



THE SPORT DIVIDEND

The incremental power of sport sponsorship that can go toe-to-toe with brand advertising

THE PROBLEM

Across rights investments and related activation, sport sponsorship is estimated to be a \$100B dollar industry. Despite its rude health, there is little evidence-based research within the industry to help drive effectiveness and underpin how sponsorship really works. This leaves sponsorship with a rigour problem.

Fortunately, as an advertising industry, we are spoilt for choice when it comes to recognised resources – the IPA, System1, the Ehrenberg-Bass Institute, Amplified Intelligence to name a few - that support the case for investment and shape creative strategy, the most effective thing that a marketer can control. However, little (of any) work has been undertaken that takes this thinking and applies it to sport sponsorship.



A CASE FOR CREATIVITY

System1 are creative effectiveness experts – they know what drives effective creativity, how to optimise creativity and most importantly, how this translates to true business ROI. Their methodology is grounded in System One intuitive and emotional thinking, the fundamental understanding that purchase decisions are based on feeling rather than rationality.

Creatives that harness the power of positive emotion drive real-world business impact in both the short-term and the long-term.

System1 identify impact by modelling advertising against three main areas:



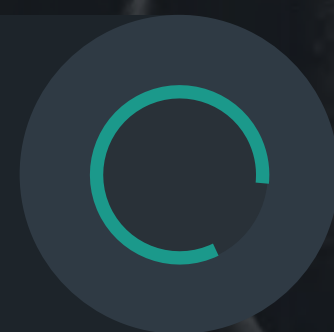
Spike Rating

Reveals how positive viewers feel, predicting long-term effectiveness.
1.0 - 5.9



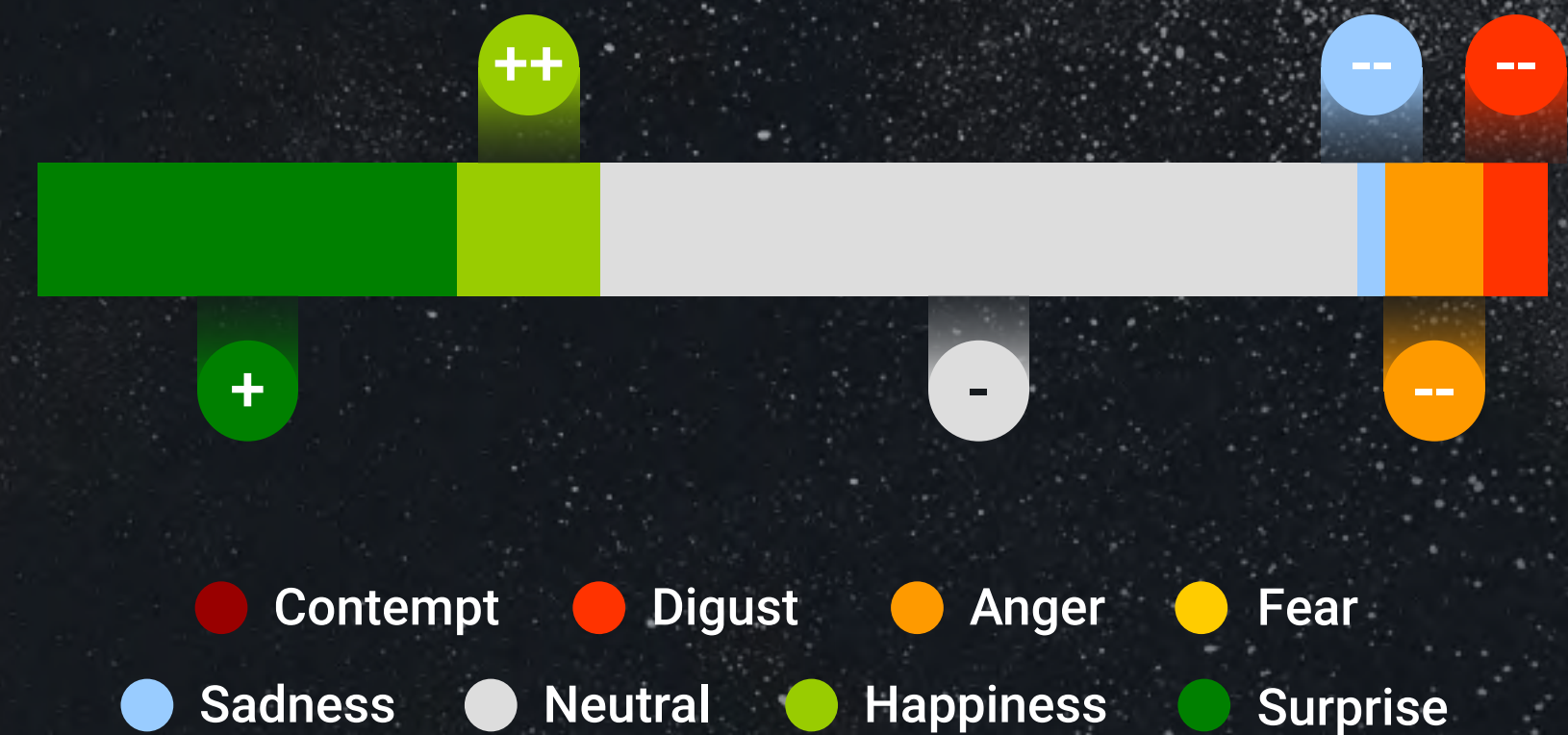
Spike Rating

Predicts short-term effectiveness. It is based on how intensely viewers feel, and how quickly they recognised the brand



Spike Rating

For digital testing - reveals the % of viewers that correctly attributed the ad to the brand after 2 seconds



System1

Star Rating



Likely Long Term % Point Market Share Gain
(assuming ESOV +10% pts)

WHY IS THIS RELEVANT FOR SPORT SPONSORSHIP?

- 01** Sport sponsorship often positions itself as delivering emotional capital for brands, primarily because it leans into people's passion points.
- 02** It also presents a mass marketing opportunity given large swathes of national populations (50% in some markets) are sports fans.
- 03** Sport is one of the few, guaranteed mass media moments left on mainstream TV.

OUR STUDY

- 01** Determine how sponsorship actually works.
- 02** Understand where and how it can complement (and even compensate) advertising.
- 03** Develop the ultimate blueprint to inform multi-format activation.

WHAT WE DISCOVERED

On System1's database of over 150,000 global ads, we know that amongst a broad audience advertising is... average. If we look specifically at Star Rating, the average score is 2.4 out of a possible 5.9.

Global Average | Broad Audience



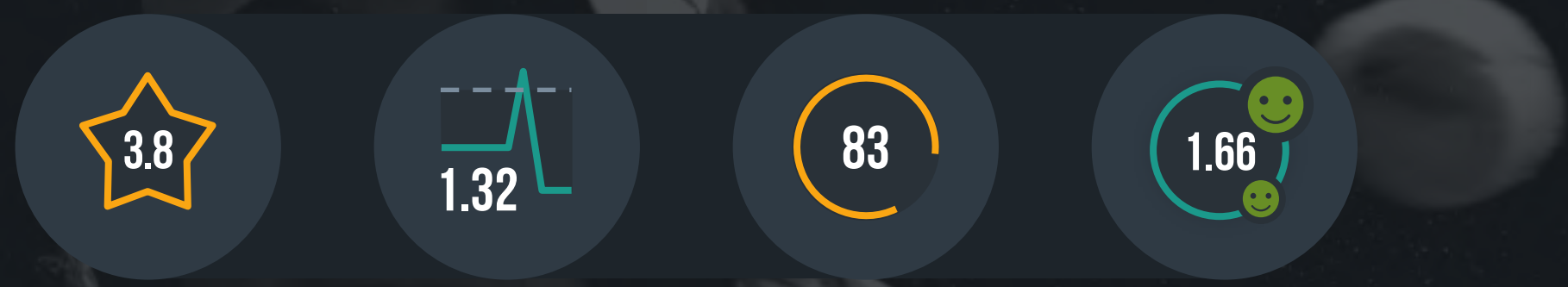
Next, we analysed how our sport sponsorship assets performed against the same broad audience. We discovered that the results are also... average – directly comparable with advertising so no better or worse. However, considering that around half of all ads don't exceed a 1-Star Rating, sport is still already ahead of the curve.

Sport Sponsorship Average | Broad Audience



Better yet, when we looked at how the assets performed against a sports audience, we discovered a significant uplift across long-term and short-term measures - The Sport Dividend.

The Sport Dividend | Average among sports fans

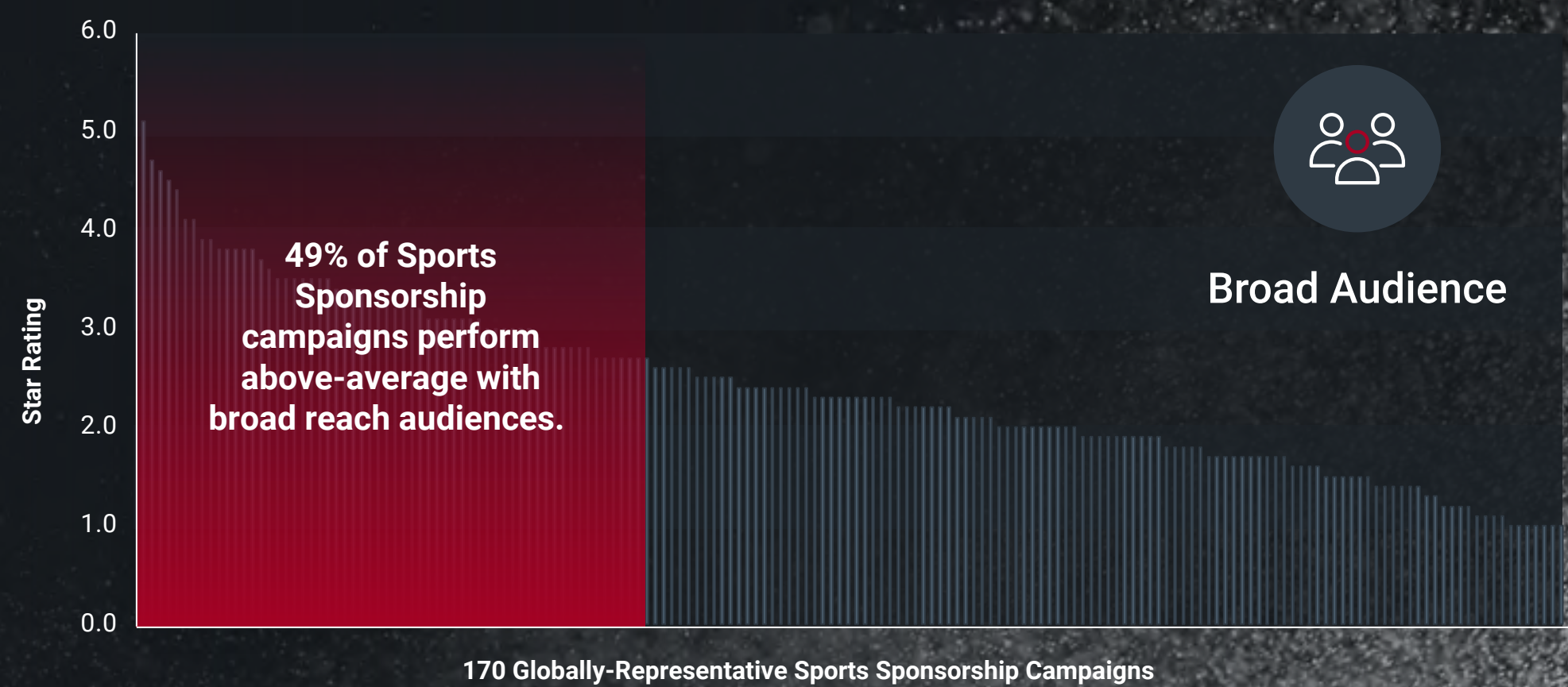


Even more exciting, when we isolated the top 20% performing sponsorship assets, we discovered that sport can go toe-to-toe with some of the most recognised advertising from the likes of Coke & John Lewis.

Top 20% Sport Sponsorship assets



Sport delivers for sports fans and can appeal broadly to mass audiences, a revelation that has enabled us to unlock the triggers of creative effectiveness in sport and strengthen the business case for investment.



Using evidence-led insights, we are confident that there is scope to divert traditional advertising budgets into sport because of its ability to drive effectiveness across the marketing funnel.

HOW DO YOU UNLOCK THE SPORT DIVIDEND?

It's a common misconception that purchase habits are rational and calculated. However, for the most part, the opposite is true. People buy on 'feeling' and decisions are unconsciously made using 'fast and frugal' mental shortcuts. If something makes you feel happy, it's the right choice. And, if you feel more, you buy more and are likely to be less price sensitive.



AN EASY QUESTION (HOW DO I FEEL ABOUT IT?) SERVES AS AN ANSWER TO A MUCH HARDER QUESTION (WHAT DO I THINK ABOUT IT?)

Daniel Kahneman, Psychologist | Economist

In our analysis, we discovered that effective sport sponsorship elicits 'happiness' – proving that sport leans into people's passions. This 'happiness' is grounded in well-above average feelings of pride, excitement, and positivity towards the relevant brand. This happiness constructs the memory structures that come to the fore when we are in market to make a purchase decision.

This emotional intensity not only supports long-term brand growth but also unlocks the potential for short-term action – enquiries, downloads and even sales.

PRACTICAL APPLICATION

The Sport Dividend is attainable for all brands regardless of existing market share, fame or budget. Provided the principles are adhered to, results can be disproportionate to previous performance.

However, the research launched as a representative sample of 1,000 adverts on System 1's database shows that only 5% of ads contain sport sponsorship related IP and rights. Similarly, only 12.5% of adverts contain sport as a broader thematic, suggesting that brands aren't maximising the potential of their partnerships.

To demonstrate how The Sport Dividend can directly impact business growth in line with broader marketing investment, we have also modelled likely outcomes – the results see tremendous growth potential if The Blueprint and wider approach is properly implemented.

FOR MORE INFORMATION, PLEASE CONTACT:

FUSE

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System1

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THE BLUEPRINT TO SUCCESSFUL SPORTS MARKETING

Fuse and System1 have developed the ultimate 'Blueprint for Effective Sponsorship Selection and Activation'. An actionable guide to optimising your selection of properties and related rights, including talent choices and application of IP. We now understand the core ingredients of effective sponsorship creative and want to support brands in achieving this.

The Blueprint details how brands can:

- 1) Appeal to both sports fans and mass audiences;
- 2) Get IP right, including how to optimise the impact of talent; and
- 3) Integrate brands effectively to improve reach and impact.



3 TIPS TO HELP SCORE THE SPORT DIVIDEND

1) Sponsorship Planning

When considering sponsorships, brands must establish a clear connection to the property, be underpinned by a core ambition and seek to create value (utility, reward, entertainment) for audiences.

2) Right-brain Features

Include features that appeal to the broad-beam attention of the right brain; sport assets that included humour, historical context and characters with distinctive accents were the most effective at engaging sports fans and broad audiences.

3) Match Footage

Match footage elicits the strongest emotional reactions relative to, for example, an overt focus on training. Fuel consumers with the excitement of a competitive context, driving intensity for short-term sales impact, and positivity for long-term gain.

The Blueprint includes over a dozen additional sponsorship specific tips to help ensure brands can get the most out of their investment.