

MAY 2013 GLOBAL EDITION

Welcome to the latest SPONSORIUM Report. With the intent to deliver even more insight and trend analysis to the Sponsorship and Community Investment industry, SPONSORIUM has shifted to a monthly version of The SPONSORIUM Report. May marks the first of this new format.

The data for the Report remains, unequivocally, as the only source for actual statistical performance of Sponsorship and CSR. The content is exclusively that of figures and fees that are extracted directly from the *PerforMind* management platform that more than 250 brands around the world use to track their activities and investments (all shown in US dollars). **The data is not pulled from surveys or research, and amounted to nearly 50,000 opportunities and partnerships that brands formed in 2012.**

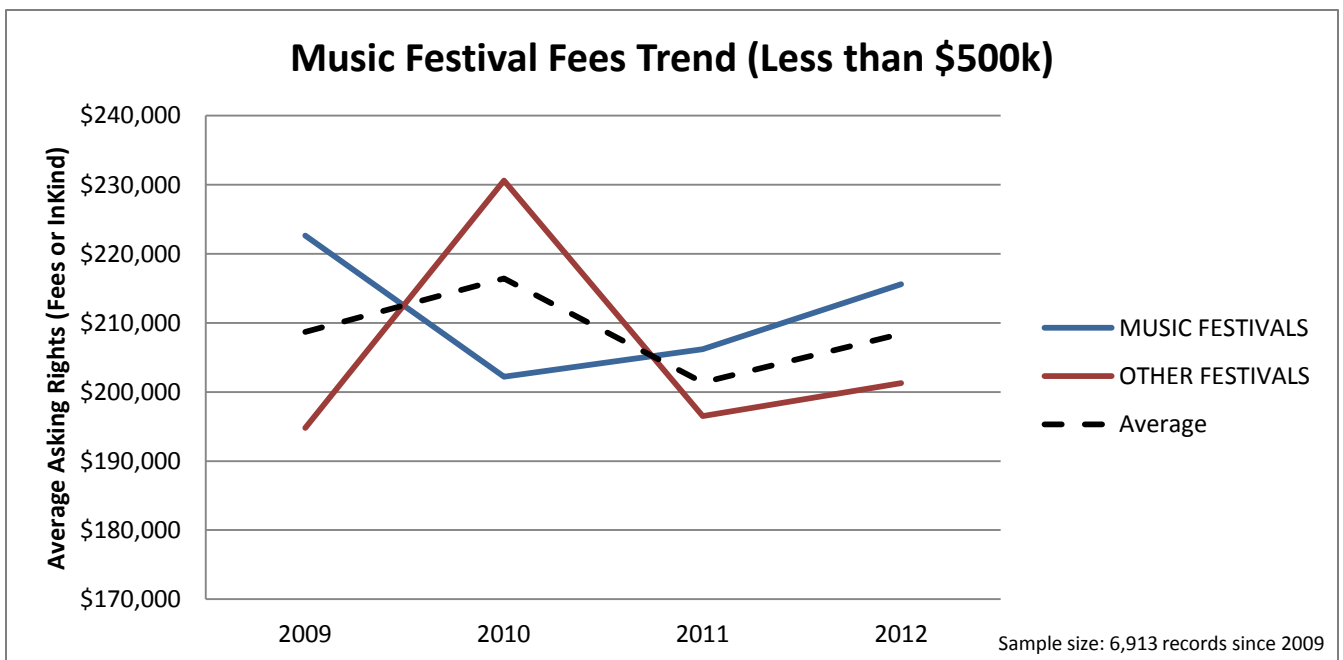
SPONSORIUM provides the key analysis and cross-referencing so that marketers, their agencies, and the groups they support can benchmark their own performance and improve their business intelligence, all with an eye on truly breaking down performance.

Contact Seth Leeds, Editor (seth@sponsor.com) for additional information.

The SPONSORIUM Report is available for free download at www.SponsoriumReport.com

SPONSORSHIP BENCHMARKING – ‘Behind the Music’

As reported in the last SPONSORIUM Report, Festivals and Fairs are a steadily increasing Sector in terms of Rights Fees. With the busy summer music, film and other festival season about to begin in North America and Europe, a deeper dive seemed sensible. Sponsors of festivals, music and other, should be watching several figures associated with these types of events, of which 2,712 were recorded by *PerforMind* in 2012 (a steady increase since this total was first tracked in the 2009 SPONSORIUM Report, with 925). Isolating Music, the majority fall into the fee category of costing less than \$500k, which in 2012 scored 67% against specific brand objectives lagging only slightly behind a few summer sports as the highest ranking Sub-Sector.

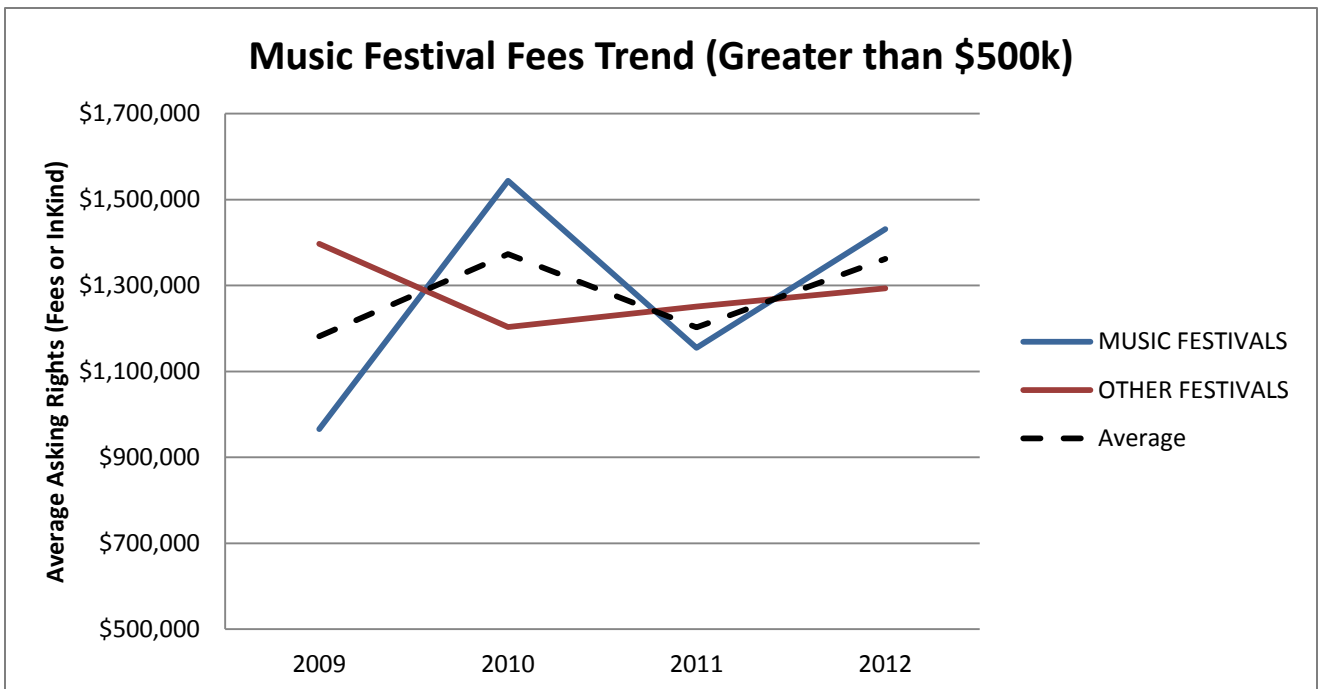


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SPONSORSHIP BENCHMARKING – ‘Behind the Music’ (continued)

The trend follows suit when examining the more expensive Festivals and Fairs. Those with Music as the focus tend to cost more than the average Festival, and perhaps more important, average Score for Music Festivals in this fee category drops to 60%.

This is a clear indicator for sponsors that one key reason to interact with music is that these events can potentially score higher with assets and demographics while at lower costs.



Sample size: 6,913 records since 2009

SPONSORSHIP FORECAST

As we've seen in other sponsorship sectors, Rights Fees for Music Festivals (and virtually all Festivals and Fairs) have fluctuated and currently most are increasing slightly. However, we have also been able to see that these same sectors have not returned to the higher values of several years ago; and they very likely won't.

Most sponsors have thinned their portfolios by perhaps spending less per Partnership, but progressing with more partners. This is a trend that will continue as it allows sponsors to work with more unique opportunities where objectives as well as assets may become more flexible.

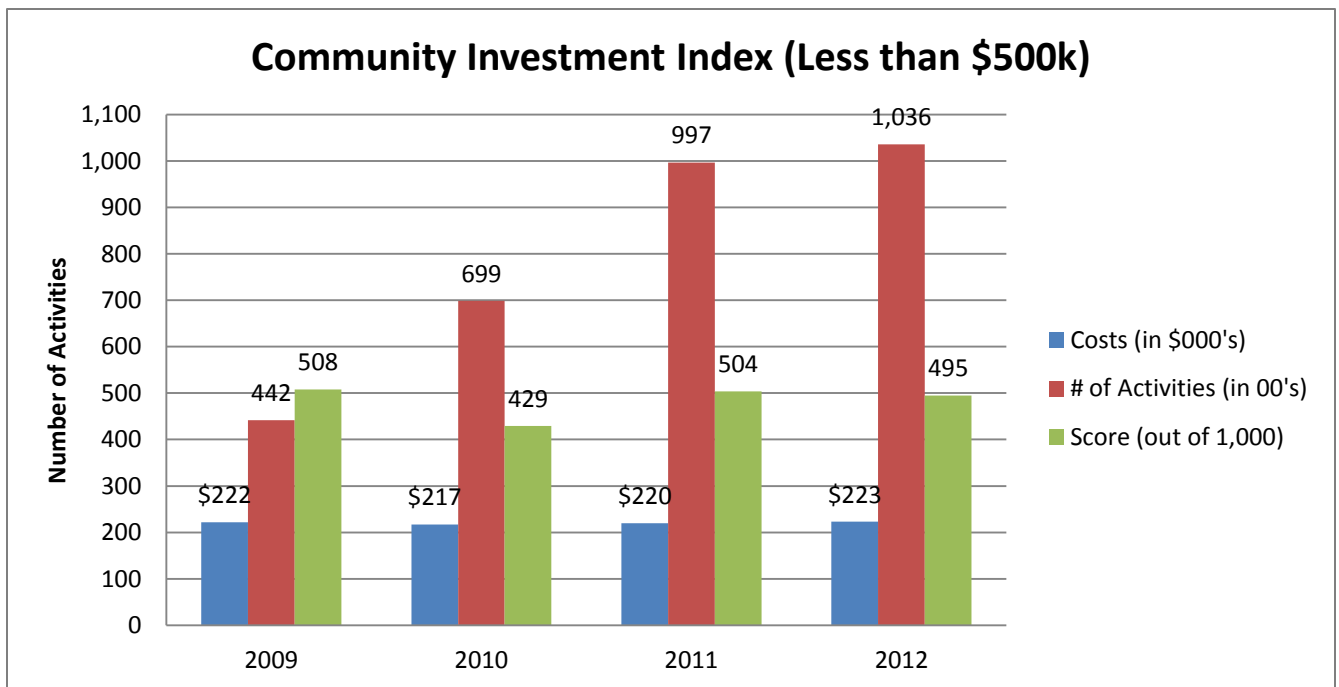
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COMMUNITY INVESTMENT BENCHMARKING – ‘Has CSR Levelled Off?’

It is no secret that Corporate Community Investment or CSR has come into the marketing forefront as brands attempt to paint themselves in the best possible light. The *PerforMind* tool was used to capture 11,000 actual Community Investment projects (out of nearly 50,000) from 145 countries in 2012. The graph shown here isolates those priced at less than \$500k, and then cross examines them to understand how well each meets with specific brand objectives (Score).

The trend line brings forth unique insights. As the number of projects steadily increases Score and Cost remain virtually flat. There are multiple reasons for this. First, non-profit groups are generating more sub-projects than ever before. These are typically new support campaigns that are different yet complimentary to their initial fundraising focus.

Brands and Foundations are eager to leverage philanthropic initiatives often trying to measure their effectiveness after the Partnership. The industry is slowly learning that the real consideration should take place in advance as they define criteria and objectives.



*Opportunities and actual Partnerships labeled as Community Investment are extracted from areas such as Education, Health, Disaster Relief, Environment and more.

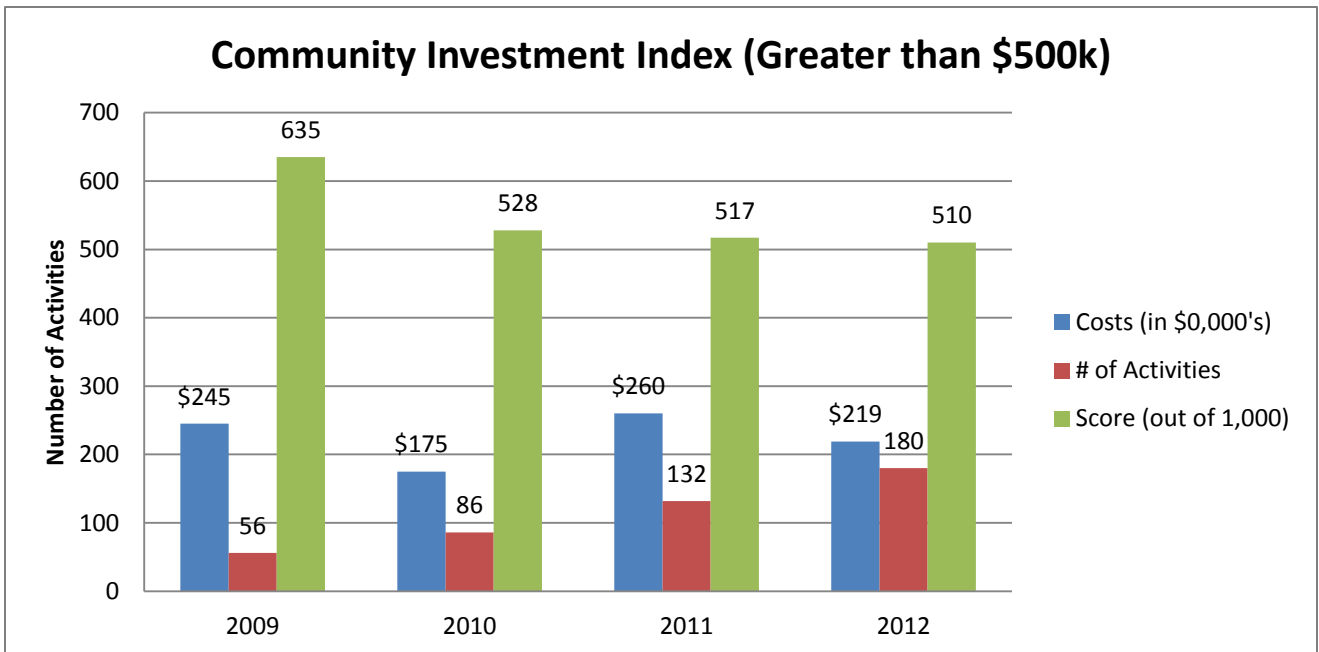
Sample size: 32,194 records since 2009

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COMMUNITY INVESTMENT BENCHMARKING – ‘Has CSR Leveled Off?’ (continued)

Clearly there are far fewer multimillion dollar donations and grants than compared to the other fee category, but again, unique insights arise by examining the data. Other than in 2009, when companies needed to be very selective with their support for fear of public backlash, ensuring a high Return On Objective (ROO) was met (global average 64%), Score has remained flat.

There is also a higher amount of repeat donations and grants in this fee category which keeps Cost relative in the face of increasing opportunities.



Sample size: 32,194 records since 2009

COMMUNITY INVESTMENT FORECAST

Calls for increased transparency and governance have CSR departments around the world examining measurement in their philanthropic activities quite closely. As budgets will naturally grow allowing for more corporate support to be allocated, these calls will only become louder.

So although recent trends suggest a leveling off within CSR, expect greater advancement and adoption of ROO as it relates to board justification. Scores should increase overall, but will always be limited by issues such as Disaster Relief as brands donate instinctively to many causes that they may not actually align strongly with.

Look for The SPONSORIUM Report monthly at www.SponsoriumReport.com
To learn more about the *PerforMind* platform, visit www.sponsor.com