

# **SHOULD YOU TAKE ME OUT TO THE BALLGAME?**

**Determining which sports sponsorship  
will work hardest for your brand**

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**This paper describes an innovative approach demonstrating the effectiveness and utility of an internationally validated tool that allows marketers to pre-qualify sponsorships – before they make their spending decisions.**

**Via assessments that are predictive of future consumer behavior on the basis of exposure to and/or participation in specific sponsorships, marketers are able to identify which potential sponsorships best enhance brand equity. We define “brand equity” as the consumers’ total perception of a brand’s ability to meet or exceed their expectations. To retain today’s dynamic consumer – and secure their next purchase, i.e., build loyalty – a brand must meet or exceed consumer expectations in the category. The perception of a brand’s ability to do so is affected by all of its marketing activities, including sponsorships.**

## **THIS JUST IN FROM THE 'DEPARTMENT OF REDUNDANCY DEPARTMENT'**

We recognize that it is redundant to state that the job of connecting with consumers to optimize brand marketing effectiveness is more complex and prone to waste than ever before. This situation is indisputable and one faced by every brand that managed to make it to the 21st century because:

- Advertisers (and stockholders) are demanding real accountability beyond the “awareness” and “reach and frequency” so joyfully proclaimed in the last century.
- The lines are increasingly blurred between consumer demographic and lifestyle profiles. Your list of acceptable marketing options gets longer and longer every day. This makes it increasingly less clear where the highest quality target audiences for your brand are lurking.
- More TV show and cable network and satellite options means that more and more, the consumer has the power to self-select the ad message he or she will be exposed to. Or “zap!”
- Traditional, “above-the-line” marketing choices are viewed as necessary evils. This sentiment has forced marketers to examine alternative, “below-the-line” options, like product placement or sponsorships.
- Shrinking budgets mean companies don’t have as many marketing dollars to allocate as they had in years gone by. Mistakes are more costly than they used to be. Accountability is king!
- Finally, that you can reach your target consumers is a given. That you do so *in the most effective way* is not.

Faced with this increasingly frustrating situation, KeySpan and Brand Keys, Inc. have developed a validated assessment tool to pre-qualify sponsorships before they make their marketing investment decisions.

## **IF IT MOVES, SPONSOR IT**

Former Coca Cola Chairman and CEO Roberto Goizueta had an interesting marketing philosophy that went something like, “if it moves, sponsor it and if doesn’t, paint it red.” We believe that it is safe to say that this is a marketing approach that has fallen into disuse.

Over the past two decades many companies, including some of the world’s largest, have experienced increasing difficulty in attaining profitability goals and differentiating their products and services from those of the competition. Having relied primarily on above-the-line techniques – TV, cable, magazines,

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and newspapers – they have now been devoting increasingly larger portions of their attention and their marketing budgets to the area of sponsorships.

These increased levels of attention and funding have given birth to an ever-increasing number of sponsorship opportunities. All attractive, all involving, and all seemingly appropriate for an ever-increasing number of brands seeking a “below-the-line” sponsorship “silver bullet.”

But along with more demands for such opportunities, the sins of the fathers (TV and Print) have been visited upon the children (everything else) in the form of increased demands to provide sponsorship assessments that demonstrate that the investment in the sponsorship will provide – beyond awareness – measurable enhancements to the brand and to the bottom line.

Marketers buy sponsorships that are “ideal” for “their” demographics and that have, one presumes, some reasonable connection to the category in which their brand competes. But if we examine the exercise honestly, we must come to the conclusion that this has generally been a “by-the-gut,” demographically-driven, ROI-deficient decision-process.

The available “sponsorship” is generally regarded as a static entity, as inert as the Elgin Marbles. Marketers know the age and weight of each piece (demographics); how many visitors might wander by (attendance); how many can tell you at point-of-venue who’s precisely sponsoring the event (awareness), and are happy to leave it at that. But they overlook the reality that any sponsorship – like any given brand – is vibrant, animated, a kind of life form. Possessing values of its own. Both were created by humans. Both are nurtured by humans. Therefore both your brand’s values and the sponsorship’s values interact.

It’s not that the concept of inserting the brand values into the sponsorship selection hasn’t been talked about before. It’s been examined on a qualitative basis, but until now has not been validated on a quantitative basis. Until now, marketers haven’t been given the tools to deal with introducing real brand values into the sponsorship planning – and assessment – process.

By aligning your brand’s values with each given sponsorship’s values it has been proven that you can better connect with your target audience and maximize your brand’s marketing effectiveness.

## **HOW TO DO IT *BEFORE* SIGNING THE CONTRACT: THE THEORETICAL FRAMEWORK**

At the 7th Annual ARF Copy Research Workshop in 1990, The Advertising Research Foundation published the results of their seminal Copy Validity Project. This research indicated that the methodological framework of “brand liking” or “brand bonding” was the metric most-highly correlated to sales. This is the same framework utilized by Brand Keys (i.e., a combination of rational and emotional sources of brand loyalty) to determine whether one sponsorship *is* able to better reinforce the sponsoring brand’s values than another sponsorship. By doing so it is possible to *predict* which sponsorship will engender higher levels of brand awareness, increased levels of positive imagery for the brand, but more importantly, produce more positive consumer behavior towards the brand.

The technique for inserting brand values into sponsorship assessments is a blend of psychological assessment tools and higher-order statistical analyses. The approach permits marketers to fuse both emotional and rational elements within the consumers’ category-specific internal assessment process, thus accurately predicting the impact a sponsorship will have on consumers’ future behaviors towards the brand.

The assessments identifies how the consumer will:

- View the category,
- Compare offering in the category, and, ultimately,
- Buy in the category.

The psychological questionnaire captures both the articulated and the unarticulated attitudinal and emotional elements that define a brand – alone and within the context of the marketplace. It has a test/re-test reliability of .93 configured off National Probability Samples in the United States and the United Kingdom. We have successfully used the methodology in 26 countries, across a variety of products and services, in both B2C and B2B categories.

The psychological questionnaire identifies four category drivers. In order to define the drivers from the consumer’s perspective, a set of category attributes, benefits and values (ABVs) are configured and respondents evaluate the ABVs for importance. Then the elements are factor analyzed, the identified factor groupings being regressed against the individual respondent factor weights (for each driver) that have been identified via the psychological assessment. This allows us to define the category drivers entirely from a customer perspective.

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A weighted average of the brand's assessment – that is, as it measures up to the consumer's conception of the Ideal – is used as a baseline measure for the brand as a stand-alone entity.

Utilizing this same approach, the brand is then measured within the context of various sponsorship opportunities.

The resultant assessment, i.e., the weighted-average of the brand + sponsorship opportunity variable, identifies positive (or neutral or negative) effects the marketing opportunity *makes on the brand values*.

Diagnostics identify the individual effects to the brand, based upon its status vs. the four category drivers, and identifies the specific effects the sponsorship opportunity has on brand values. This provides an additional layer of strategic assessment to the exercise and provides an opportunity to make sponsorship selections on a more strategic basis.

The output? Where the brand's values are positively enhanced by the sponsorship opportunity, this represents a real marketing opportunity for the brand. Where the brand's values are negatively affected, however, this represents a situation to be avoided, no matter how "available," "appropriate," or "attractive" the sponsorship may seem.

### **SHOULD YOU TAKE ME OUT TO THE BASEBALL, HOCKEY, OR BASKETBALL GAME? (*SELECT ONE*)**

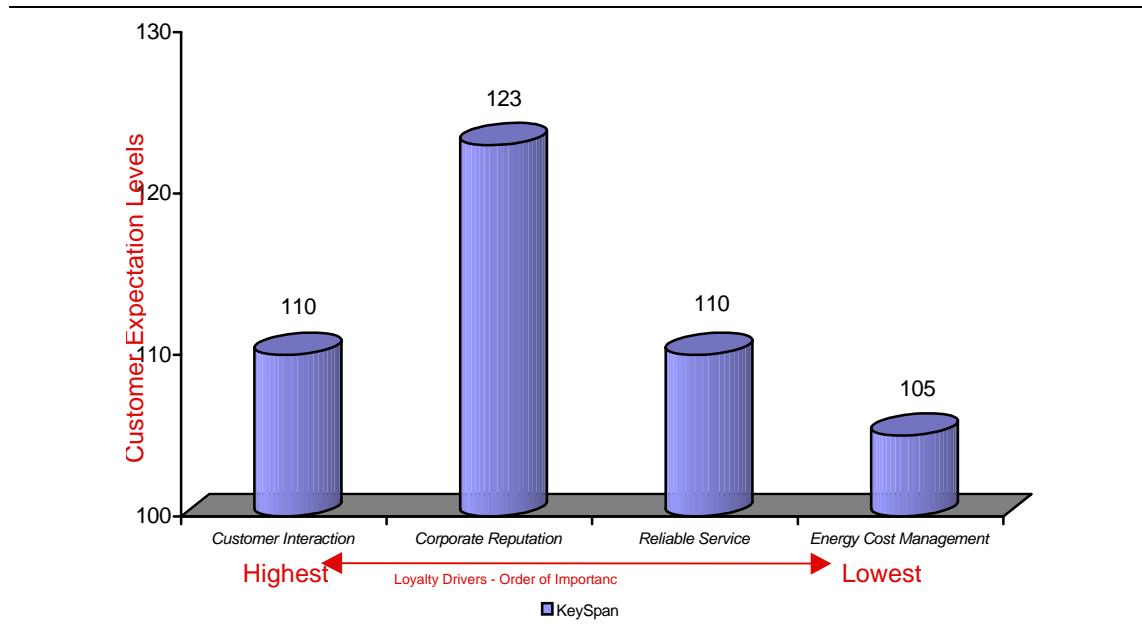
Utilizing this same approach, KeySpan Energy – one of the largest energy-providers in the NE United States and a partner in the KeySpan Energy Canada Partnership – assessed seven possible sports sponsorships.

Assessments included identification of KeySpan brand equity, and assessments of the brand effects the following team sponsorships would bring to KeySpan:

- Yankees,
- Mets,
- Red Sox,
- Brooklyn Cyclones (Mets 'A' League),
- Rangers,
- Islanders, and
- Knicks.

Residential and commercial customers and prospects in the New York region assessed the KeySpan brand and its brand equity profile – within the Energy Provider Category in which it competes – was measured as follows:

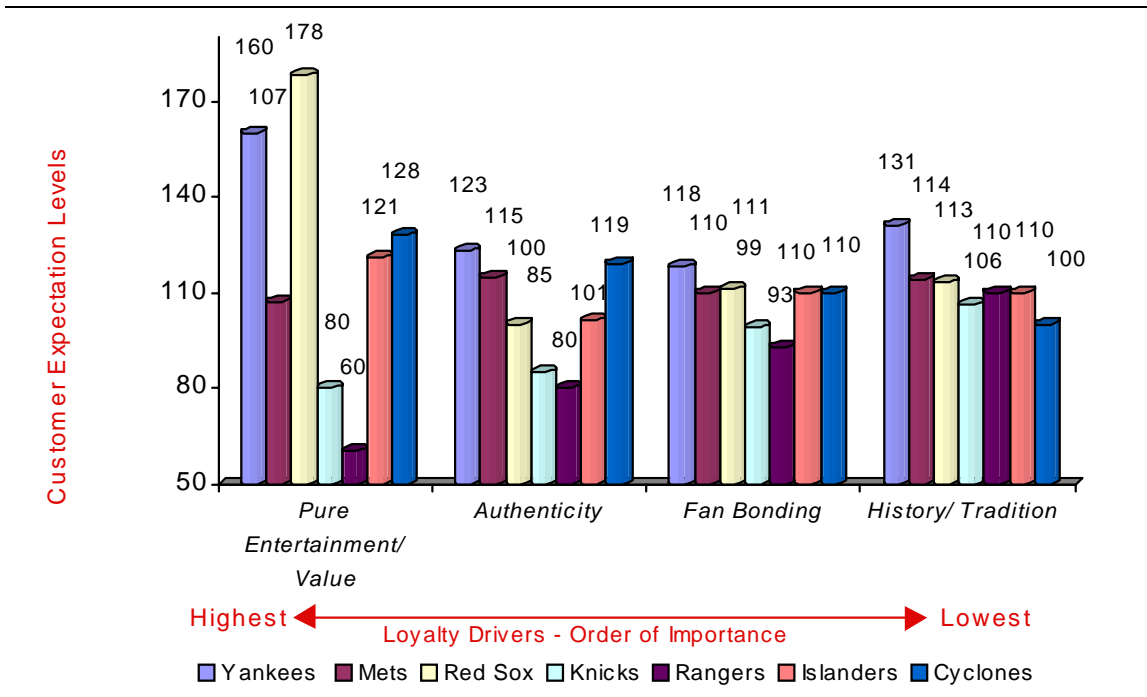
**Figure 1**  
**ENERGY PROVIDER**



This assessment provides us with the strength of the KeySpan brand as measured against the category drivers that consumers use to make market decisions in this category. The KeySpan's brand equity strength based on the weighted average of the four category drivers is 112.

The sports team assessments were drawn from the Brand Keys Sports Fan Index. This is an annual measure of all of the individual teams of the four major league sports franchises (Major League Baseball, National Football League, National Hockey League, and National Basketball Association) by self-identified "fans," men and women, 18 to 59 years of age, drawn from the nine U.S. Census Regions. The teams within the KeySpan sponsorship consideration set (and measured against the major league sports category drivers) were assessed as follows (see figure 2):

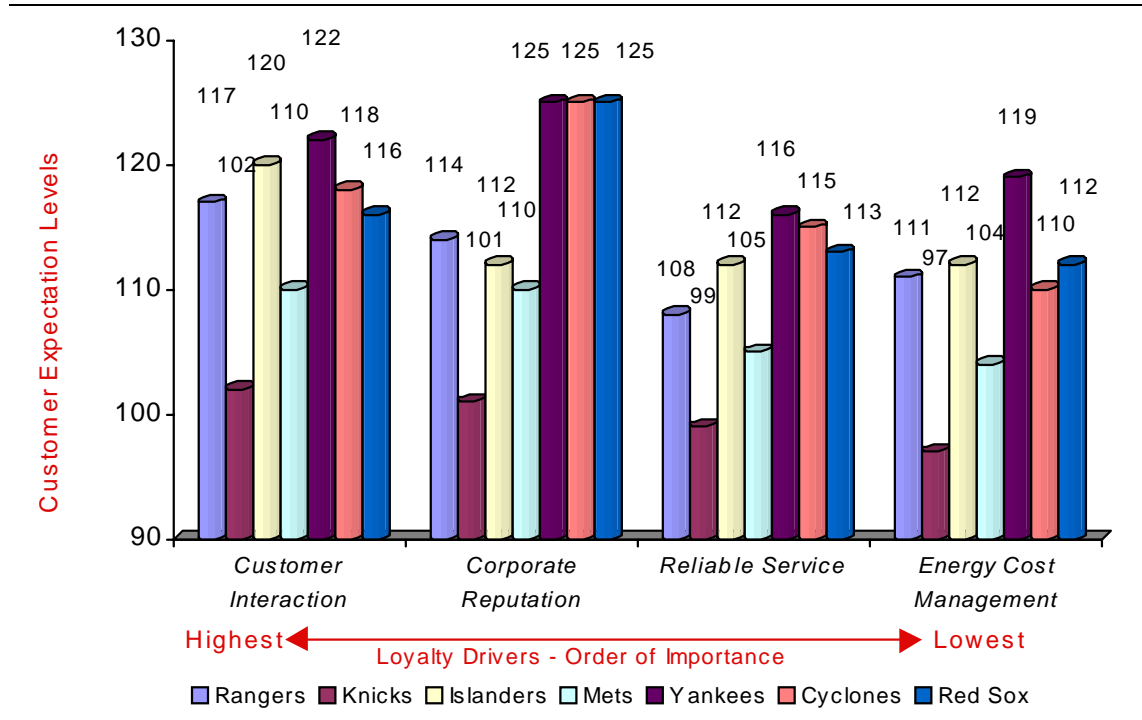
**Figure 2**  
**SPORTS TEAMS**



But, the participation in a sponsorship is based on the expectation that benefits will accrue to the sponsor. That being the case, knowing how strong one team is versus another or what the average game attendance is, reveals little upon which a brand decision can be made.

Utilizing the same assessment approach, the KeySpan brand was measured within the context of various sponsorship opportunities, i.e., KeySpan sponsoring the New York Yankees, KeySpan sponsoring the New York Mets, etc., with the resultant assessments:

**Figure 3**  
**SPONSORSHIP OPPORTUNITY**  
**(KEYSPAN + PROSPECTIVE SPORTS TEAM PARTNER)**



The diagnostics identify the individual effects to the four brand drivers – within the context of the category in which the sponsoring brand competes – and identifies the specific effects the sponsorship opportunity has on brand values. This provides the previously-mentioned, additional layer of strategic assessment and provides an opportunity to make sponsorship selections on a more strategic basis, i.e., what does the brand want from their investment?

But that said, we can statistically determine – by examining the weighted-average of the combined brand + sponsorship opportunity variable – which sponsorship provides positive, or neutral, or negative effects *on the brand values*.

**Table 1**  
**ASSESSMENT OF SPONSORSHIP OPPORTUNITIES (+ KEYSPAN)**

<i>Positive Effects</i>	
<i>Yankees</i>	120
<i>Cyclones</i>	116
<i>Red Sox</i>	116
<i>Neutral Effects</i>	
<i>Islanders</i>	114
<i>KeySpan</i>	<b>112</b>
<i>Rangers</i>	111
<i>Negative Effects</i>	
<i>Mets</i>	108
<i>Knicks</i>	99

### WHAT'S THE SCORE?

On the basis of this assessment, we can confidently say that KeySpan should consider sponsoring baseball (but not the Mets) and should avoid basketball as a sponsorship venue.

This assessment tells us that KeySpan's sponsoring of the New York Yankees, or the Boston Red Sox, or the Brooklyn Cyclones will positively enhance the KeySpan brand. In doing so the sponsorship will increase positive consumer behavior (aka, the next purchase), as well as the traditionally expected benefits of increased attention paid to the KeySpan brand, increased positive KeySpan brand imagery, and increase levels of purchase intent, in regard to KeySpan products and services.

### EVEN SPONSORS HAVE TO WRITE REALITY CHECKS

So far we have managed to condense a list of perfectly "acceptable" and "appropriate" and "available" sports sponsorships down to a list where we have identified where the brand *will be* the beneficiary of the investment in the marketing exercise. But now actual decisions – and commitment of budgets – have to be made.

Reality plays a part in the ultimate sponsorship decision process. What do I get? For how long? For how much? But these are basic questions that, we hope, responsible marketers would have asked of any sponsorship. “Corporate” realities also play a part in the decision process. In KeySpan’s case, their service area does not encompass The Bronx, making a sponsorship of the New York Yankees superfluous from a marketing point-of-view. KeySpan (prior to its acquisition of the Long Island Lighting Company) used to be Brooklyn Union Gas, so sponsoring the Brooklyn Cyclones – albeit a minor league, A-league team – would seem to be a marketing home run. A prospective sponsorship of the New York Mets indicated negative brand effects, but the borough of Queens, NY – the location of Shea Stadium, the Mets home field – *is* part of the KeySpan service area. And if they didn’t become a Mets’ sponsor, a competitor might.

So the decision was made to sponsor the Mets – via an enormous KeySpan sign (15 feet wide and 85 feet high – see the appendix) directly next to the scoreboard – and to sponsor the Brooklyn Cyclones – *via* the purchase of stadium naming rights (KeySpan Park – See the appendix). No other significant advertising or promotions have been conducted *around with of* these sponsorships.

### **DID THE PREDICTIVE ASSESSMENTS HIT A HOME RUN?**

As energy providers are different from, say, packaged goods, the process of selling additional products and services is more complex. That noted, an excellent barometer of any marketing campaign for this category is *how many product and service sales inquiry calls were generated by the effort*. By assessing the unaided sponsorship awareness of the callers we are, therefore, able to extrapolate the market effects of the sponsorship. In the case at hand, the three-year results were as follows:

**Table 2**  
**PRODUCT/SALES INQUIRY CALLS GENERATED:**  
**% OF CALLERS CITING UNAIDED SPONSORSHIP AWARENESS OF:**

	<i>Brooklyn Cyclones</i>	<i>New York Mets</i>
<i>2003</i>	33%	21%
<i>2004</i>	35%	19%
<i>2005</i>	37%	18%

On the basis of the Brand Keys' sponsorship assessments and the resultant product and sales calls generated, we believe that it is fair to quote Yogi Berra regarding the findings when we say 'it's déjà vu all over again!'

### YOU CAN OBSERVE A LOT JUST BY WATCHING

The fact that predictive sponsorship assessments are now available to marketers is not to suggest that sponsors should totally ignore the traditional assessments of the past century. Not as long as marketers recognize that these measures – good, bad, or otherwise – are “after-the-fact metrics,” measures taken *after* you've committed your brand and budget – “lagging-indicators,” as the accountants would call them.

But these lagging indicators – sponsorship awareness, brand imagery, traditional top-2 box intent to purchase – should ideally reflect the predictive nature of the initial Brand Keys assessments. These measures are provided for respondents in both the service area and the sponsorship venue itself.

**Table 3**  
**TRADITIONAL MEASURES (2004)**

	<i>Brooklyn Cyclones</i>		<i>New York Mets</i>	
<i>Brand Keys Sponsorship Index</i>	<i>116</i>		<i>108</i>	
	<i>Service Area</i>	<i>Sponsorship Venue</i>	<i>Service Area</i>	<i>Sponsorship Venue</i>
<i>Awareness</i>	42%	51%	36%	40%
<i>Brand Imagery*</i>	5.82	6.05	4.96	5.06
<i>Top-2 Box Purchase Intent</i>	22%	28%	17%	19%

\* On 1-7 Scale, Average of 4 Driver Attribute Assessments (Total Audience Corporate Tracking Rating is 4.75)

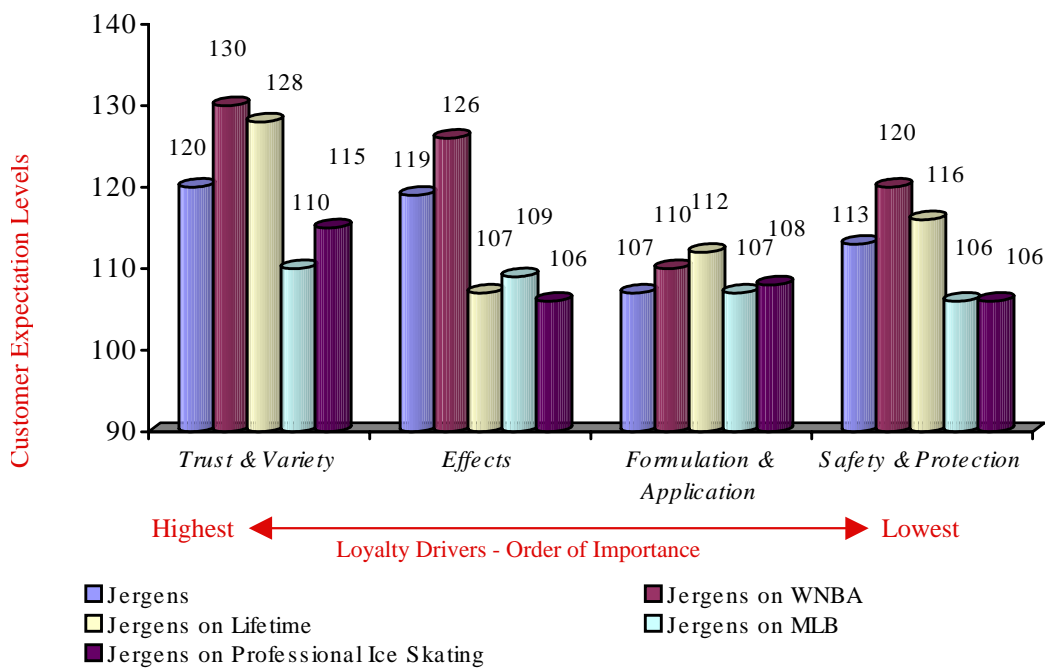
On the basis of these traditional measures, we can see that the predictive metrics would have allowed marketers to optimize their sponsorship selection as well as virtually guaranteeing better consumer responses to the marketing initiative.

### THE RACE FOR THE BUDGET

As sponsors have been devoting increasingly larger portions of their attention and marketing budgets to sponsorships, these increased levels of attention and funding have resulted in increasing levels of competition among the prospective sponsorships.

As such, the predictive Brand Keys assessments can be used by the sponsorships themselves as a sales tool to prove the utility and effectiveness of the marketing investment in them versus other “acceptable,” “available” and “appropriate” options. An example of this tactic by the WNBA for sponsors in the skin care category appears below.

**Figure 4**  
**SPONSORSHIP OPPORTUNITY**  
**(KEYSPAN + PROSPECTIVE SPORTS TEAM PARTNER)**



**Table 4**  
**ASSESSMENT OF SPONSORSHIP OPPORTUNITIES (+ JERGENS)**

<i>Positive Effects</i>	
<b>WNBA</b>	122
<i>Neutral Effects</i>	
<i>Lifetime: Television for Women</i>	115
<b>Jergens</b>	<b>115</b>
<i>Negative Effects</i>	
<b>MLB</b>	108
<i>Professional Ice Skating</i>	108

### WHAT ARE THE ODDS?

In an environment that has become more demanding in terms of “accountability” and “Return-on-Investment,” these assessment metrics can, fortunately, be configured for presentation to the Executive Suite and/or the company CFO.

The sponsorship assessment metrics presented here *are* predictive, and if you measure your sponsorship efforts in terms of how those efforts effect/support/alter brand equity, you get a leading indicator measure of profitability.

We often judge a corporation’s financial position by its price/earnings ratio, which links share capital with net profit. A high ratio signals shareholder confidence and optimism in increased future benefits. Though brand and corporation may be somewhat separate, the same reasoning has been applied by a number of marketers by calculating a value called a “brand multiple,” allowing the creation of a Brand Equity ROI.

$$\text{Corporation: P/E} = \frac{\text{Market value of equity}}{\text{Known Profits}}$$

$$\text{Brand Multiple} = \frac{\text{Increase in Brand Equity Due to Sponsorship}}{\text{Current Brand Equity}}$$

Applying this approach to the WNBA-Jergens example, we find that a Jergens brand index of 115, and a Jergens + WNBA brand index of 122 results in the following Brand Multiple:

$$\frac{\text{Increase in Brand Equity Due to Sponsorship}}{\text{Brand Multiple}} = \frac{7}{115} = +6.1\% \text{ ROI}$$

The “best case” application of a brand equity ROI requires the construction of an actual market model that can tie directly to increased sales and other positive behaviors towards the brand. That notwithstanding, the current configuration allows for “a next-best case” application – a true marketing (brand equity) ROI that correlates highly with *fiscal* ROI – by providing an accurate and relative measure of the value of sponsorship opportunities to the brand. Those numbers allow you to determine the odds of the sponsorship helping you reach your market goals.

### **WINNING ISN'T EVERYTHING, IT'S THE ONLY THING**

That it has gotten harder to market products and services in the 21st century is not a surprise. That clients have become more demanding in terms of accountability and ROI as regards their sponsorship selections shouldn't come as a surprise. That it will get increasingly harder to justify sponsorships to clients will come as a cruel surprise to venues who are not proactive in their ability to provide predictive rationales beyond the traditional 3As: acceptable, available, and appropriate.

Until now, marketers haven't had the tools to deal with introducing real brand values into the sponsorship planning – and assessment – process. But we believe that KeySpan and Brand Keys have proven that by aligning your brand's values with each given sponsorship's values you can better connect with your target audience and maximize your brand's marketing effectiveness. The Brand Equity ROI allows for making comparisons on a relative basis and you can do all of this *before* you sign on the dotted line.

And by any measure, and whichever team you play for, that's a win-win.

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## APPENDIX

