

2023 SPONSORSHIP TRENDS RESEARCH: A LOOK AHEAD



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INTRODUCTION

Every year, ESA asks its members what they think the top three sponsorship trends will be for the year ahead. These responses are then combined to produce the top 10 market trends. In 2020, at the turn of a new decade, members were asked what the trends would be to ensure continued growth for the decade ahead.

However, as the COVID-19 pandemic caused global lockdowns in early 2020, it became clear that those trends were likely to have changed. Members were surveyed again and asked what key trends would define the way in which the sponsorship industry would recover. The research was repeated in October 2020, to track how those critical factors had changed in reaction to the evolving pandemic situation.

<div> <div>ESA</div> <div>SPONSORSHIP MARKET TRENDS</div> </div>					
	January 2020	April 2020	October 2020	January 2021	January 2022
1	Sustainability (new)	Digital ↑ +3	Digital activation (=)	Digital activation & events (=)	ESG / Sustainability (re-entry)
2	Fan engagement ↑ +8	Community/CSR	Audiences in venues (new)	Community & Cause-based sponsorship ↑ +3	Live Events / Sports (new)
3	Measurement (=)	Esports ↑ +7	Measurement (re-entry)	Measurement (=)	Digital ↓ -2
4	Digital transformation & innovation (new)	Better sponsorship relationships (new)	Flexibility ↑ +1	End of lockdown restrictions (new)	Blockchain / Crypto + NFTs (new)
5	Data ↓ -3	Flexibility (new)	Community/CSR ↓ -3	Innovation ↑ +1	Activation - in and out of home = Fan Engagement (new)
6	Personalised content (new)	Sustainability ↓ -5	Innovation (re-entry)	Content & Social Media ↑ +4	COVID & its variants = Brand / Audience/ Consumer confidence (new)
7	Brand purpose (=)	Brand purpose (=)	Better sponsorship relationships ↓ -3	Flexibility ↓ -3	Data (re-entry)
8	OTT ↓ -4	Creativity (new)	Virtual experiences / events (new)	Esports ↑ +1	Flexibility = Importance of Measurement ↓ -3
9	Women in sport & entertainment (new)	Personalisation ↓ -3	Esports ↓ -6	Better sponsorship relationships ↓ -2	Hybrid event solutions (new)
10	Esports ↓ -2	Collaboration (new)	Content/social media (new)	Creativity (re-entry)	
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EUROPEAN SPONSORSHIP MARKET TRENDS - JANUARY 2023

The regular annual survey returned at the beginning of 2021 and continued in 2022 and 2023, and ESA can now report which trends will be the critical drivers of continued recovery for the year ahead.

There are some interesting shifts to the top 10 trends in 2023, with four new entries and some movement for those trends carried forward from 2021.

January 2023

1	ESG / Sustainability / Purpose	(=)
2	Global economy / Recession / Cost of living	(new)
3	Measurement	↑ + 7
4	Digital	↓ - 1
5=	Women's sport	(new)
5=	Live Events / Sports	↓ - 3
5=	Fan engagement	(=)
8	AR / VR / Metaverse/ Web 3.0	(new)
9	Esports	(re-entry)
10	Innovation	(new)



1. ESG / Sustainability / Purpose

ESG/Sustainability/Purpose is in the top position by a very significant margin. It maintains this position from 2022 and has gained the term 'purpose' in the responses.



We have seen the emergence of several terms – ESG, CSR, sustainability, community, purpose, and caused-based sponsorships – within the evolution of this trend.

Sustainability was No.1 in January 2020 before the pandemic hit Europe. This changed to 'Community and CSR' in the initial reaction to the pandemic, dropping only to second place. It was down to fifth in October 2020, before 'Community and Caused-based sponsorship' climbed back into second place in January 2021.

'ESG & Sustainability' came comfortably back into the first position in January 2022 and has shown its importance by increasing its dominance as the top trend for 2023.

Jill Downey, Chief Sustainability and Sponsorship Officer at Core Sponsorship, commented: "Sustainability is one of the key issues facing businesses globally, alongside things like digital transformation, cost-of-living crisis, recruitment and supply-chain issues – but they don't necessarily translate very easily into sponsorship and sponsorship activation the way sustainability and ESG do.

"Brands are looking for the opportunity to tell their story and partner with powerful rights holders and brands in the world of sport and entertainment to see what they can do to effect change and tell a positive story under that banner of ESG."

2. Global Economy / Recession / Cost of Living

Global Economy / Recession / Cost of Living replaces COVID-related trends as the key environmental factor to impact the recovery of the sponsorship industry.

As trends such as 'Audiences in Venues', 'End of Lockdown restrictions' and 'Covid and its variants' finally leave the trends chart after almost three years, they are replaced by the latest global issue to affect all organisations.

Results from ESA's Sponsorship Sentiment Tracker in October 2022 showed that while brand confidence was at its highest since the pandemic started, 48% of brands were very concerned about how the increase in the cost of living would affect their business and 76% were preparing for the impact.



In comparison, 61% of agencies and 48% of rights holders were preparing for the impact.

3. Measurement

The journey of Measurement through the various waves of this research is very interesting. It either appears in third place or nowhere really. Pre-COVID it was in third place, in the immediate aftermath of the COVID lockdowns it dropped out of the top ten completely, but came back in October 2020, into third place. It stayed there until January 2022 when it dropped down to joint 10th position. It is now back in its usual third place for 2023.

It's a curious trend as the ESA data clearly shows that it is important. Yet other industry research such as MKTG's Frontier report has shown an increase in the number of sponsorship professionals who are "not at all confident in measuring the business return of sponsorship" or who "don't measure at all", from 25% in 2020 to 33%. At the same time, the number who were "very confident" fell from 20% to 14%.

Philip Rouwenhorst, Senior Strategic Consultant at Blauw Sponsoring Insights, observed that this could be due to the increased scrutiny on sponsorship performance and return on investment given the recent and continued difficult commercial environment.

He said: "We see objectives of sponsorships changing and becoming more complex. Building brand image through the values and image of rights holders and their domains become more important.



"Focus in sponsorship research is still too much on media value and exposure alone. If that were the only metric, many great sponsorships would be seen as having little to no impact. Brands sponsoring in women's football, for instance, would only find that they generate less exposure compared to men's football.

"In other words, measuring the business return of sponsorships would then only give you half of the actual story, which makes professionals less confident in measuring. Only through deep consumer research can you find how sponsorships actually change the attitude and behaviour of consumers, thereby completing the full picture of business return of sponsorships."



4. Digital

Digital was pushed off the top spot last year when Sustainability rose to the No.1 position. It had been a firm fixture as the top trend since the start of the pandemic, although the meaning changed slightly through that time.

Now the responses for Digital are quite broad although related to activation and assets, whereas prior to the pandemic the meaning was more about infrastructure and digital transformation.

5. Women's Sport (5=)

Women's Sport is our second new entry this year. We previously saw 'Women in Sport and Entertainment' back in January 2020 in 9th position, but the meaning was more about women across all roles in sport and entertainment, rather than the growth of women's sport specifically.

The year 2023 will be another strong one for women's sport with many big tournaments in the calendar. It is also seen as a pivotal year for the opportunity to invest in and support women's sport, to be part of the change and part of the success.



Kelly Simmons OBE, Director of the Women's Professional Game at The Football Association (FA), commented: "It's not a surprise [to see Women's Sport trending] because it backs up our internal research. Two Circles did some research on the value of women's sport and estimated that by 2030, it would be worth £1bn.

"There's a great piece of work that UEFA have done around the value of women's football in Europe, and in the next 10 years that's estimated to be nearly £750m, and it's all underpinned by a massive growth in audiences. Women's sport around Europe is estimated to have around 144 million fans and that's due to grow to over 300 million.

"I think there is just a great opportunity for brands to get behind women's sport. It's a younger, more diverse audience with a female skew, it's got a great set of values and great role models and I think the big thing is that you can be part of driving change."



5. Live Events / Sports (5=)

Live Events/Sports has dropped three places, having been a new entry in 2022. Although 'audiences in venues' was second in October 2020 and the 'End of lockdown restrictions' was fourth in January 2021.

The return of live events following the pandemic was critical to the survival of many areas of the industry. Whilst outdoor events and some open stadium events could go ahead, albeit with reduced capacity to start, theatres, galleries and closed sports venues stayed closed for longer.

The backlog of postponed events then overlapped with regular calendars seeing a much-needed bumper year. The importance of live events is clearly still high, as some may wonder if the cost-of-living crisis might affect the number of attendees.

5. Fan Engagement (5=)

Fan Engagement was also joint 5th in 2022 with 'Activation'. It jumped into 2nd place pre-pandemic but then dropped off the top ten after lockdowns hit until January 2022. It could have perhaps been covered by more specific trends around activation, experiences and content. Rather than focusing on these tactical elements the trend seems to have moved to a more strategic-level focus and maintained its importance for the year ahead.

8. AR / VR / Metaverse / Web3

AR/VR/Metaverse/Web3 demonstrates an evolution of broader concepts after the introduction of terms such as 'Blockchain', 'Crypto' and 'NFTs' in January 2022.

Blockchain and cryptocurrency companies entered the sponsorship space in a big way and some have already failed or withdrawn big-ticket sponsorships. This had a part to play in a call for more due diligence, as seen in the December 2022 wave of the ESA Sponsorship Sentiment Tracker where 91% of respondents said rights holders should undertake more due diligence and risk assessment and 15% specifically mentioned crypto sponsorships as a reason.



It will be interesting to see how this trend develops over the year ahead.

9. Esports

Esports is a re-entry this year, having shot up to 3rd place in April 2020. It then fell quite rapidly to 9th in October 2020 and 8th in January 2021 before dropping off in January 2022. It hasn't quite kept the trajectory that many thought it would, although we are seeing more and more non-endemic brands entering the space and with great success.



10. Innovation

Innovation in this trend referred to innovation in rights and activation and didn't specifically include technological innovation, which was a trend in its own right that did not make the top ten.

We have seen Innovation in the trends list before, at 6th in October 2020 and 5th in January 2021. It was also referenced in 'Digital Transformation and Innovation' in 4th place pre-pandemic. It's quite a broad phrase and may be encompassed in some other trends but is strong enough as a standalone term to make the top ten.

