

INCREASE SPORTS SPONSORSHIP REVENUE AND ROI

Sports teams receive revenue from ticket sales, advertising and sponsorships. These sources of revenue ebb and flow along with the success and longevity of the franchise, so it's critical for the owners to find the most efficient levels of each revenue stream within the laws of supply and demand. For most sports teams, the supply is a known entity. It's the demand for different kinds of tickets and the ability to attract sponsors that are the difference between a thriving and a struggling franchise.

THE CHALLENGE

After riding a huge increase in viewer ratings over the past decade, one particular sports franchise found its televised ratings flat after the sport matured. This client engaged Scarborough to bolster its sponsorship revenue to offset the stagnation of the advertising revenue.

APPLYING OUR INSIGHTS

Scarborough conducted a custom survey of the of the broadcaster's fan base and developed a straight-forward sponsorship financial model to demonstrate the financial ROI for a businesses' sponsorship. Zeroing in on the major indicators – direct measures of sponsorship awareness, willingness to buy the sponsor's product, and existing sponsor market share – allowed for the estimation of the incremental sponsorship sales that an active sponsor could expect. Market segmentation was used to isolate three important segments: 1) Those whose loyalty to the sport was wavering; 2) Potential recruits to the sport; 3) The loyal bedrock of core fans. This segmentation helped the franchise slow the erosion among at-risk segments, as well as attract those with an initial interest in the sport. Ticket pricing was also examined in the survey and was found not to be problematic. In fact, there was even room to slightly increased ticket prices based on fan feedback.

CUSTOM SPORTS SPONSORSHIP ANALYSIS

THE RESULTS

The client's sponsorship growth initiative was enormously successful. Advertisers appreciated the reasonable "dollars and cents" approach, which delivered real accountability for the sponsorship relationship. They could track sponsor results over time and measure them against these projections to make sure expectations were being met...and if not, course correct. This knowledge could also allow the sponsor to thoughtfully re-evaluate the promotion and product placement within the sport, rather than simply terminating the relationship if something was wrong. And sponsor turnover was reduced because sponsors had a solid means of knowing the profitability of the sponsorship investment, not just the expense.

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