Sponsorship Market Overview

2023

Created in association with

european sponsorship association

Introduction

Samantha Lamberti
Managing Director – International,
Nielsen Sports

Dear Friends,

Nielsen Sports is proud to present the 2023 edition of the Sponsorship Market Overview, in which we analyse the latest trends and developments in the world of sponsorship.

A look at the figures confirms 2021's trend: the sponsorship market in Europe is growing for the second year in a row, however it is still not yet at its pre-COVID peak. Lifted restrictions and the increased adaptation of Web 3.0 technologies served as drivers of growth.

This readiness for change will continue to shape the sport business in the coming years as rights holders have realised that they need to leverage sponsorship to engage with their audiences, drive brand building, and enhance customer loyalty. We are currently seeing a variety of emerging themes that will significantly shape sponsorship in the short and long term. Media consumption behaviour but also the requirements for sponsorship are changing. Be it through stronger connectivity between sport and the community, the evolution of fan engagement, or the reinforcement of D2C services – stakeholders in sport must adapt continuously.

This report is created through a collaboration between ESA and Nielsen Sports that began in 2008. In our consulting practice, Nielsen Sports supports its clients daily by providing valuable insights about the sport business to drive their commercial success. The purpose of this report is to provide an in-depth analytical perspective of the sponsorship landscape – so you can plan your next steps based on facts.

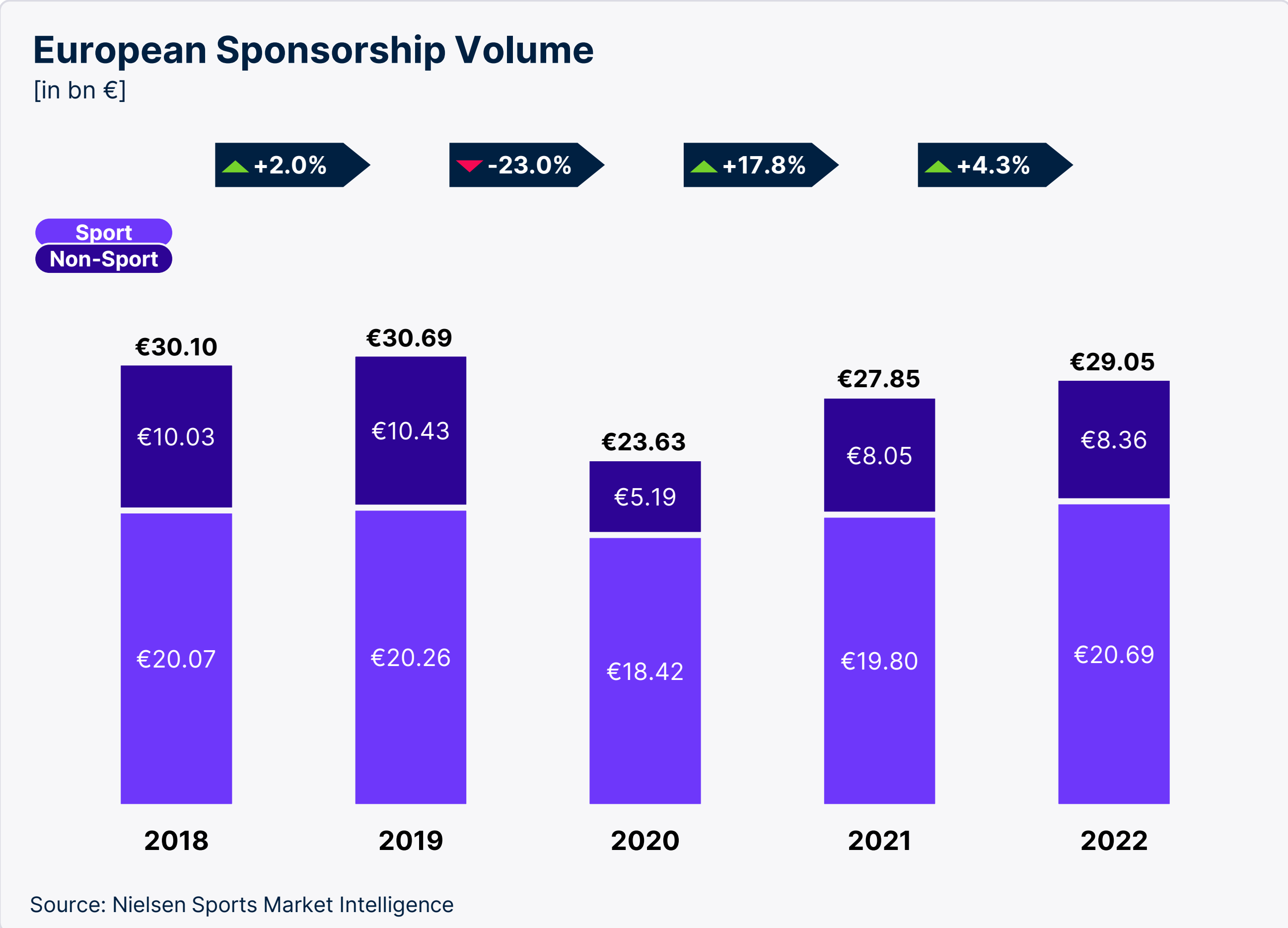
Andy Westlake
Chairman,
European Sponsorship Association

The continued recovery of the sponsorship industry is highlighted by Nielsen Sports' latest Sponsorship Market Overview, which paints a picture of a dynamic and resilient sector. It's remarkable how well sponsorship has bounced back after the devastating effects of the pandemic, and we all enjoyed the full resumption of in-person sporting and cultural events that contributed to the regrowth of the sector in 2022.

To see the volume of the industry come close to matching pre-pandemic levels in 2022 underlines the importance of sponsorship to companies across Europe that need to achieve tangible connection with their customers. Sport sponsorship reached record levels last year and I am sure 2023 will see a continued regrowth in non-sport sponsorship.

This good news comes in spite of some very profound challenges affecting business stability, not least Russia's continued military occupation of Ukraine. The 2023 Sponsorship Market Overview also highlights the positive and negative impact of crypto sponsorship on our industry. It's more important than ever that companies use reliable data to inform their sponsorship decision-making – and this vital annual analysis by Nielsen Sports leads the way in that category.

European Sponsorship Data



Market Review 2022

The upswing in the European sponsorship market continues – it is experiencing its second consecutive year of growth. Looking at the sport business from a holistic perspective, this development is mainly related to three factors:

- Lifting all COVID restrictions on on-site events in sport as well as non-sport. Non-Sport particularly includes festivals and concerts – for example, around 7% more people attended a festival in the Netherlands in 2022 than in the pre-COVID year 2019
- Hosting of a large number of major events, including for example the UEFA Women's Euro 2022, European Championships, or the 2022 Commonwealth Games. Europe also benefited from spillover effects from global events such as 2022 Winter Olympics or the 2022 FIFA World Cup
- Enormous boom of sponsorship deals with companies from the crypto sector – despite the fragile situation they are now facing.

€20.69bn
Sport sponsorship volume
has reached a new all-time high.

Nevertheless, at €29.05bn, the European sponsorship volume is not (yet) at the pre-COVID level of 2019. Compared with the previous year (€27.85bn), the volume is now 4.3% higher. However, it is still about 5% short of the 2019 peak. This said, at €20.69bn, the proportionate sport sector is already back at its highest level ever. The non-sport sector is not yet back to peak level at around €8.36bn.

So, the overall development is positive, but who were the biggest winners and losers last year? Looking at developments at national level, Spain (+14%) and the United Kingdom (+10%) stand out as the fastest growing markets. Among other factors, the following have played a role in these two markets in particular:

+14%
Spain was the top growing national market in 2022

Spain

- Market stabilisation after betting sponsorship ban in 2021
- Driving commercial growth for LaLiga top clubs: FC Barcelona moving from Rakuten to Spotify as a Main Sponsor and selling the naming rights of the stadium (+117% growth), Atlético de Madrid moving from Plus500 to WhaleFin (+180% growth)
- Strong leap in the establishment of women's sports & female athletes as ambassadors, powered among other things by FC Barcelona's entry into the UEFA Champions League final.

United Kingdom

- UK shows a high degree of rebalancing. With the end of COVID, discounts on sponsorship packages or compensation for brands will no longer apply. Along with this, the suppressed market conditions are recovering
- Again, the Premier League is driving commercial development. A multitude of new (more) lucrative training shirt deals by the clubs allows for additional marketing revenues. For example, the value of Manchester City's new deal with OKX has doubled from its previous deal with Expo Dubai.

A significant factor influencing the entire market is Russia's belligerent activities in Ukraine. Not only does this have a massive impact on these two national markets, but also on the entire intercontinental network. A large number of sponsorship deals with Russian companies have been terminated (for example, the deal between UEFA and Gazprom). The resulting movement in the market may also prevent greater growth.

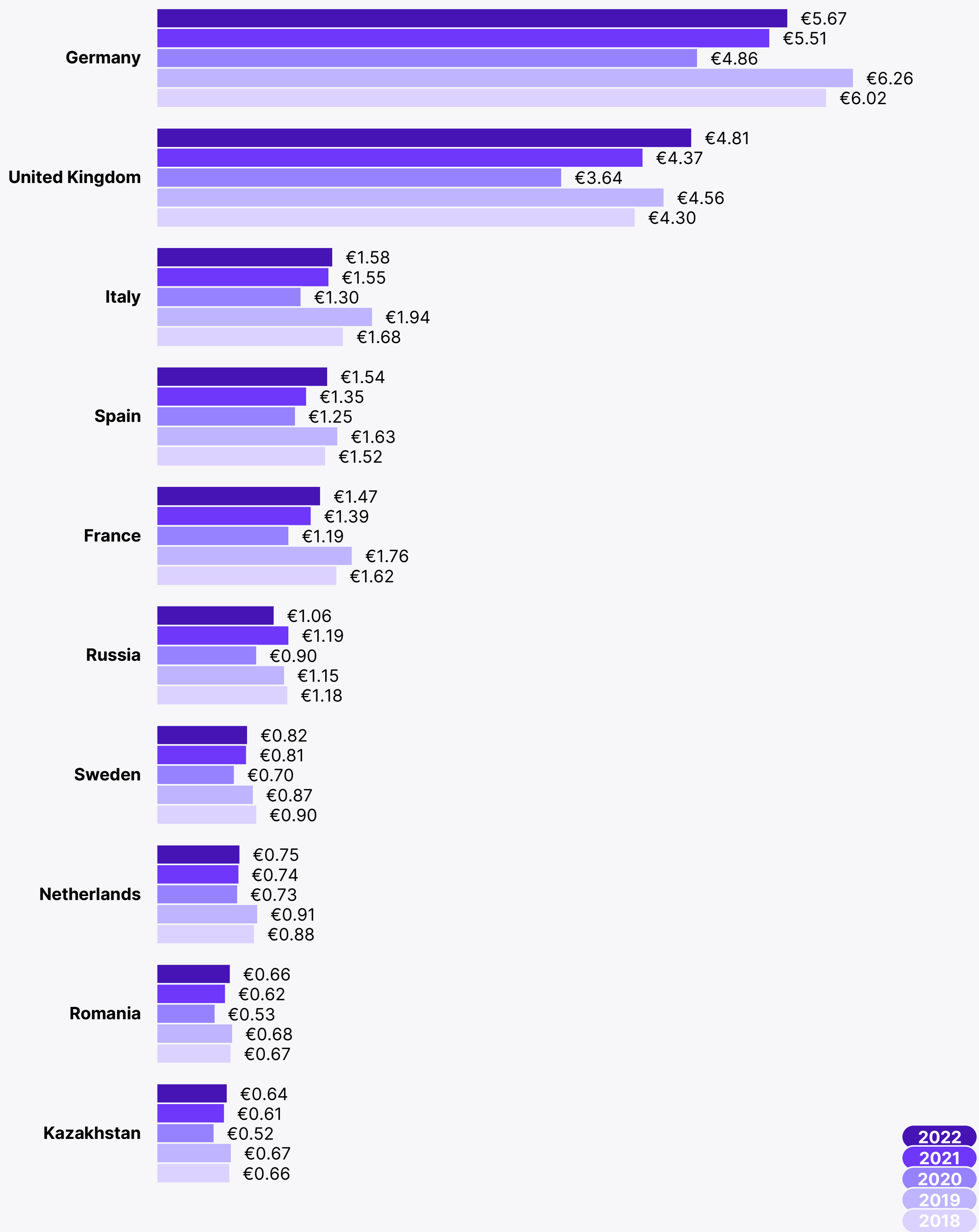
OUTLOOK

What's happening next? The sponsorship market seems to have recovered from the impact of the COVID pandemic, but will the upward trend continue? We are currently seeing interesting developments in the sport business that will also have a significant impact on sponsorship. These include the major shift in media consumption towards non-live and multiscreen consumption, as well as strong growth in consumption via OTT channels. The future development of the entire blockchain sector will also be interesting. Cryptocurrencies had to cancel major deals last year (e.g., UEFA ending their deal for the Champions League with crypto.com), but the metaverse is also developing at a rapid pace in the sport business – with correspondingly high marketing potential. Two further emerging trends are the greater diversification of sponsorship in sustainability, and in particular the topic of women's football, whose sponsorship value is predicted to increase 4x by 2033.

National Sponsorship Data

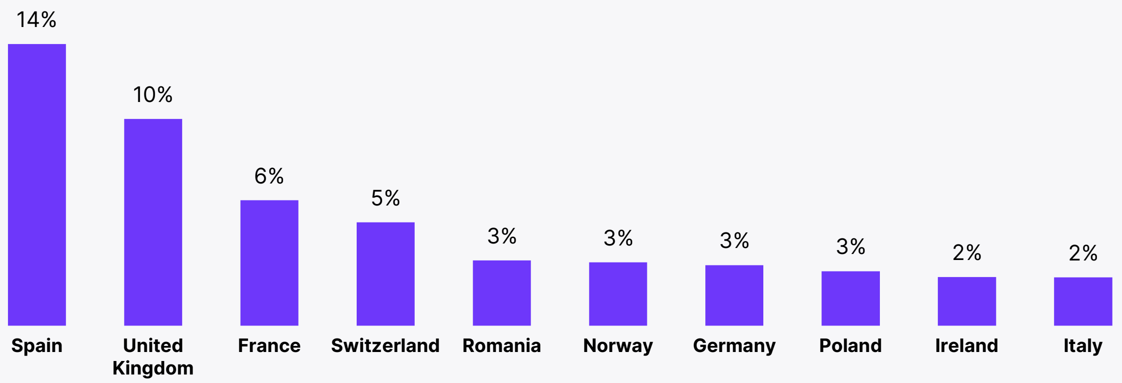
Sponsorship Volume European Markets - Top10

[in bn €]



Source: Nielsen Sports Market Intelligence

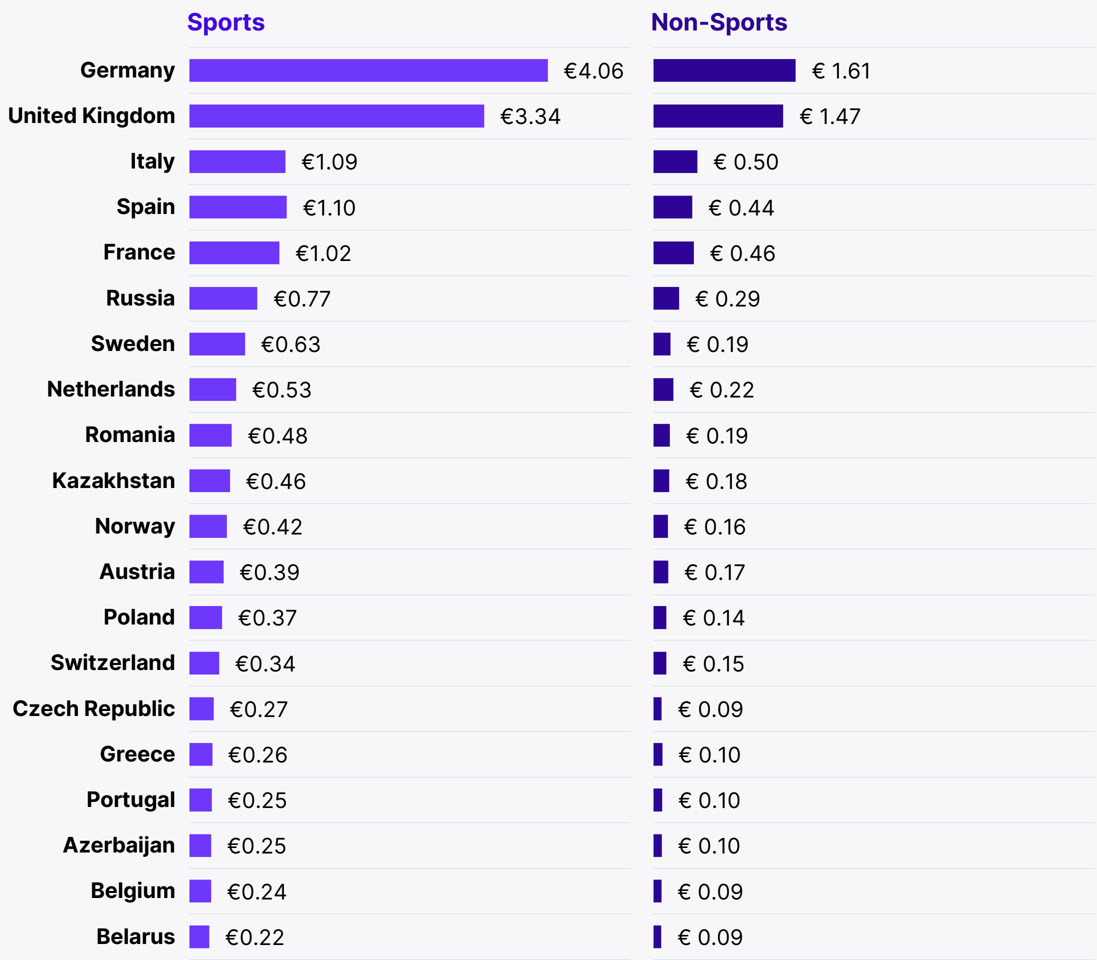
Sponsorship Volume YOY Change – 2021 to 2022



Source: Nielsen Sports Market Intelligence

Sponsorship Volume European Markets – Split Sports / Non-Sports in 2022

[in bn €]

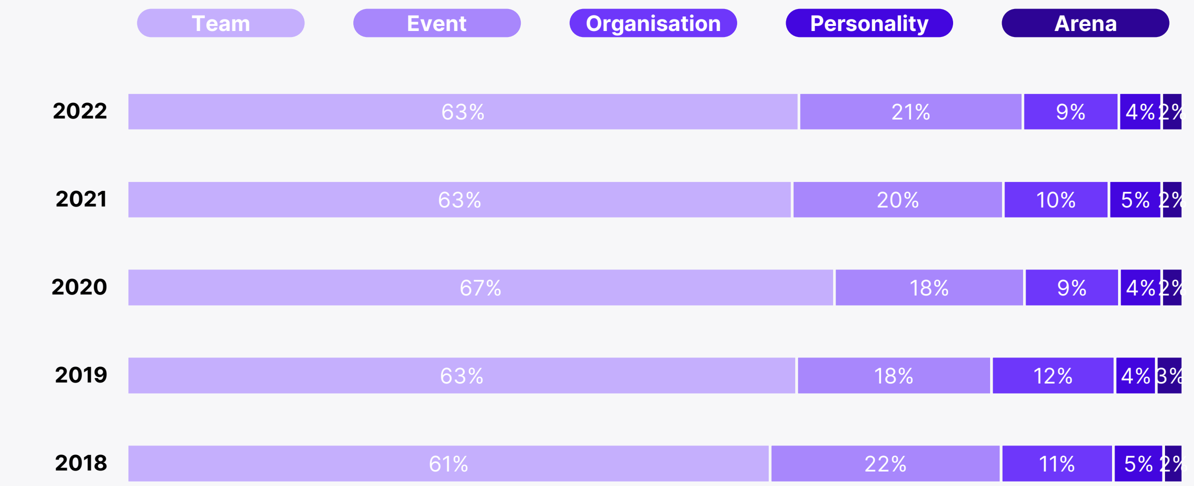


Source: Nielsen Sports Market Intelligence

Breakdown Analysis

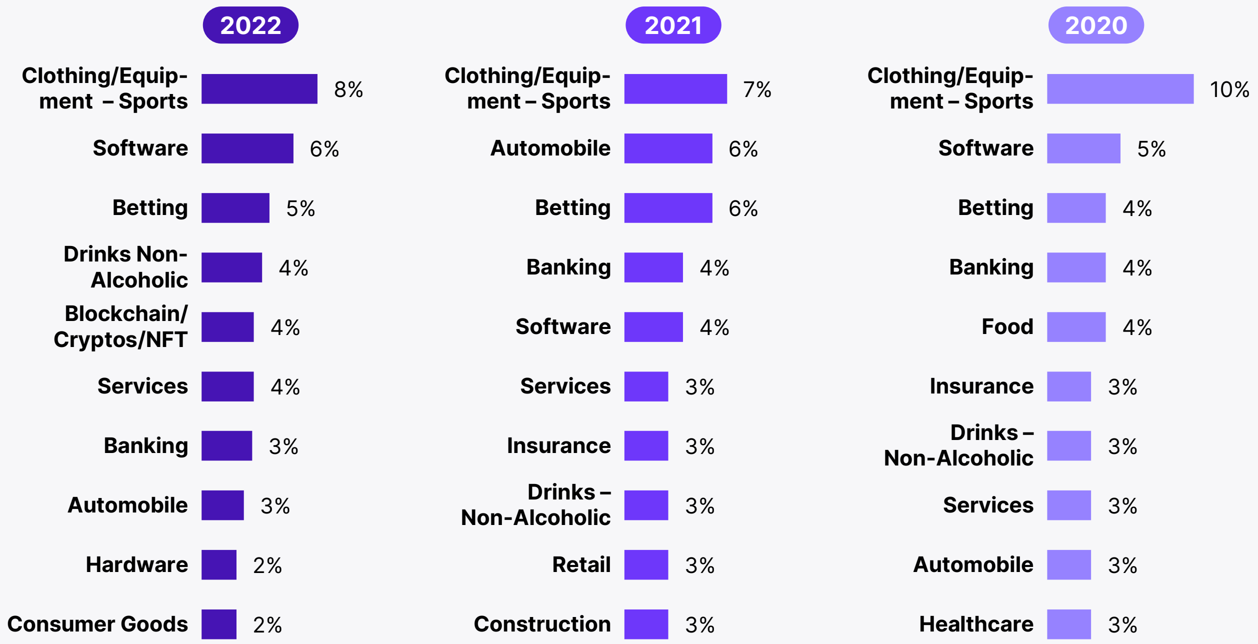
NOTE: This section contains analyses of the sponsorship deals signed in the mentioned years across Europe. Every analysis is based on the number of signed deals (not on sponsorship fees). The data is based on major deals announced in the media.

Sponsorship Type Distribution



Source: Nielsen Sports SPONSORGLOBE

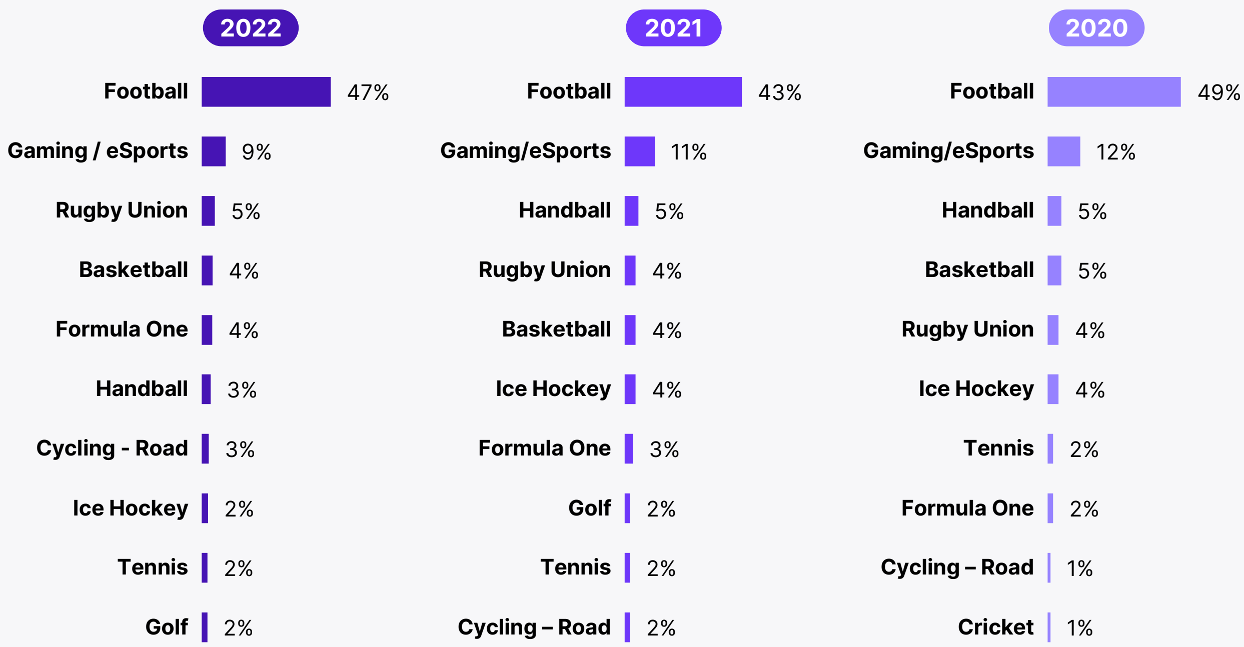
Industry Distribution - Top 10



Source: Nielsen Sports SPONSORGLOBE

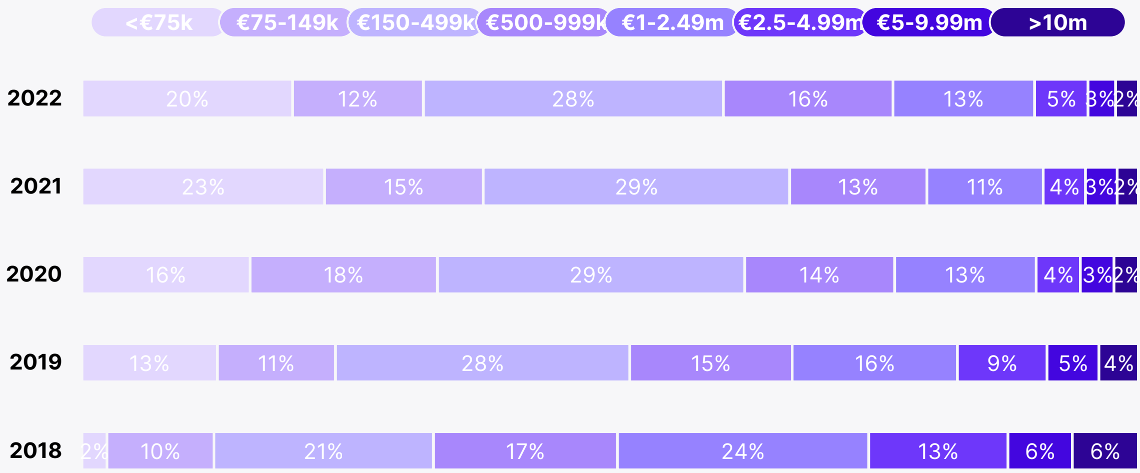
Data base: 2022: 1,770 deals; 2021: 2,482 deals; 2020: 1,653 deals; 2019: 1,910 deals; 2018: 1,701 deals

Sports Distribution - Top 10



Source: Nielsen Sports SPONSORGLOBE

Value Range Distribution

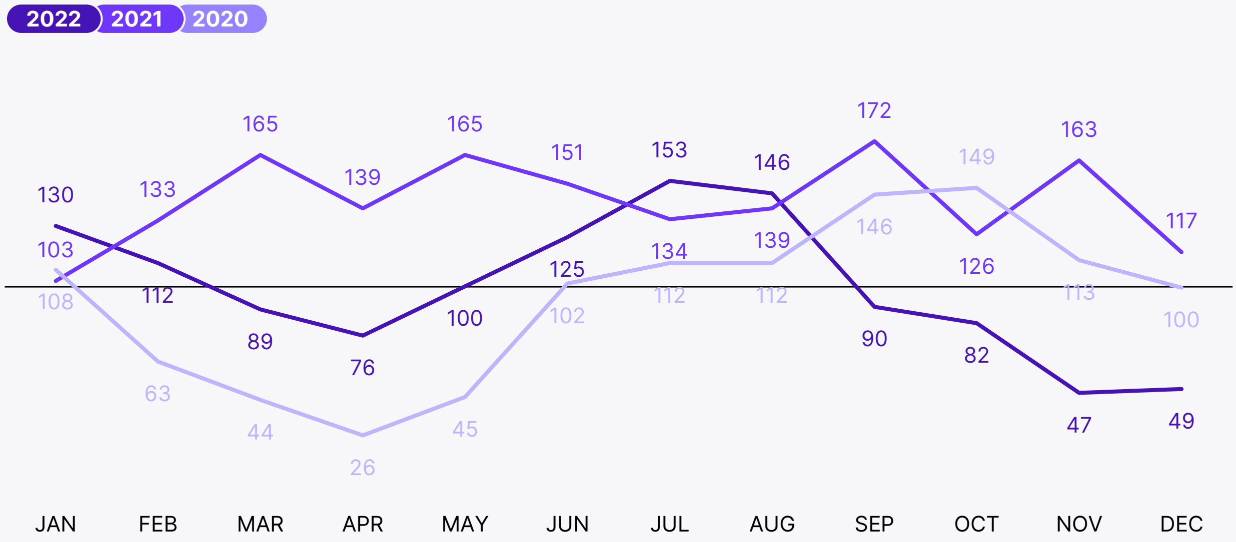


Source: Nielsen Sports SPONSORGLOBE

Data base: 2022: 1,770 deals; 2021: 2,482 deals; 2020: 1,653 deals; 2019: 1,910 deals; 2018: 1,701 deals

Closed Deals in the course of the year (new/renewed)

Presentation includes newly signed deals and extensions. Index representation compared with the average value per month in 2022 (Monthly average 2022 = 100). Example: June 2021 saw 50% more deals signed compared to the average amount per month in 2022 (Index: 151).



Source: Nielsen Sports SPONSORGLOBE

Top 10 sponsorship signings 2022 (new/renewed)

Sponsor	Industry	Platform	Sport	Expiration date	Sponsorship Fee (p.a.)*
Oracle	Software	Oracle Red Bull Racing	Formula One	2026	€80 – 90m
Standard Chartered	Banking	Liverpool FC	Football	2026/27	€70 – 80m
Adidas	Clothing/Equip-ment -Sports	Arsenal FC	Football	2029/30	€70 – 80m
Emirates	Airline	Real Madrid CF	Football	2025/26	€70 – 80m
Qatar Airways	Airline	Paris Saint-Germain FC	Football	2022/23	€60 – 70m
OPPO	Hardware	UEFA Champions League	Football	2023/24	€60 – 70m
Petronas	Energy	Mercedes-AMG Petronas	Formula One	2026	€50 – 60m
Alfa Romeo	Automobile	Alfa Romeo Racing ORLEN	Formula One	2023	€50 – 60m
Spotify	Services Online	FC Barcelona	Football	2025/26	€50 – 60m
Deutsche Telekom	Net providers	FC Bayern München	Football	2026/27	€50 – 60m

Source: Nielsen Sports SPONSORGLOBE

Data base: 2022: 1,770 deals; 2021: 2,482 deals; 2020: 1,653 deals
* Only highest deal per platform included. Deals are partly estimated

About Nielsen Sports

Nielsen Sports is the leading source of sports measurement and analytics around the world, with solutions spanning cross-platform media valuation, fan insights, and digital and social analysis. Only Nielsen provides a comprehensive, fair playing field for the business of media. Our unbiased metrics create the shared under- standing of the industry required for markets to function.

Nielsen Sports operates around the world in 50+ countries. Learn more at nielsensports.com or connect with us on social media.

Audience Is Everything®

About ESA – European Sponsorship Association

The European Sponsorship Association (ESA) is a not-for-profit membership association whose mission is to inspire, unite and grow a welcoming and diverse sponsorship industry. ESA does this through education, guidance, representation, the recognition of excellence and the sharing of best practice and performance.

ESA's reach encompasses all types of sponsorship activity from sport, broadcast, education, charity, the arts and culture, to environment and the community. Its members include sponsors, rights holders, agencies and consultants, professional advisors and suppliers.

Nielsen