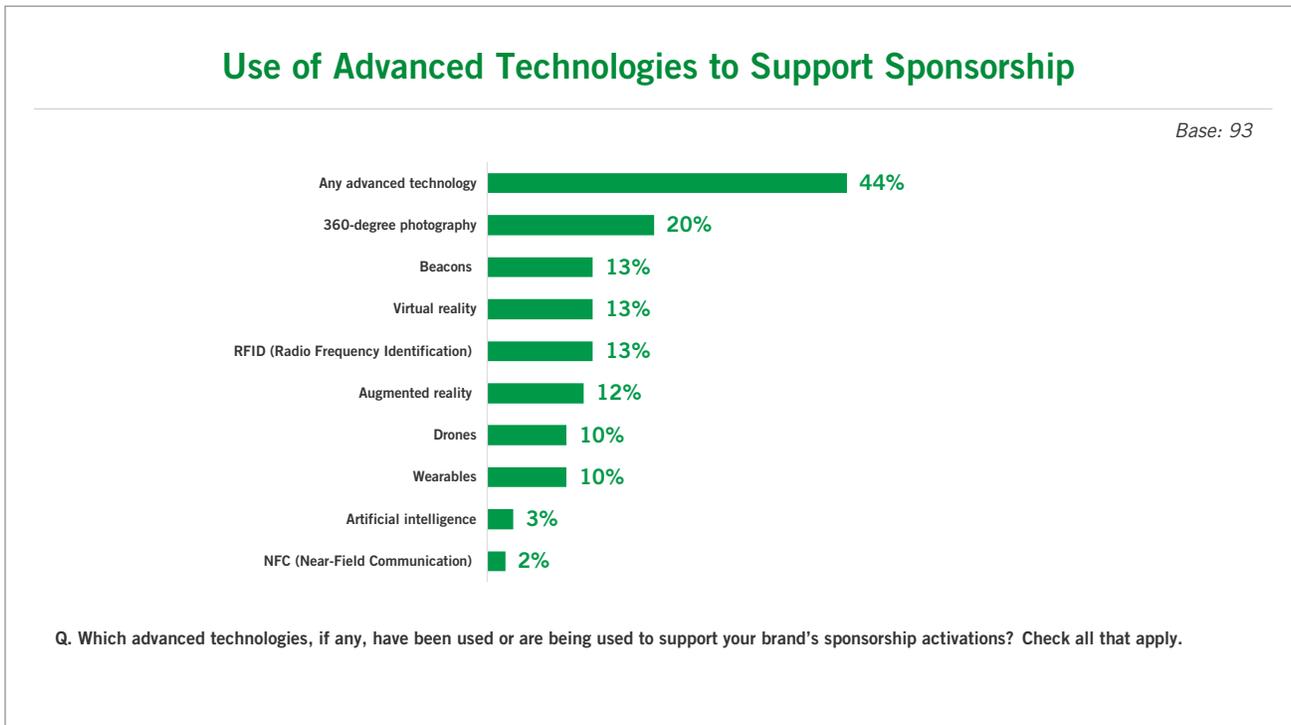


1. Clearly identify your sponsorship objective to help guide your social activation.
 - To increase brand love, BE what's happening.
 - Go live with an event that's worthy of appointment viewing. For example, try translating an experiential activation into a digital activation.
 - To improve brand perception, ELEVATE what's happening.
 - Scale your existing sponsorships.
 - Add value to the fans' experience with real-time (and branded!) content they can't get elsewhere.
 - To reach an engaged audience, SURROUND what's happening.
 - Generate impressions around events or conversations important to your brand.
 - Reach users who are pre-exposed to event-related content and give them a reason to engage further with your brand and campaign.
2. Strive to create rich opportunities for brands to connect with consumers in relevant moments. Think about your own tentpoles and brand moments, but also identify personal moments that your brand can tap into, authentically. And don't forget about larger cultural events that align with sponsorships that are already part of your portfolio.

IV. Detailed Findings: Advanced Technologies

Use of Advanced Technologies to Support Sponsorship

Slightly less than half of respondents (44 percent) use advanced technologies of any type to support a brand's sponsorship activations. The most commonly used advanced technologies are 360-degree photography, beacons, virtual reality, and RFID.



Industries Using Advanced Technologies for Sponsorship

The industries using advanced technologies to support sponsorship, more than any others (per survey respondents), are financial, insurance, and tech. Other industries using advanced technologies, but to a lesser degree, are automotive, consulting, energy, health care, retail, spirits, and travel.

IV. Detailed Findings: Advanced Technologies

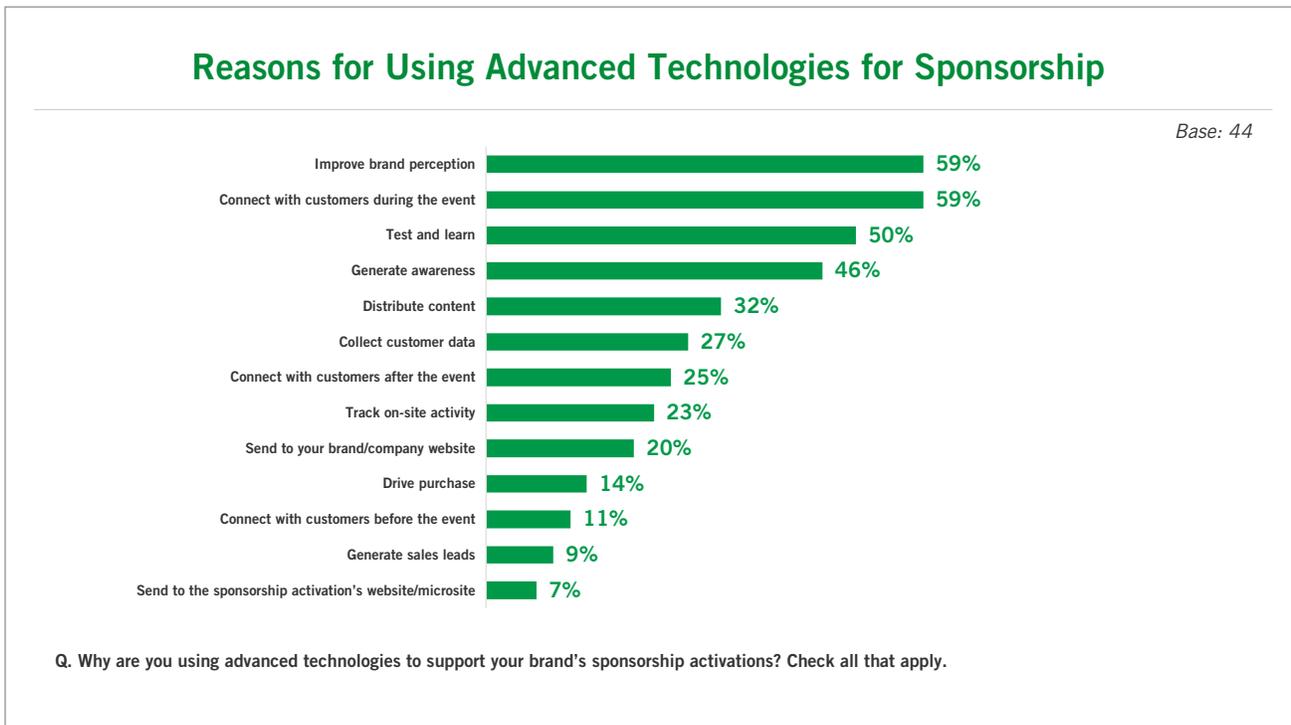
Reasons for Using Advanced Technologies for Sponsorship

There are multiple reasons for using advanced technologies to support a brand's sponsorship activations. The top five:

1. Improve brand perception
2. Connect with customers during the event
3. Test and learn
4. Generate awareness
5. Distribute content

These were also all top reasons for using social media to support a brand's sponsorship activations (except test and learn, which was not an option there).

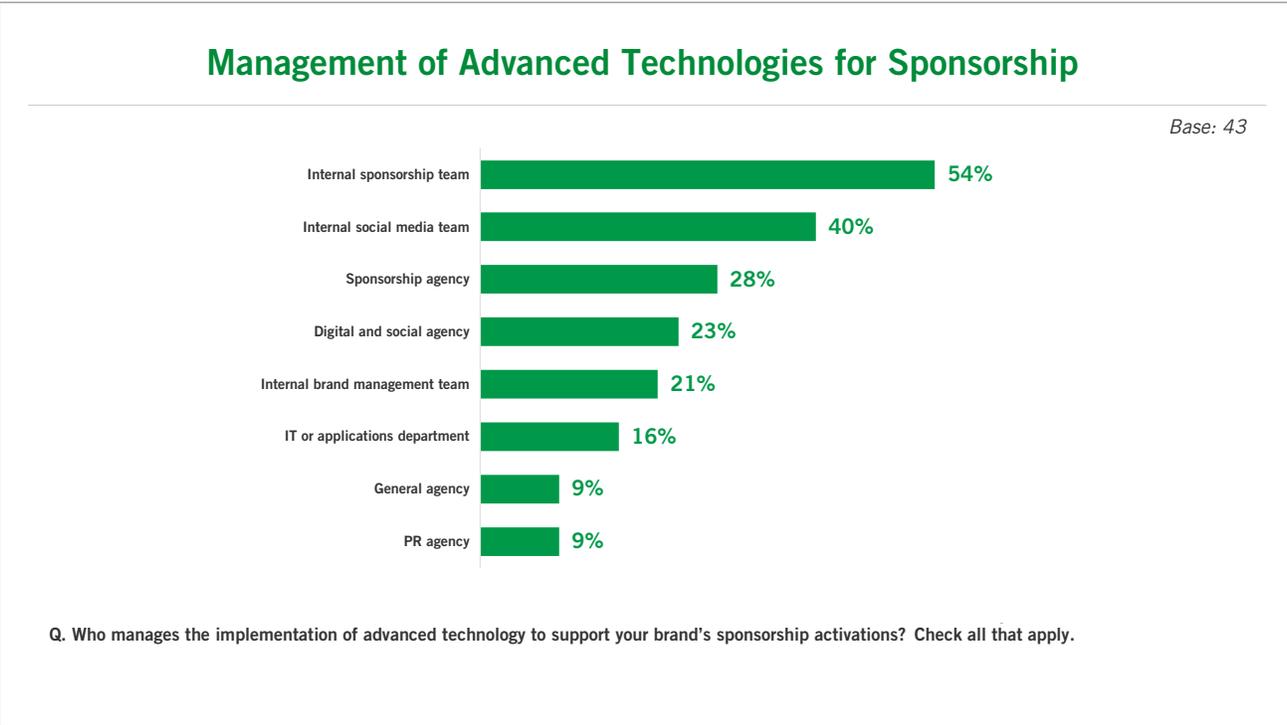
Per ESP/IEG, it's of note that "collect customer data" didn't crack the top five reasons, as it is the third most popular measurement metric and a key benefit of many of the advanced technology applications.



IV. Detailed Findings: Advanced Technologies

Management of Advanced Technologies for Sponsorship

The management of advanced technologies to support a brand’s sponsorship activations is most often done internally, by the sponsorship and/or social media team.



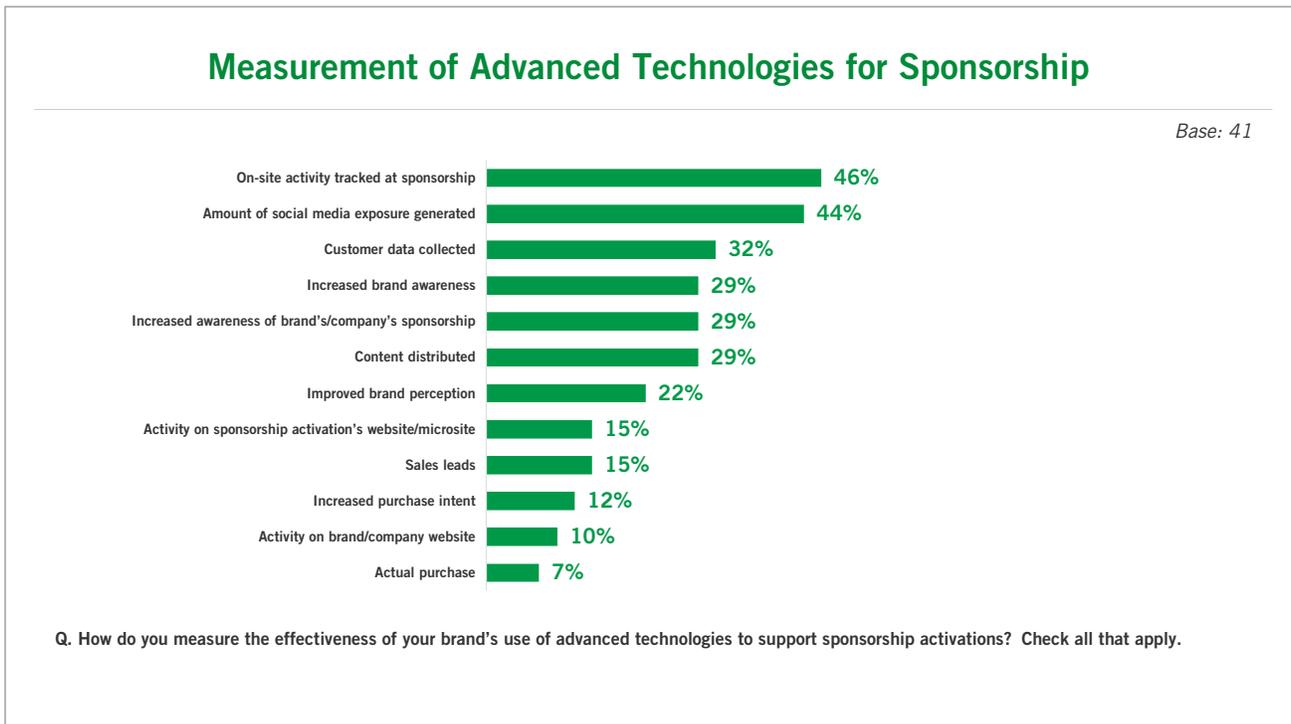
IV. Detailed Findings: Advanced Technologies

Measurement of Advanced Technologies for Sponsorship

To measure the effectiveness of a brand's use of advanced technologies to support sponsorship, the top response was on-site activity tracked at the sponsorship (46 percent). That would answer questions such as "Where did consumers go?" "What did they do?" "Did they visit my booth?"

Next highest rated was the amount of social media exposure generated (44 percent). Note that the amount of social media generated was the top choice to measure the effectiveness of a brand's use of social media for sponsorships.

As we saw in the section on social media, there is an inconsistency between the top reasons for *using* advanced technologies for sponsorship (page 19) and the *measurement* of advanced technologies for sponsorship. Brand perception improvement was the top reason for using advanced technology for sponsorship, yet it was the seventh ranked metric. There should be closer alignment between the reasons for using advanced technologies for sponsorship and the metrics employed to measure effectiveness.



IV. Detailed Findings: Advanced Technologies

Intel Case Study



Intel is a leader in the use of advanced technologies to support sponsorship.

During the Pepsi Zero Sugar Super Bowl LI Halftime Show at the 2017 Super Bowl, Intel created a drone light show. As singer Lady Gaga's performance began, 300 Intel Shooting Star drones created a backdrop of colorful formations in the sky, including twinkling stars that transformed into red and blue moving stars before creating the American flag. Additionally, the Intel Shooting Star drones finished out the halftime performance by forming the Pepsi logo in the sky. This was the first drone integration during a televised event and a Super Bowl.

In June 2017 it was announced that Intel will join The Olympic Partner worldwide sponsorship program. Intel will focus primarily on embedding its 5G platforms, VR, 3D and 360-degree content development platforms, artificial intelligence platforms, and drones, along with other solutions, to enhance the Olympic Games.



IV. Detailed Findings: Advanced Technologies

TXU Energy Case Study



Headquartered in Irving, Texas, TXU Energy is the state's leading retail electric provider. TXU activates a number of long-term local sponsorships to generate engagement and affinity and maintain a year-round presence in key markets. Partners include the Dallas Stars, Texas Rangers, Dallas Mavericks, and the Houston Zoo.

In conjunction with partners, TXU leverages time-lapse and 360-degree photography and video to capture unique and compelling visuals of events and activations. Assets are then shared across multiple social platforms, including Facebook, YouTube, and Twitter.

TXU shared examples of time-lapse and 360-degree photography done with the **Dallas Stars** and **Dallas Mavericks**.

V. Conclusions

1. Social media is “table stakes” for sponsorship activation. Social media provides a relatively low-cost means to amplify and activate sponsorships. Given the importance that marketers are placing on social media as a sponsorship activation tool, they should approach it with rigor. Achieving goals such as connecting with consumers and improving brand perception will not happen solely with the posting of content to social media platforms. According to ESP/IEG, brands should have a plan for social media activation that sets specific and measurable objectives, details the resources necessary to produce the right volume and type of content, and accounts for the expectations of users of each platform — e.g., content appropriate for Twitter will not engage people on Instagram.
2. Meeting certain activation objectives may require the use of paid social media. Paid social media is significantly more cost-effective than traditional advertising, and allows for precise audience targeting (by interest, geography, demographics, etc.), potentially leading to higher conversion rates than organic posts. Paid social also allows marketers to develop specialized content that works best for each target audience.
3. The use of advanced technologies (e.g., 360-degree photography, beacons, drones, RFID, and virtual reality) for sponsorship activation is more nascent. Marketers are encouraged to test and learn here. Advertisers should discuss opportunities that leverage technology with their sponsorship partners, as it is likely that those partners are also evaluating new technology. Advertisers are encouraged to discuss the desire to explore new technologies early in negotiations. Some tech may result in unforeseen issues, incremental work, and risk, and contingencies for such situations should be agreed upon in advance.
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5. There is an opportunity for more marketers to take advantage of the social media platforms of properties to activate sponsorships. Sponsors and their property partners (i.e., sellers of sponsorships) should ensure that sponsor content is not merely advertising or promotional but adds value to the social media conversation and enhances the experience the user has in that channel.
6. It’s important for marketers to have in-house expertise to manage social media to support sponsorship activations. Speed of response time is a key reason for doing so. In-house expertise is also important for use of advanced technologies.

VI. Acknowledgements

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- Pam Gross, Senior Manager
- Christopher Scirocco, Director

Jim Andrews, Senior Vice President, ESP/IEG



USE OF SOCIAL MEDIA AND ADVANCED TECHNOLOGIES FOR SPONSORSHIP

