



hookit



Leticia Bufoni, Skateboarding
5x X Games Gold Medalist
5th Ranked Female by Sponsorship Value

CHASING SPONSORSHIP VALUE

AN INSIDE LOOK AT THE TOP BRANDS IN SPORTS, HOW THEY GOT THERE, AND WHAT THEY COULD DO EVEN BETTER

THE LATEST SPONSORSHIP TRENDS & THE IMPACT OF COVID-19 ON SPONSORSHIP

The rise of Covid-19 has introduced a new “normal” to many industries, and in the world of sports sponsorships, this is being felt particularly hard. Since the pause of all sports in March due to the coronavirus pandemic, traditional sports sponsorships have been completely upended. With games and public events being delayed, rescheduled, and canceled, activating these partnerships on social and digital media has become more important than ever. A long coming trend that accelerated over the past few months, social media has shifted to being the most important (and in some cases, only) medium for getting sponsorship messages in front of fans and consumers. Along with this, budgets have also become tighter, increasing the need for more effective sponsorships that provide a better bang for your buck. At Hookit, we live by the mantra of “you can’t manage what you don’t measure”. That’s why we’ve built our platform with key sponsorship metrics, so you will have more insight into the effectiveness of each partner, allowing you to make smarter budget decisions to optimize your sponsorship ROI.

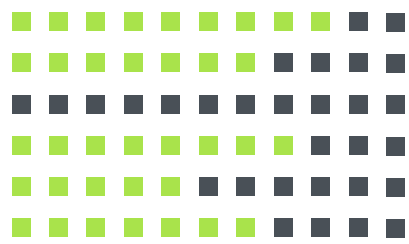
You can't manage what you don't measure.



APPROACHING SPONSORSHIP WITH A DATA-MINDSET

Brands sponsor sports organizations and athletes for a multitude of reasons such as to build brand awareness and drive excitement about products and services, increasing sales, and reaching new audiences or markets. In order to do this successfully, it is important to understand what determines a good partnership. Sponsorship effectiveness can no longer just be tracked by estimated TV impressions, but must focus on quality and value. Just like every other aspect of marketing, your sponsorship metrics must help you make informed financial decisions. They should measure which partner is promoting your brand in the best way, which is driving the most value. With this knowledge, you can then directly compare your investments to understand where your portfolio is doing well and where there is room for improvement.

If you want to focus on just one metric, **Adjusted Ad Value (or simply, sponsorship value)** is the key metric. This is the metric used to rank the brands for this year’s list of [50 Most Marketed Brands by SportsPro](#). Adjusted Ad Value (AAV) is calculated by taking the potential value (MAV) of a post and deducting a percentage of value based on the promotion quality (detailed below). Adjusted Ad Value can be as detailed as to show exactly which posts are worth what, or as high level as which partners drove the most value for your brand over the past season. By looking at this one metric, brands can pinpoint which partnerships are doing well and which are not, allowing you to make improvements to your brand campaigns in real time and optimize your sponsorship portfolio.





When looking for areas to optimize your portfolio, **look at which partners have high potential value (MAV) but low promotion quality.** These are partners that you can coach to be better brand ambassadors and raise your sponsorship value.



PROMOTION QUALITY

A crucial metric to determining AAV is promotion quality. This metric focuses on the content of the post and rates the post on a scale of 0-100%. High scoring posts will be closer to branded advertisements, with a large, clear logo present, no other brands involved, and a clear branded message in the caption.

[More details on what makes a high quality branded post](#) can be found on the Hookit website. Higher quality posts will return a higher ROI because when people see a quality post, the brand and ambassador will be clearly associated, leaving a positive affinity with the fan / consumer.



FREQUENCY

The number of times a promoter is posting can be just as valuable as the actual post itself. An influencer can be a stellar promoter but if they aren't promoting enough, then they aren't going to be as valuable as they could be. This can go the other way as well, posting too much can wear out the audience. Sport organizations and athletes should aim to promote their top partners once a week on their key platforms.

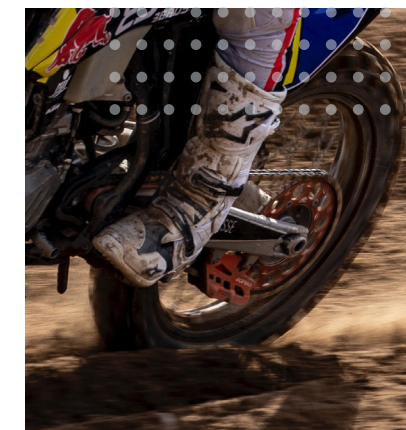


USING THE DATA TO MAKE SMARTER DECISIONS

As with any data, sponsorship metrics are only useful if you can take action on them. Here we examine the 50 Most Marketed Brands list and present how data can be used in 3 distinct ways:

- 1 Compare current partners against each other
- 2 Benchmark portfolio against your competition
- 3 Identify areas of opportunity within your existing portfolio

Let's dive into the data from the 50 Most Marketed Brands. Note that all following data is from public accounts of nearly 30,000 professional athletes and sports organizations promoting over 7,000 brands. The date range for this data is 1 August 2019 through 1 August 2020.



DATA HIGHLIGHTS



\$7B Total Sponsorship Value Created By Athletes & Sports Organizations For ALL Brands

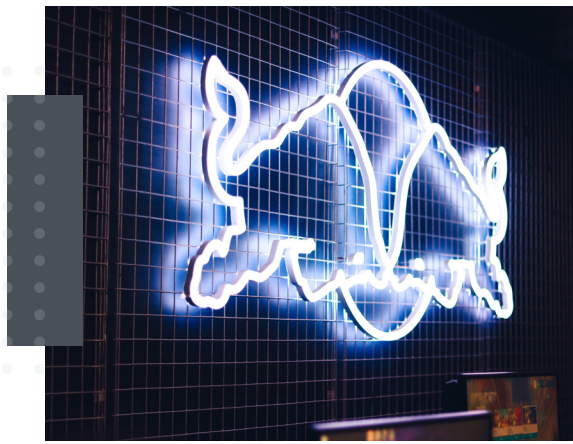
\$3B Total Sponsorship Value Received By Top 50 Most Marketed Brands

50 MOST MARKETED BRANDS THE TOP 5

Ranking	Brand	Industry	Value Received
1		Apparel & Accessories	\$462M
2		Travel	\$252M
3		Apparel & Accessories	\$228M
4		Beverage	\$119M
5		Beverage	\$114M

KEY SECTORS AMONG TOP 50 MOST MARKETED BRANDS

Apparel & Accessories 8 Brands \$900M sponsorship value
 Beverage 8 Brands \$500M sponsorship value
 Financial 7 Brands \$440M sponsorship value
 Automotive 12 Brands \$420M sponsorship value

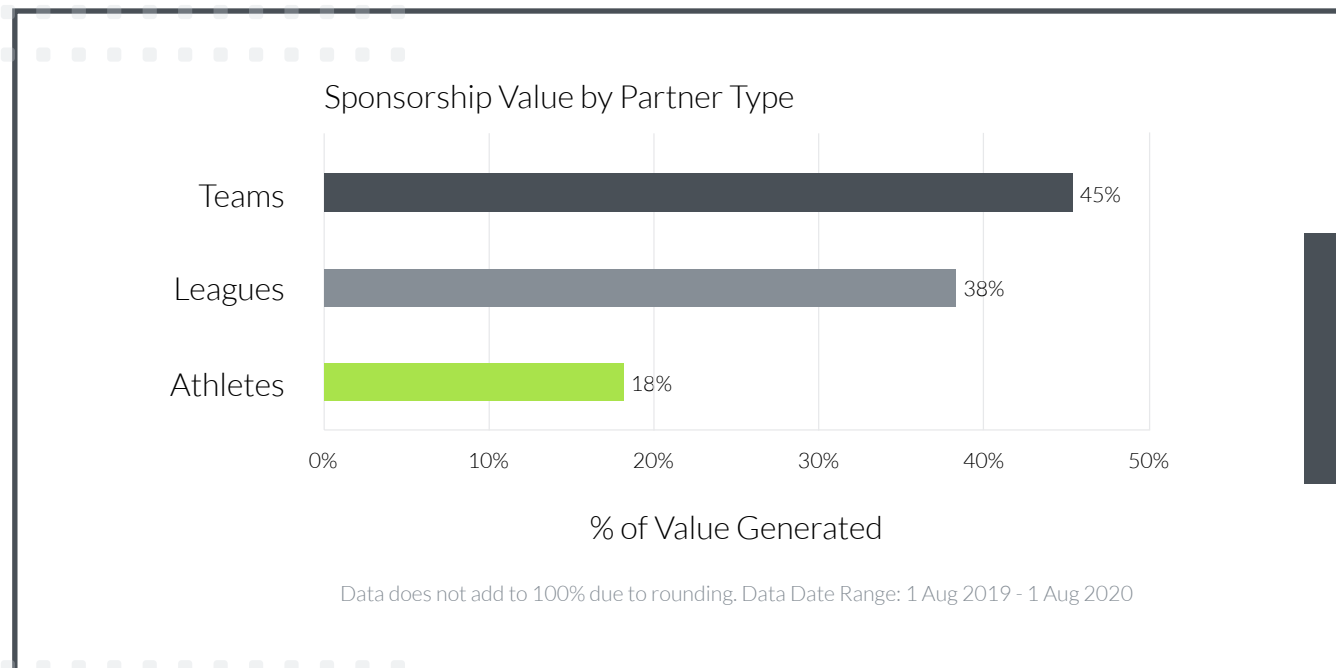


EVALUATION

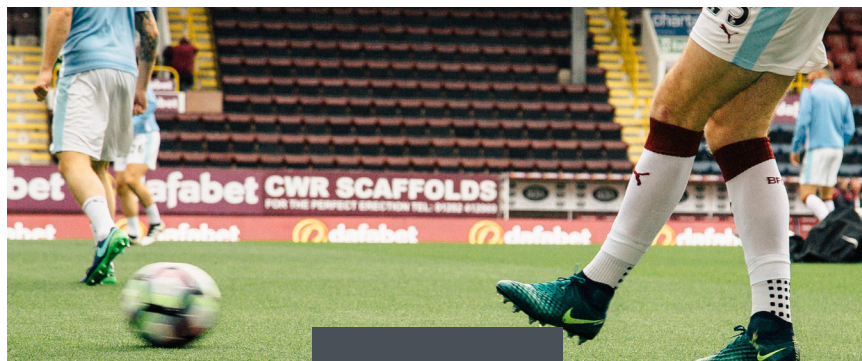
ARE MY CURRENT PARTNERS PERFORMING ABOVE OR BELOW INDUSTRY STANDARDS?



WHERE IS THE VALUE COMING FROM?

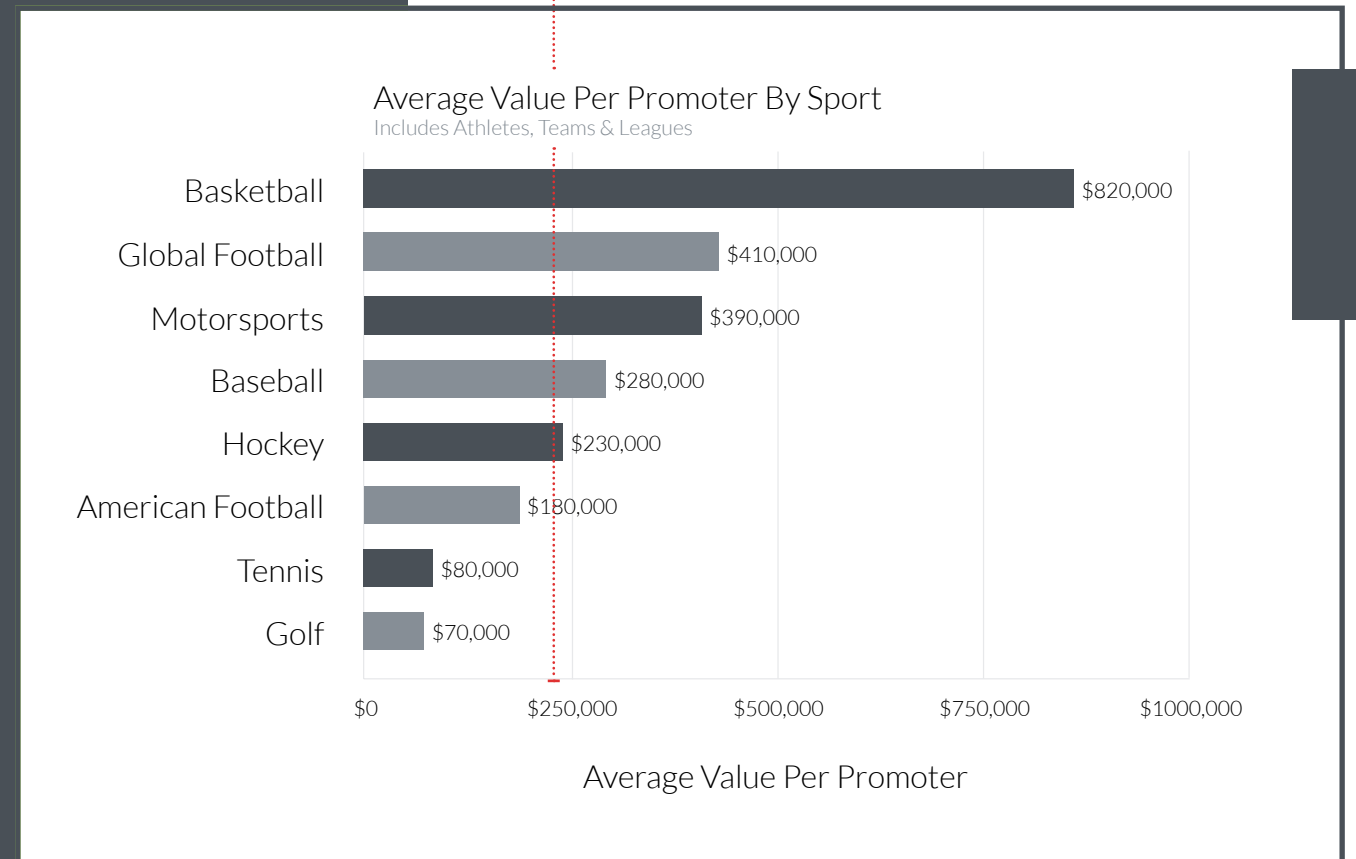


Across all sports and partner types, teams lead the way in terms of total value generated. While athletes make up the most total partners in terms of sheer numbers, they return the lowest percentage of value.

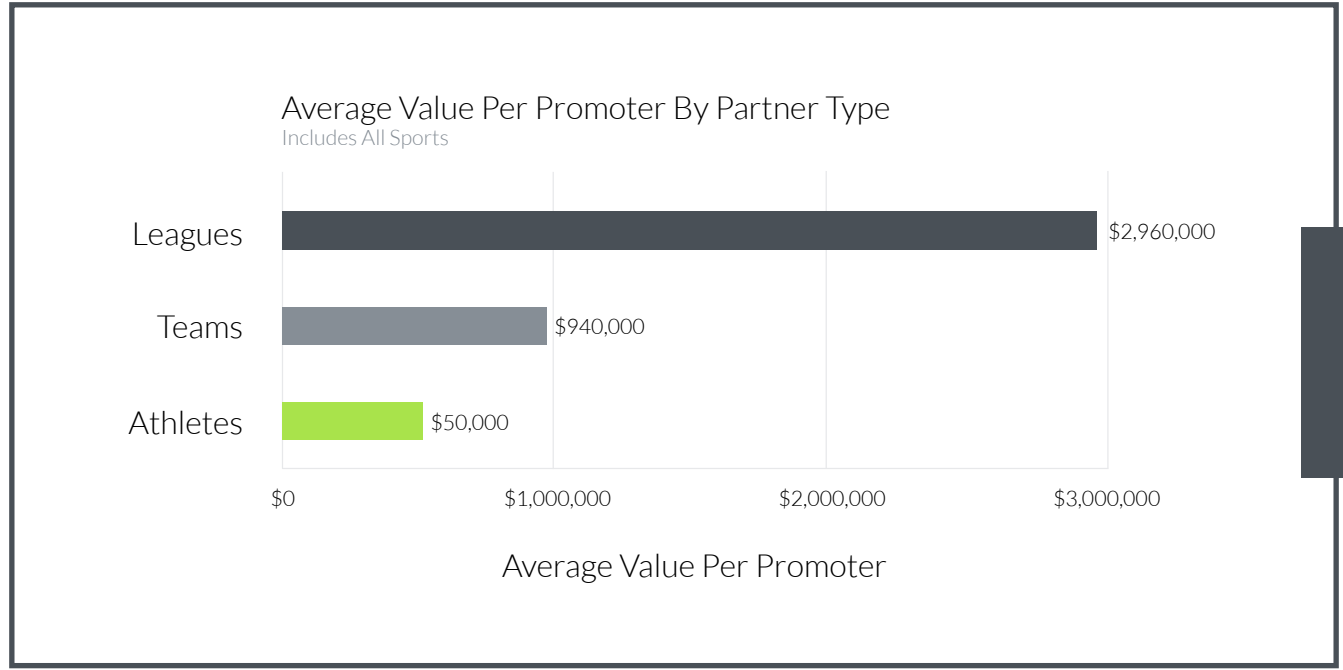


HOW MUCH VALUE DOES THE AVERAGE PARTNER GENERATE?

\$240,000



While the average promoter generated \$240,000 during the 1-year period examined, basketball partners generated 3.4x that much. This is mainly due to how well the NBA league (just the league, not the athletes or teams) does, driving over 40% of the value for partners coming out of the sport of basketball. With the league generating \$390M in sponsorship value, this significantly increases the average value per promoter, so, this average is not what a brand should expect from an individual athlete partnership in that sport. Similarly, in other sports with highly successful league accounts such as UEFA Champions League (Global Football) and Formula 1 (Motorsports), the value per promoter is well above the average among all sports. However, in athlete-focused sports like golf and tennis, the average value per promoter is much lower, more in line with the average value per athlete.



While leagues may generate a much higher average sponsorship value for partners, the investment as a league partner is typically much greater than a partnership with a single athlete. Thus, it is important to factor in expected return and compare that to the investment required to generate that return. Brand goals should also be considered, whether the brand wants to reach a broader audience through an entire league exposure or a more niche audience through a fan's favorite player.

BENCHMARKING & OPTIMIZATION

HOW DOES MY BRAND COMPARE TO COMPETITORS & WHERE CAN I IMPROVE?

For this section, we will focus on the 4 key segments with the Top 50 Most Marketed Brands list: Apparel & Accessories, Automotive, Beverage, and Financial. We have intentionally kept these categories broad, including the likes of fashion brands, watches, and eyeglass brands in Apparel & Accessories. Automotive includes OEMs, tire brands, and more, while both hard and soft drinks are included in the Beverage category. Finance includes banking brands, investment management companies, insurance, and the like. We will showcase how these segments and the brands in them compare to the industry averages and across segments.

APPAREL & ACCESSORIES

\$1.2B Total Sector Value	200+ # of Brands in Sector	8 # of Brands in Top 50 Most Marketed
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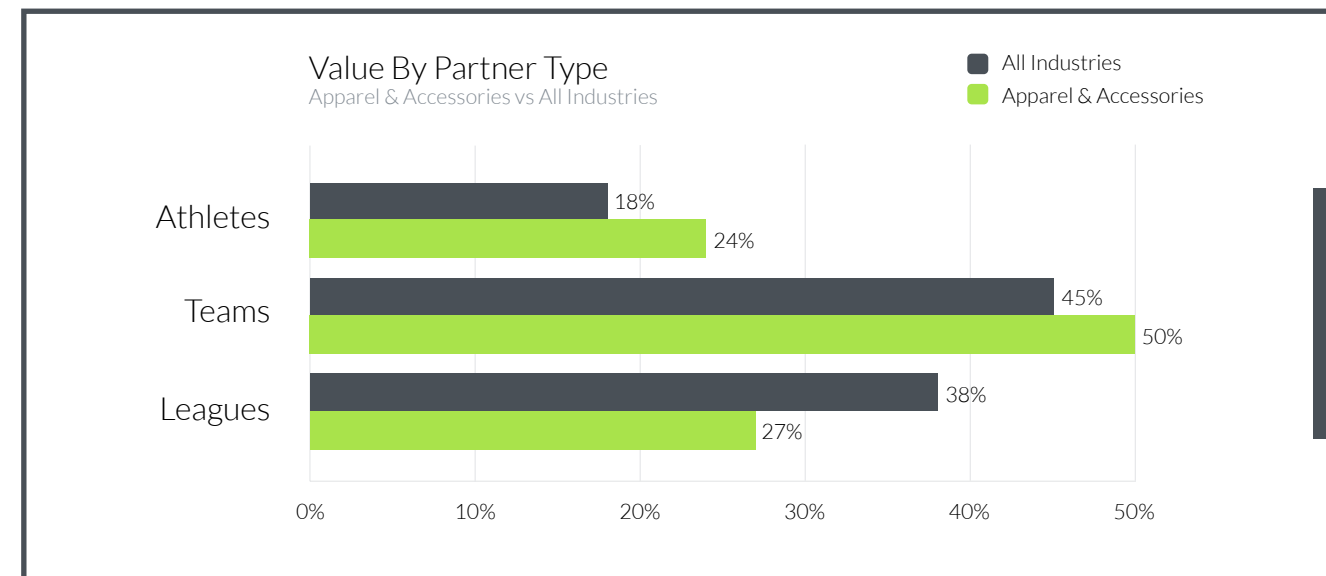
Top 50 Most Marketed Brands In Apparel & Accessories

Ranking	Brand	Industry	Value Received
1		Apparel & Accessories	\$462M
3		Apparel & Accessories	\$228M
9		Apparel & Accessories	\$75M
33		Apparel & Accessories	\$35M
37		Apparel & Accessories	\$33M
41		Apparel & Accessories	\$25M
47		Apparel & Accessories	\$22M
50		Apparel & Accessories	\$22M

Where Is The Value Coming From

By Partner Type

Off the bat, we notice that the Apparel & Accessories segment earns more value from athletes than the average industry. This makes sense as the products in this category (clothing, watches, shoes, etc) are typically advertised through influencers and individuals.



By Sport

Overall, Global Football generates 42% of the total value across industries, followed by motorsports (15%) and basketball (13%). American Football (6%) is the only other sport that generates over 5% of the total value. In the Apparel & Accessories category, Global Football dominates even more, driving 48% of the total value. Motorsports (5%) is not as significant in this industry compared to the average, but basketball (16%) and American Football (10%) outperform the average.

48%

% of value for Apparel & Accessories brands generated by Global Football



Area For Optimization

Brand: Under Armour

Optimization Opportunity: Asking More Of Partners

Under Armour, ranked 41st of the Top 50 Most Marketed Brands, received an average of 12 branded posts per partner. With over 2,300 partners promoting the brand, that adds up to a lot of branded posts. However, when we compare that to Nike, our #1 ranked brand, Under Armour's partners are under performing. Nike's 12,000 promoters average 29 posts about the Swoosh, over double the number that Under Armour's partners are producing. This is reflected in the average value per partner as well, with Under Armour's partners averaging near \$11,000 each compared to Nike's averaging \$40,000 each.



AUTOMOTIVE

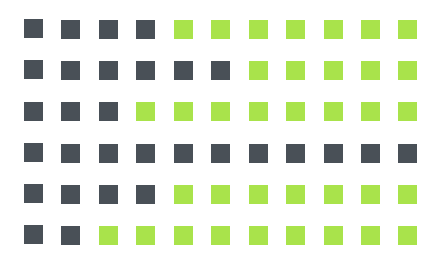
\$760M
Total Sector Value

100+
of Brands in Sector

12
of Brands in Top 50 Most Marketed

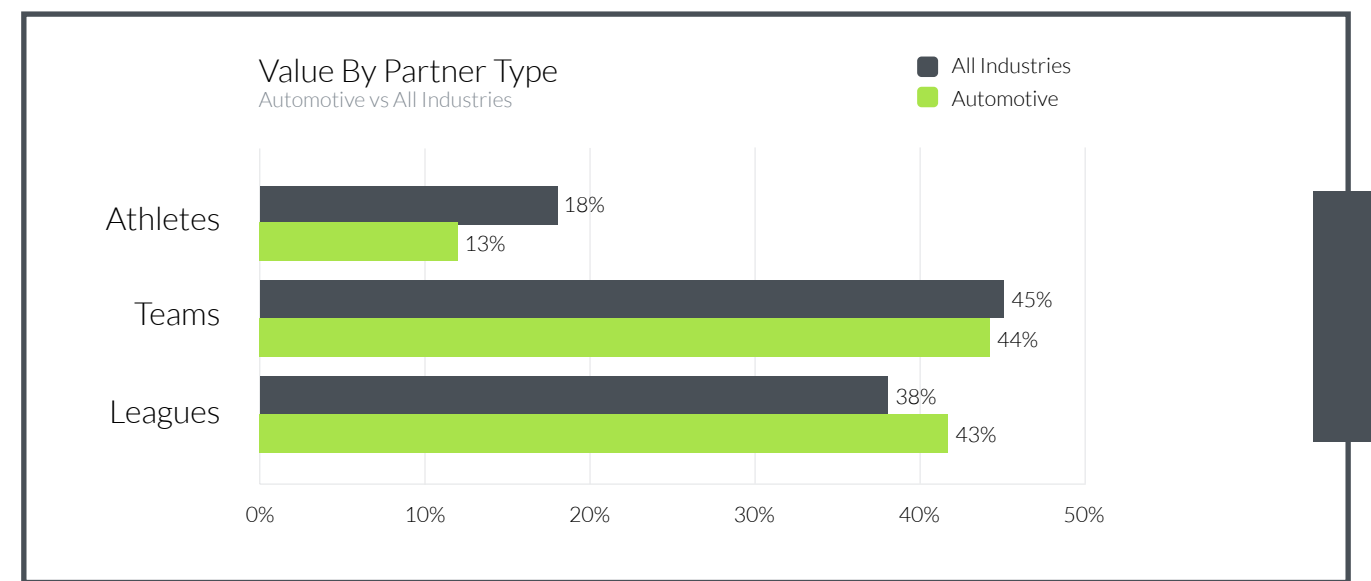
Top 50 Most Marketed Brands In Automotive

Ranking	Brand	Industry	Value Received
14	Jeep	Automotive	\$49M
15	TOYOTA	Automotive	\$46M
19	CHEVROLET	Automotive	\$44M
20	Mercedes-Benz	Automotive	\$41M
23	KIA	Automotive	\$40M
31	NISSAN	Automotive	\$36M
32	YOKOHAMA	Automotive Tires	\$35M
35	PIRELLI	Automotive Tires	\$33M
40	Audi	Automotive	\$30M
46	HYUNDAI	Automotive	\$23M
48	HONDA	Automotive	\$22.4M
49	Ford	Automotive	\$22.2M



Where Is The Value Coming From

In contrast to the trend in the Apparel & Accessories segment where individual athletes generated more value than the average, within Automotive, athletes generated a smaller percentage of the total value. It must be noted that motorsports plays a significant role in this category, generating over 30% of the sponsorship value for Automotive brands. While drivers and riders in these sports are certainly tied to Automotive brands, the teams and leagues play a more significant role in promoting the Auto brands. Global Football (38%) is also a significant value generating sport with Basketball (8%) being the only other sport above 5%. Automotive brands grace the front of some key teams in Global Football, such as Jeep with Juventus and Chevrolet with Manchester United. In basketball, Kia is a major sponsor of the NBA, explaining why basketball is higher than other major sports.



30%

% of value for Automotive brands generated by Motorsports



Area For Optimization

Brand: Honda

Optimization Opportunity: Improving Promotion Quality

When it comes to sponsorship value, one of the most important factors is Promotion Quality. This is the discounting factor that accounts for how well a partner promotes a specific brand. To calculate sponsorship value, the Hookit Valuation Model evaluates the Potential Value (or Max Ad Value) then discounts this based on Promotion Quality to get to Sponsorship Value (Adjusted Ad Value).

Let's compare Honda and Audi. Both brands received a potential value (Max Ad Value) of about \$100M. When it comes to Promotion Quality, Honda's partners' posts scored a 23%. Audi, on the other hand, received an average Promotion Quality of 31%. When we discount the potential value by the promotion quality, the sponsorship value reflects the major difference in how well the brands were positioned in posts about the brand. Honda's total sponsorship value was \$22M compared to \$30M for Audi.



BEVERAGE

\$750M
Total Sector Value

150+
of Brands in Sector

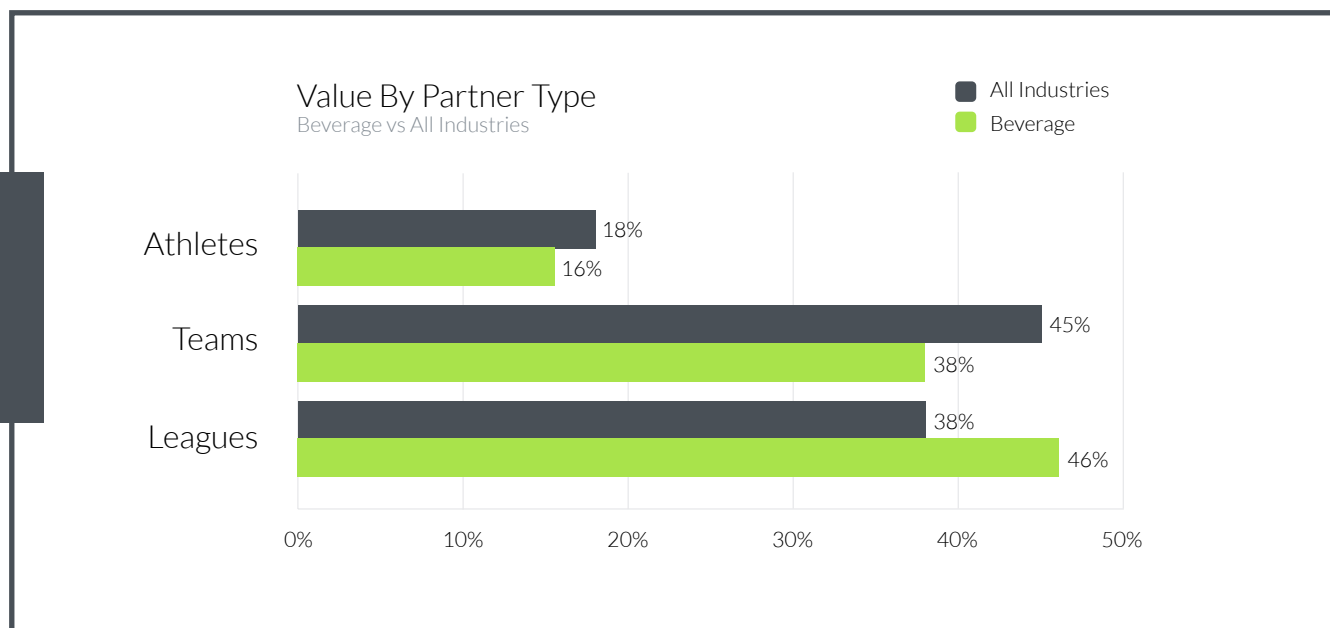
8
of Brands in Top 50 Most Marketed

Top 50 Most Marketed Brands In Beverage

Ranking	Brand	Industry	Value Received
4	MONSTER ENERGY	Beverage	\$119M
5	Red Bull ENERGY DRINK	Beverage	\$114M
11	GATORADE	Beverage	\$56M
12	ABInBev	Alcohol	\$55M
17	pepsi	Beverage	\$45M
18	Heineken	Alcohol	\$44M
22	Coca-Cola	Beverage	\$40M
36	Budweiser	Alcohol	\$33M

Where Is The Value Coming From

The Beverage category relies more on leagues than average, receiving 46% of the value from this type of partner. When it comes to sports, the Beverage industry is lowest among these 4 industries examined in share of value received from Global Football (28%). Other sports outperform the average, including Motorsports (26%), Basketball (15%), and Action Sports. With how invested the Energy Drinks are in action sports and motorsports, this over-index in sports outside of global football is not too much of a surprise.



22%

% of value for Beverage brands generated by sports outside of the major 8 examined

Area For Optimization



Brand: Pepsi

Optimization Opportunity: High Quality, but infrequent promotion from athletes

Pepsi has partnerships with top athletes across sports, such as Lionel Messi, Aaron Judge, and Saquon Barkley. Together, Pepsi's athletes do very well at promoting the brand, averaging a massive 65% Promotion Quality. However, though Pepsi saw 550 athletes promote the brand during the year period, they only received an average of 2 posts per promoter. Over the course of the entire year. This is a huge opportunity for Pepsi to ask more of their partners. At Hookit, we suggest partners promote their top brands once a week. That would lead to 52 posts over the course of the year. Clearly, the Pepsi athlete partners can be more actively promoting the brand through their social channels.



FINANCIAL SERVICES

\$810M
Total Sector Value

150+
of Brands in Sector

8
of Brands in Top 50 Most Marketed

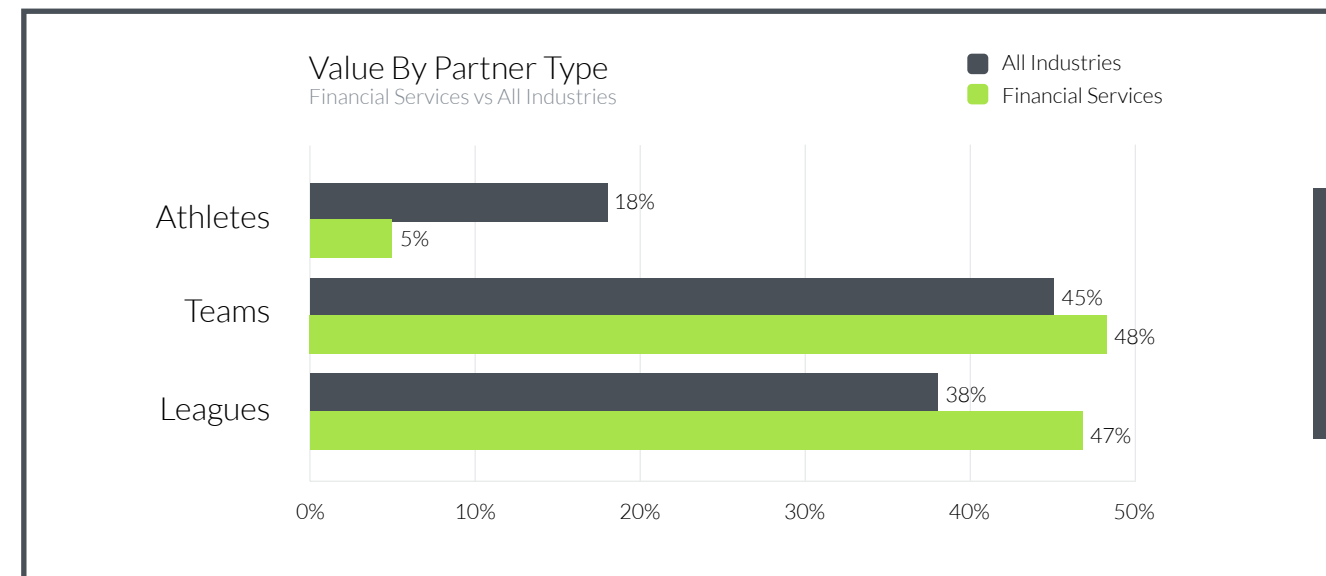


Top 50 Most Marketed Brands In Financial Services

Ranking	Brand	Industry	Value Received
6	State Farm	Insurance	\$113M
7	Santander	Financial	\$106M
8	Standard Chartered	Financial	\$79M
21	Allianz	Insurance	\$40M
25	HSBC	Financial	\$38M
28	GEICO	Insurance	\$37M
38	BARCLAYS	Financial	\$32M

Where Is The Value Coming From

Overall, Financial Services brands tend to be more conservative with their marketing and partnerships, wanting to show a steady, lasting image for their brand. Not surprisingly, nearly all (95%) of the sponsorship value for these brands comes from teams and leagues. While athletes can be great ambassadors, one misstep or one personal opinion could be a PR crisis for a Financial Services brand. Teams (48%) and Leagues (47%) drive nearly equal value for financial brands, with just two sports, global football (52%) and basketball (20%), generating most of the value. Among the Top 50 Most Marketed Brands, some notable partnerships within this category in those sports are Santander's sponsorship of La Liga, Standard Chartered on the Liverpool FC jerseys, and State Farm's partnership with the NBA.



95% % of value for Financial Services brands generated by team and league partners

Area For Optimization
Brand: State Farm
Optimization Opportunity: Leverage Sponsorship to Grow Owned Channels

State Farm and Geico are rival insurance providers in the United States. Both brands had about 2.5M social followers across their platforms on 1 Aug 2020. Over the period studied, Geico's owned social media channels (ex: @geico) had a follower growth rate of 13%, up nearly 300k followers from 1 Aug 2019. In comparison, State Farm's social channels saw a near stagnant growth rate of just 0.5%, adding 13k followers during the same period. Of course, many factors go into growing a brand's social channels, however, sponsorship can be a large contributor to reaching and engaging new audiences. Many brands work with their partners to promote their own social handles so that they can then directly market to these brand followers in the future, allowing for even more control over messaging and brand positioning. Recommendation: State Farm should ask their partners to tag them more as well as suggest they go follow the State Farm accounts. Contests (such as raffles) typically do well to attract fans, requiring that they follow the brand account to be entered for a chance to win the prize, be that tickets to a game, a chance to meet a favorite player, or something else.

LOOKING FORWARD TO PERFORMANCE BASED SPONSORSHIPS: THE STRUCTURE OF TOMORROW'S PARTNERSHIPS

Without action, these metrics can only go so far. Let's take a look at how these metrics can be used in your partnerships to improve marketing campaigns.

In order to keep up with changes in consumer expectations and behavior driven by new technology, emerging media channels, and the global pandemic, deals between sponsor brands and sports properties have begun to evolve, with firm metrics and KPIs being incorporated into new and existing contracts to address new brand goals. With this new model, sponsor brands set certain objectives that sports properties need to meet, such as certain levels of engagement on social media or maintaining a certain average promotion quality for posts about that brand. The properties are then paid bonuses or provided with incentives when they reach the goals set by the sponsor. Goals are set based on discussions between the sponsor and properties and this ensures that properties understand the goals and expectations of the sponsor and vice-versa. These performance-based sponsorships help sponsor brands maintain their budgets, only paying more when more brand impact is achieved.

In order to implement performance-based sponsorships, you need the right tools to accurately measure and value the ROI of your sponsorship investments. **The ability to measure in real-time against a consistent set of KPIs will be paramount for brands** to successfully make the leap to a performance-based model in order to maximize sponsorship and activation investments with their partners.



These performance-based sponsorships help sponsor brands maintain their budgets, only paying more when more brand impact is achieved.



ABOUT HOOKIT

As a pioneer in the Spontech space and strategic partner of the world's largest brands, Hookit's credibility and passion to support brands is everything. The best CMOs & sports marketing executives realize that social media is now central to maximizing the value of sponsorship marketing spend. Hookit empowers marketers to impact the bottom line by measuring sponsorship spend and partnerships against a standardized set of KPIs. We combine real-time dashboards with insights and recommendations that can be leveraged across your organization to positively impact your sponsorship strategy and results.

To learn more, email us at insights@hookit.com or visit www.hookit.com

