

The logo features the word "FRONTIER" in a bold, white, sans-serif font. The letter "F" is partially enclosed by a light blue circle. To the right of "FRONTIER", the year "2023" is written in a smaller, light blue, sans-serif font. The background consists of a dark blue field with a series of white, curved, concentric lines that create a sense of depth and movement, resembling a stylized wave or a tunnel.

FRONTIER 2023

The Voice of the Sponsorship,
Sports & Entertainment Industry

Market TRENDS REPORT

dentsu
sports analytics

Introduction

Now in its 8th year Frontier is at the forefront of industry trends and insights into key topics that are influencing the marketplace.

Since 2016 we have had over 3,000 global responses from industry professionals across 30 countries and for 2023, we had over 360 respondents complete the study across brands, rights holders, agencies and many more.

Key Findings:

- 1.** With a downturn in the economy emphasis shifts to the LEVERAGE of assets using:
 - a. Communities & personalisation
 - b. Latest & new technology
 - c. Purpose led partnerships

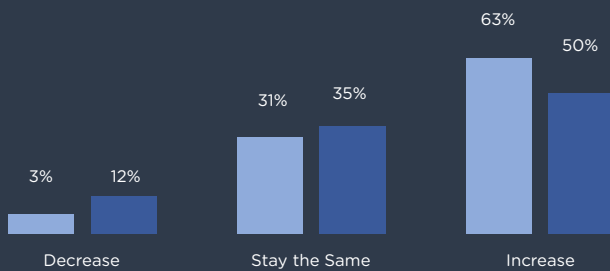
- 2.** The industry has committed to make a positive impact around gender and race equality however, it has a long way to go meet its potential for:
 - a. Age discrimination
 - b. Worker welfare
 - c. The environment
 - d. Disability.

- 3.** As purpose and ESG becomes a key integrated objective, the industry now needs to:
 - a. Use more data to inform its decision making process
 - b. Look for a standard measurement framework to evaluate ESG success.

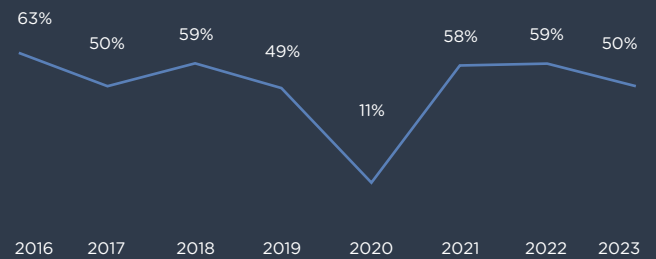
Market Performance

2023 is looking to be an economic challenge globally and the sponsorship market is no exception. Having bounced back from the pandemic, the industry looks to brace itself for lower growth than in 2021 and 2022 due to the economic downturn.

How do you think the sponsorship marketplace will perform year on year 2016 v 2023

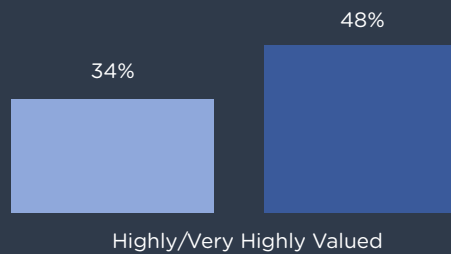


How do you think the sponsorship marketplace will perform in 2023 against 2022?



We have also seen a significant uplift in the sponsorship industry being a more valued function of the marketing and media community – Up 14% as highly and very highly valued from 2020.

How highly do you feel that the sponsorship function is valued within the marketing and media community?



Considering the economic challenges, the industry understands that it needs to be more flexible to keep fans and audiences engaged with their passions.

86% felt that the industry needs to keep costs affordable to their audiences and fans.

Brands use partnerships to ultimately change their purchasing habits and the industry is fully aware that lower budgets will be available from these sponsoring brands. Interestingly we found that the appetite is there for sponsors to pay fair market prices for their sponsorships, but they want more assets for their fees.

69% of the industry generally felt that brands having lower budgets will try and negotiate for more assets.

With limited budgets available to brands, **3/4** of the industry generally felt that sponsors will need to balance rights fees v activation fees – this feeling is particularly strong amongst the brands themselves.

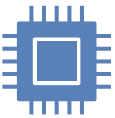
When asking the industry what the greatest challenge is for sponsorship in the next 5 years, there is a clear inclination on the effect of the economy.

Key to this is **LEVERAGE**

Maximising **ALL** types of content assets across multiple channels with authenticity to drive engagement by:



Building communities and data personalisation



Using the latest and new technology – including streaming, gaming, Metaverse, NFTs



Integrating purpose aligning consumers values and cultural drivers.



Focus on Purpose

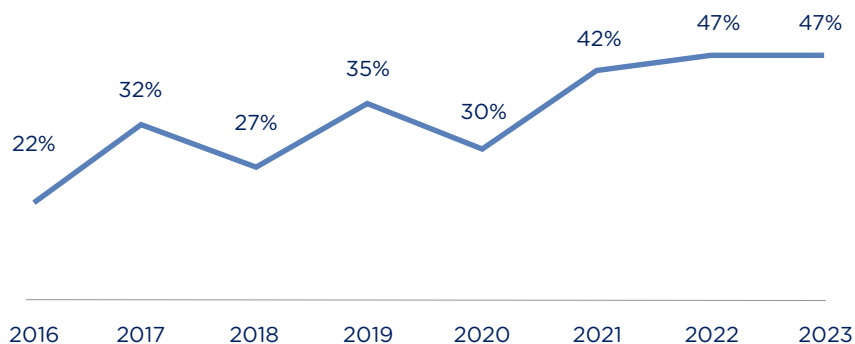
Sponsorship is “all about a brand connecting with its audience” and this is reflected in the top 4 sponsorship objectives. Since 2016, there has been little change in the importance of these, but one stand out change is the shift in importance of CSR/Purpose as a core part of a sponsorship / partnership campaign.

How do you think the sponsorship marketplace will perform year on year 2016 v 2023



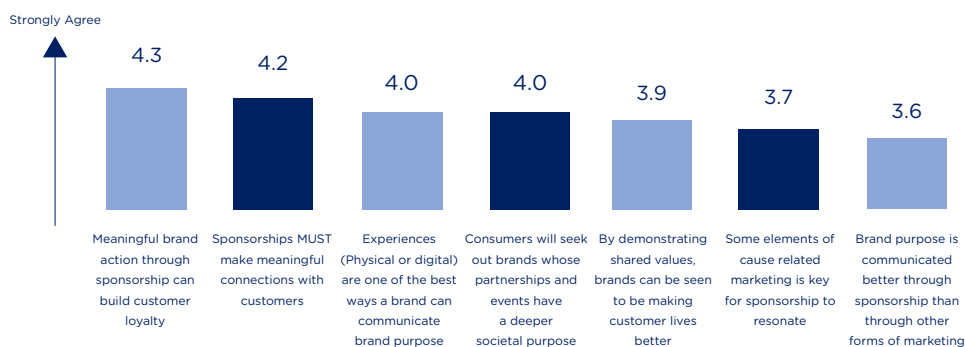
Purpose has grown from the philanthropic requirement to an integrated essential in activating partnerships.

The most important sponsorship objectives for brands:
Focus: CSR/Purpose/Cause Related



The last three years have seen purpose maintain its place as a core sponsorship pillar and its benefits are clearly understood across the industry in terms of the benefits of connecting to build customer loyalty

Average agreement with statements



Focus on Purpose

We know also know that incorporating a purpose into a sponsorship or partnership campaign does positively affect fan behaviour.

Our Decoding Study showed that:

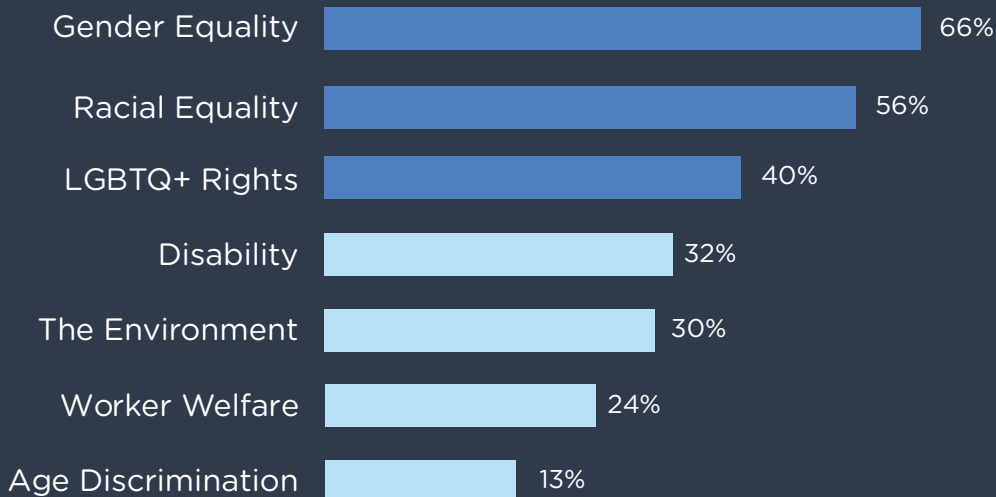
66% of fans are more likely to support a company that supports equality.

64% of European fans notice a sponsor if they support a charity/cause.

42% of fans have purchased from a company because of a cause related marketing campaign they have seen.

We gave our respondents seven different purpose based or ESG elements to rate on how they felt the industry was committed to use its platforms to make an impact.

Sports & Entertainment Industry High Commitment to Make a Positive Impact on...



Frontier 2023 found that the response of the industry was that there was a high commitment for the sports and entertainment industry to make a positive impact around gender and race equality and to some extent LGBTQ rights. But was behind in other areas such as age discrimination, worker welfare, the environment and disability.

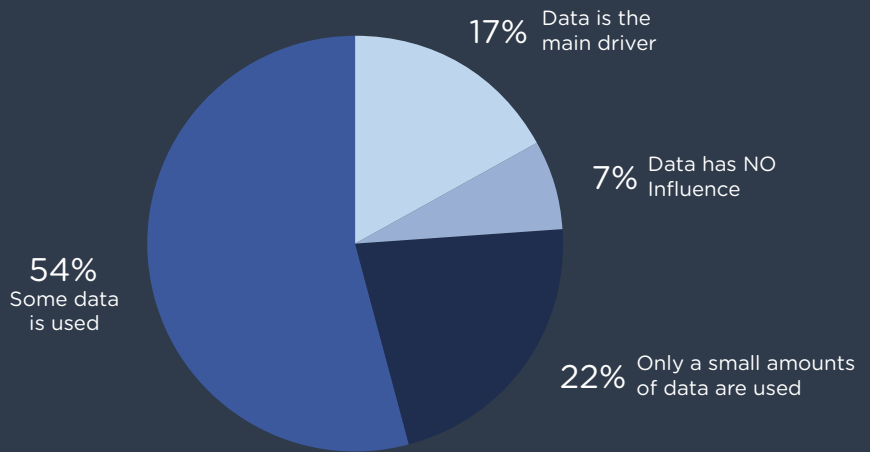
Data and Measurement for ESG Partnerships

With purpose now an integrated essential in partnerships and the industry looking to use its platform, we now need to start building frameworks to inform decision making and to measure success.

Less than 20% of the industry says that data is the main driver of their decision making - mostly a reflection of the low usage by agencies and rights holders - this rises to 27% for brands.

1/3 of the industry use no data or only small amounts of data to inform decisions.

The historical lack of data may play some part in its under use in decision making, but in recent years more portals are opening up to supply information, data and intelligence across ESG.



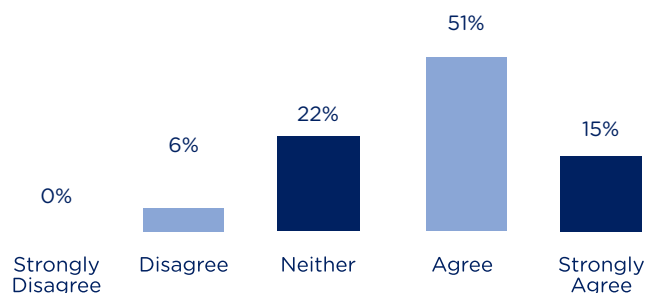
Budgets to evaluate the return on partnerships generally within the industry are often too low or non-existent with only **17%** of the industry very confident they can measure the business value return of their sponsorships.

Hence, now with this shift to incorporate ESG as a key objective in partnerships the industry needs step up its approach to measurement and potentially look at a standard measurement framework.

66%

agree that there needs to be an industry standard to measure ESG success

There needs to be an industry standard to measure success of ESG in Partnerships



About Frontier

WHO WE SURVEYED



366
RESPONSES



30+
COUNTRIES

BREAKDOWN OF RESPONDENTS



18%

BRANDS



35%

RIGHTS
HOLDERS



43%

AGENCIES

WORKING ACROSS



80%

SPORT



26%

ESPORTS



76%

MUSIC &
ENTERTAINMENT



28%

ARTS &
CULTURE



46%

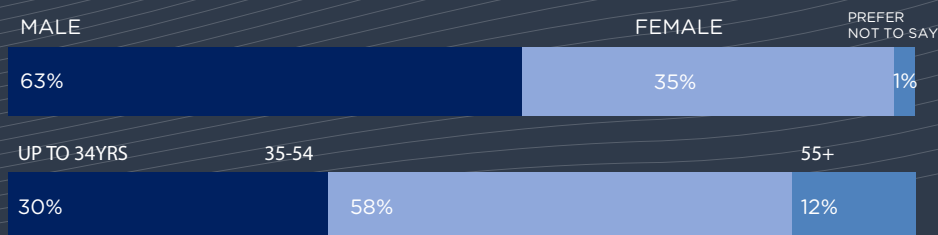
CSR/
CHARITY



24%

TALENT

RESPONDENTS PROFILE



About dentsu Sports Analytics

The sports and entertainment industry is constantly changing. New trends echo around the world in an instant. Fans are complex consumers who are constantly engaging with brands, sports and entertainment properties and media.

Dentsu Sports Analytics discovers, interprets and communicates significant patterns through insights to radically improve outcomes.

We work with brands, rights holders and agencies bringing rich data, analytics and insight techniques to optimise sport & entertainment sponsorship and marketing at “the Speed of Fans”.

We have proprietary tools and services across our three pillars.

Understand Fans

Strategy, Profiling
& Targeting

Which Partnerships?

Assess Value

Valuations

What are the assets
and IP Worth?

Measure Impact

Performance
& Optimisation

Did we meet the objectives?

For more information or talk through any challenges that you may have contact



Sandra Greer

SVP Head of Insight

Sandra.greer@dentsu.com