



THE SPONSORSHIP
— COLLECTIVE —

STATE OF THE INDUSTRY

SPORT EDITION // //



SPORT SPONSORSHIP:

A COMPREHENSIVE REPORT ON THE STATE OF THE INDUSTRY

If ever there is written a history of minor league baseball in America, the Mr. Paul Aints will be lucky to warrant a footnote. The team took to the diamond for only one game annually from 2012 to 2017, compiling a mediocre won-lost record of 3 and 3. For the balance of those seasons the team reverted to its more familiar name, the St. Paul Saints.

The renaming was just one of several tongue-in-cheek acknowledgments of the game-day sponsor, Minnesota Atheists. "If you can dream it, we'll find a way to make it happen," says Sean Aronson, Vice President, Director of Broadcasting, and Media Relations with the St. Paul Saints. He prides himself on answering a sponsor's every prayer, even those of the unbelieving.

Sport dominates the global sponsorship marketplace, typically accounting for more than 70% of all sponsorship spending.

"Sports is one of the unique platforms where you can market to a subliminally engaged audience,"

Josh Baker
Chief Revenue Officer of PBR



PBR is the professional bull riders' property that is now a subsidiary of global sports and entertainment giant IMG. Sport allows brands to intercept consumers when they're happy, or angry, or conflicted – all emotionally-charged moments that are ideal to reinforce brand alignment and generate brand recall, says Baker.



"I'm very bullish about the sports marketplace right now,"

Rick Burton

David B. Falk Professor of Sport Management at Syracuse University

And it's only going to get better, says Burton. In North America, the loosening of restrictions on sports wagering has spawned a large and wealthy category. In the US, a change in NCAA policy has opened up name-image-likeness sponsorship to college athletes for the first time. Globally, the proliferation of distribution platforms has given rise to a competition for content and created channels for properties that, not long ago, would have pleaded for coverage.

Aronson is expecting this season to set an all-time record for sponsorship revenue for the St. Paul Saints – this in about as difficult a market as you're likely to find. Aronson's is a minor league team in a major league city, competing with MLB, NFL, NBA, NHL and MLS franchises, as well as teams from the University of Minnesota. He'll set that record not courtesy of big-ticket betting sponsors or global streaming rights, but by delighting an audience and working closely with local and regional brands.

"We are an entertainment venue where baseball just happens to be going on," he says. *"We've captured the market of making people laugh."* The Mr. Paul Aints games were branded 'A night of unbelievable fun.' For a shoe drive held in conjunction with one of those games, the tagline was 'Leave your soles at the gate.' *"We're trying to entertain you from the second you walk through that gate, and even before you walk through that gate, until you leave at the end of the night."*

Saints sponsors have tighter budgets than their big league counterparts and are careful about their spending, Aronson says. For them, it's not about branding. It's about re-establishing connections that may have become frayed over the pandemic.

"If anything, they're trying to get more of that one-on-one relationship," he says.

One tactic Aronson uses is leveraging the club broadcast, something he can easily do because in addition to being a club executive, he is the play-by-play announcer. Game day sponsorship contracts include an opportunity to be featured on the broadcast. *"At the end of the season, it's probably the number one or number two thing they remember about the partnership,"* he says.

The Saints have mastered in-person, on-site activation. Other sports properties are seeking that same level of mastery in the digital realm.



"The big thing right now with activations is data capture," says Baker. "[Sponsors] want good, solid leads, not just fluff."

"If you spend a dollar over in digital, you get a sense of how that dollar has performed. You spend a dollar on an on-field activation and you're left scratching your head,"

Bill Cooper

Chief Operating Partner of TTG Canada

That doesn't necessarily mean that sponsorship dollars are flowing into digital at the expense of in-person, but *"the motivation to spend and the decision-making matrix is influenced by that, because that's where you can see the tangible results,"* says Cooper. Put another way, when selling, *"I'm using one side of the equation to justify the whole more today than I was three years ago."*

The best sports organizations are repositioning themselves as digital agencies for brands, says Lenny Goh, Vice President of Business Development with Tradable Bits, a company that helps sports and entertainment properties collect, manage and monetize first party data. *"The evolution of teams is going down this path where they really work with their partner to produce something specific to that audience that's really going to sing,"* Goh predicts.



Within this opportunity lies a warning. *"If sport properties don't learn how to engage their fans more efficiently, new entrants will join the market and move some of the revenue-generation away from the traditional parties,"* says Burton. COPA 90 may be the best example. The 10-year-old media property leverages creator- and user-generated content aimed specifically at soccer fans worldwide. Content may be sponsored or even brand-commissioned. It shares its content to millions on TikTok, YouTube and Instagram, and pays no rights fees.

PBR actually grew its audience during the pandemic by investing heavily in *"fun, three to six minute videos that tell about the brand, show their fun side, align with our athletes and give our fans a peek behind the hood,"* explains Baker. For instance, for sponsor Union Home Mortgage, PBR created *"Cowboy Cribs"* (a nod to MTV Cribs that ran in the early 2000s), a series that introduced fans to the home of some of PBR's cowboys. The productions could be repurposed to 30 second teasers airing on CBS, 60 second in-arena teasers, and bundled together into a 22 minute TV episode.



“Almost all of our new business deals and almost all of our renewals – most of the conversations are around custom content and how to tell [a brand’s] story,” he says.

To engage fans efficiently you must know them intimately, which is why Goh always circles back to the ownership of first party data. Teams typically have two windows through which to collect data from fans: ticketing and sponsorship. They have to do a better job of it, he says and more importantly, they have to break down the silos that separate the two.

Data collection is increasingly consent driven, he says, and sports properties are particularly well placed to collect consent driven data because fans trust them and are willing to surrender data for something of value, such as an incentive from the team or a sponsor.

Then, there is the quid pro quo: *“If a fan is consenting to give you data, you have a responsibility to create the best personalized experience for them,” he says. “Ultimately, I think that’s what everybody wants to do.”*



Technology promises to open new frontiers for sports fans and sports sponsors. Burton expects that in the not too distant future, fans will consume sports content in a virtual world, perhaps sitting on the virtual bench alongside their favorite player as the game unfolds. Closer at hand, esports are evolving into global properties, promising true world championships. Women’s sports may finally be taking their rightful place in the sports pantheon, with both the WNBA and the NWSL finding audiences and announcing significant sponsor signings.

Cooper laments that it has taken this long. Sport sponsorship, perhaps because of the wealth of opportunities it holds, has been conservative, embracing the proven and familiar. That’s changing, something Burton attributes to *“the dying off of the baby boomers, the traditionalists who called the shots.”* A new and younger leadership is emerging in the corporate world, in media and in sports with a stronger equity mindset. *“They’re not willing to accept that that’s the way it’s always been.”*



PRO TIPS



"We typically travel well-beaten paths. We go where we know it works." That's partly what slowed the development of women's sport. Instead, let's be courageous, *"strategically courageous, not just tactically."* We spend 90% to 95% of our time with the familiar. Let's change that percentage, not exceptionally, but at least somewhat. – Bill Cooper, Chief Operating Partner of TTG Canada



Don't slice your categories too thinly. Instead, define categories broadly and give the brand full ownership. Though you might see a revenue gain from slicing finely, with a broad category you will have a more satisfied sponsor and a stronger renewal rate. – Josh Baker, Chief Revenue Officer of PBR



Break down the ticketing and sponsorship silos. They are the same thing – interactions with fans – working toward the common objective of generating more revenue. The more data you have, the stronger your position is in negotiations with sponsors. – Lenny Goh, Vice President of Business Development with Tradable Bits



Listen. It's never about you. – Sean Aronson, Vice President, Director of Broadcasting, and Media Relations with the St. Paul Saints



Know your audience and build amazing experiences for them, with your sponsors. – Chris Baylis, The Sponsorship Collective



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ABOUT THE SPONSORSHIP COLLECTIVE

The Sponsorship Collective is a consulting agency committed to helping properties find clarity, stand out from the crowd and build lasting partnerships in a repeatable and scalable way.

Find out more here: sponsorshipcollective.com