



THE SPONSORSHIP
— COLLECTIVE —

A COMPREHENSIVE REPORT ON THE STATE OF THE INDUSTRY: PODCASTERS, INFLUENCERS AND ATHLETES EDITION



Back when celebrities were icons and marketing communication travelled along narrow, one-way pathways, endorsement meant something. When John Wayne urged consumers to buy Camel cigarettes, consumers bought.

Now, it's not nearly so simple. Where once there were celebrities by the handful, now there are influencers by the truckload. Consumers are more educated. They question. They debate among each other in real time, in the full light of day while sharp-elbowed influencers compete ruthlessly for sponsor dollars.

In 2018, in the shadow of the Fyre Festival debacle, Influencer Marketing Hub, a website that tries to put as positive a spin as possible on its copy, reported that 94% of marketers were not likely or very unlikely to seek out high profile influencers for future projects.

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now there are influencers by the truckload.”*

In the years since, the market appears to have rebounded somewhat. Influencer Marketing Hub's most recent benchmark report forecasts robust growth, but also reports that only 34% of influencers are paid cash for their services, the rest receiving product or product discounts.

Influencers do battle against the public perception that they'll say anything for a buck, and that they are superficially, and only temporarily, an extension of the sponsor's brand. They enter the marketplace with the weight of numbers, a crush of followers that helps offset the market's skepticism. Podcasters come in from the other end, with download numbers in the four or five figures, but a fiercely loyal and trusting audience that believes that everything that falls from a podcaster's lips has sprung from the podcaster's heart.



Consider comedian Bill Burr's train wreck of a read of copy from his sponsor, Shari's Berries, in a 2013 podcast. Burr went off-script, sometimes profanely mocking his sponsor. Shari's Berries was reportedly, and understandably, furious – until it began counting redemptions of the episode's "Burr" promo code. The read may have been off-script, but it was on-brand for Burr's audience, and they gobbled up Shari's chocolate-dipped berries. Rather than cancelling and demanding a refund, the sponsor returned for years at Valentine's Day and other holidays.

Contrast that with the Fyre Festival's costly and slickly-produced influencer campaign. Ten supermodels were flown to the Bahamas, producing glamorous content promising an exclusive festival on a private island. Another 400 influencers were enlisted to drive traffic to the content. But only 8,000 of 40,000 tickets sold, many deeply discounted. It failed as a festival and as a marketing campaign.



"In previous years we were approaching brands to have athletes create content, create ideas for them," says Nic Métayer, Director of Consulting and Talent Management at Envision Sports & Entertainment, which counts Andre De Grasse, reigning Olympic 200 metre champion, and Christine Sinclair, often described as the best soccer player (male or female) ever, among its clients. Now, "we're not seeing a lot of activity other than brands reaching out to fit athletes within their existing campaigns."

"There are a lot of people who think there's a lot of money in this space, but they don't understand that it's really only the top one percent that really delivers value for advertisers."

Glenn Rubenstein

Métayer believes this is fallout from blunders by influencers – not just fiascos of Fyre proportion, but careless posts that include agency instructions (*"post the following at 4 pm . . ."*), underdelivery by the influencer, disappointing results, and embarrassment when a spotlight is shone on long-forgotten content.



“It’s a mix of minimizing risk and controlling the narrative,” says Métayer, who believes the shorter leash constrains the influencer’s ability to work fully on behalf of the sponsoring brand.

There is no such concern with podcasters. Audiences around the world turned to podcasts during the pandemic years, leading many podcasters to adopt premium pricing strategies. That approach has since softened in the face of price resistance from brands, says Glenn Rubenstein, founder of ADOPTER Media, a podcast advertising agency. Podcasters *“are coming back down to earth,”* showing a willingness to negotiate and a commitment to deliver value to their sponsors, he says. But Rubenstein also cautions emerging podcasters to temper their expectations. The sector may be doing well, but the revenue is not evenly distributed. In 2021, media platform Axios reported that 99% of podcast downloads went to the top 1% of podcasts. *“There are a lot of people who think there’s a lot of money in this space, but they don’t understand that it’s really only the top one percent that really delivers value for advertisers,”* he says.

“The relationship between the podcaster and the audience is very intimate.”

Liz Horowitz

There are millions of podcasts, but fewer than 20% are active, says Danielle Desir Corbett, podcast marketing coach and host of The Thought Card Podcast. Much of the podcast sponsorship business relies on a CPM model, she adds. At current CPM rates of \$25 to \$27, that doesn’t make financial sense for a podcaster with fewer than 1,000 downloads per episode, a factor that may explain why most podcasts never last beyond 10 episodes.

The alternative is for a podcaster to think *“beyond the audio file,”* says Desir Corbett. This might include mentions in a Twitter thread, or reaching out to newsletter subscribers. Successful podcasters are a brand. They should leverage it.



The power held by the celebrity of old, sought by the influencer of today, and enjoyed by the podcaster, is the ability to appear genuine, to be John Wayne with his Camels.

“When done correctly, you are really co-opting the voice inside people’s heads,” says Rubenstein. Podcasters are a trusted friend, expert and advocate.

The relationship between the podcaster and the audience is very intimate, says Liz Horowitz, founder of Sonic Strategy Consulting, and to its credit, the industry was quick to recognize it. *“Podcasting has been very thoughtful about how it incorporates advertising for sponsors into its content,”* she says.



“The athletes can offer so much more from an in-person perspective, [and] engagement with internal employees.”

Nick Métayer

Rubenstein says he provides copy and talking points to guide the podcaster, *“but what we really like is when the podcaster makes it personal.”*

He also prefers to buy episodically rather than rely on impressions. If you buy three episodes of a podcast, for instance, the podcaster’s job is to give you three effective ads that are unique enough that a listener won’t hit the skip button.

“Publishers work with brands all the time to create unique sponsorship experiences,” says Horowitz. For instance, National Public Radio in the US has created an ad unit called Soundscape – an unscripted three-minute audio story that highlights an experience of a brand representative. Soundscapes can be integrated across NPR platforms, including podcasts.



Desir Corbett says she works with brands to co-create episodes that produce wins for all three parties – the brand, the podcaster, and the audience. When an entire episode is a conversation that is relevant to a sponsor, the introduction of that sponsor into the content happens organically, she says.

“Do you want this to be a passion project? Do you want this to pay your mortgage? Do you want this to be something that gives you a platform for more visibility as a personality?”

Liz Horowitz

It’s a model that built mattress company Casper and that is building online therapy company Better Help, says Horowitz. *“[Better Help] are using podcasts to the tune of millions of dollars of investment per month.”*

That model was once the influencer’s secret weapon, says Métayer. *“There was a time when money was thrown at influencers to create content that was relevant to their audiences but turned out not to be fully brand aligned.”* Now the tide has turned. Brands research influencers who fit either their growth area or their target market on specific platforms. *“The leash has been tightened on content creation”* and on the range of influencers that brands will seek out.

Brands are also missing opportunities beyond social media. Athlete/influencers are multi-dimensional. Their influence extends to their schools and their local communities. Creating content, posting it for a few hours or a few days and then delivering the data doesn’t do justice to the athlete’s influence, he says.

“The athletes can offer so much more from an in-person perspective, [and] engagement with internal employees”



With respect to pricing, for the athlete/influencer it's a mix of art and science, with the influencer leaning more heavily on art, and the brand more heavily on science.

Brands will look at followers, but not just the weight of numbers. Demographics, geographical reach, level of engagement all allow brands to estimate the effectiveness of an influencer's efforts. It also helps with internal buy-in, says Métayer

When he receives a brief from a brand, he'll evaluate the deliverables, the commitment needed from the athlete, the impact that athlete can have on that campaign, and what the athlete is comfortable committing to based on what the market is paying now. Other factors might include the category, the length of the campaign, and the extent to which the athlete's intellectual property will be used.



Podcaster, influencer, these can be low cost of entry endeavors. Horowitz advises emerging podcasters to be clear about their objectives, but her words are equally applicable to the aspiring influencer: *"Do you want this to be a passion project? Do you want this to pay your mortgage? Do you want this to be something that gives you a platform for more visibility as a personality?"* she asks. Once you've answered those questions, act accordingly. If you envision this as a business, invest, don't wing it.



PRO TIPS



"If you're getting advertisers and they're not renewing, you have a problem."

- **Glenn Rubenstein, Founder of ADOPTER Media**



"Those who think dollars first are in for a world of hurt,"

- **Glenn Rubenstein, Founder of ADOPTER Media**



"If you're a small indie podcaster and you're waiting for brands to knock on your door, you're going to be waiting a long time. Practice pitching. Pitching is like a muscle." It needs to be exercised."

- **Danielle Desir Corbett, Host of The Thought Card Podcast**



"Influencers should feature behind-the-scenes content, demonstrating lifestyle or community involvement, in order to add dimensions to their personal brand."

- **Nic Métayer, Director of Consulting and Talent Management at Envision Sports & Entertainment**



"No [podcast] host should ever get a cold script that they are unhappy with." Be involved with your sponsors. If you help create the script, it will sound authentic."

- **Liz Horowitz, Founder of Sonic Strategy Consulting**



"The riches are in the niches. Understand what your niche is and seek out brands that are very specific to your content."

- **Liz Horowitz, Founder of Sonic Strategy Consulting**



"Know your audience and build amazing experiences for them, with your sponsors."

- **Chris Baylis, CEO at The Sponsorship Collective**

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

