



talkwalker

GUIDE

IPL Sponsorship

Is it Really Worth it?

vivo

hotstar



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With the IPL just gone and the nation celebrating the Mumbai Indians' resounding victory, there's probably one question on every marketer's mind: were all the marketing dollars spent on the IPL worth it? To give you an example, Star India alone was set to have gained Rs. 2,100 crore from this year's ad spend.

In this piece, we're going to take a closer look into just that - is sponsorship really worth it? And if so, how do you calculate the ROI on your sponsorship. But before that - let's look at what sponsorship is and why millions of dollars are spent in sponsoring sporting events.

BACK TO BASICS - WHY SPONSORSHIP?

Why do brands invest millions of dollars in sponsoring events? Let's take a look below:

Main reasons for a brand to Sponsor an Event		
Reach	<ul style="list-style-type: none">•Brand presence•TV exposure•Enhancing digital footprint	<ul style="list-style-type: none">•Social media following and interaction•Earned media mentions
Consumer Connection	<ul style="list-style-type: none">•Brand-consumer match•Brand connection•Brand awareness	<ul style="list-style-type: none">•Consideration / purchase intent•Brand preference•Loyalty to the brand
Strategic values	<ul style="list-style-type: none">•Positioning•Product differentiation•Business development	<ul style="list-style-type: none">•Strategic alliances•Access to sponsorship additional rights
Engaging Employees	<ul style="list-style-type: none">•Engagement•Volunteering	<ul style="list-style-type: none">•Participation
B2B development	<ul style="list-style-type: none">•Business opportunities	
Community enrichment	<ul style="list-style-type: none">•Contribution to Community•Community impact	

As can be seen there are multiple reasons for a brand to sponsor a sporting event. The bottom line is - the decision to sponsor the event needs to be aligned with the brand objectives.

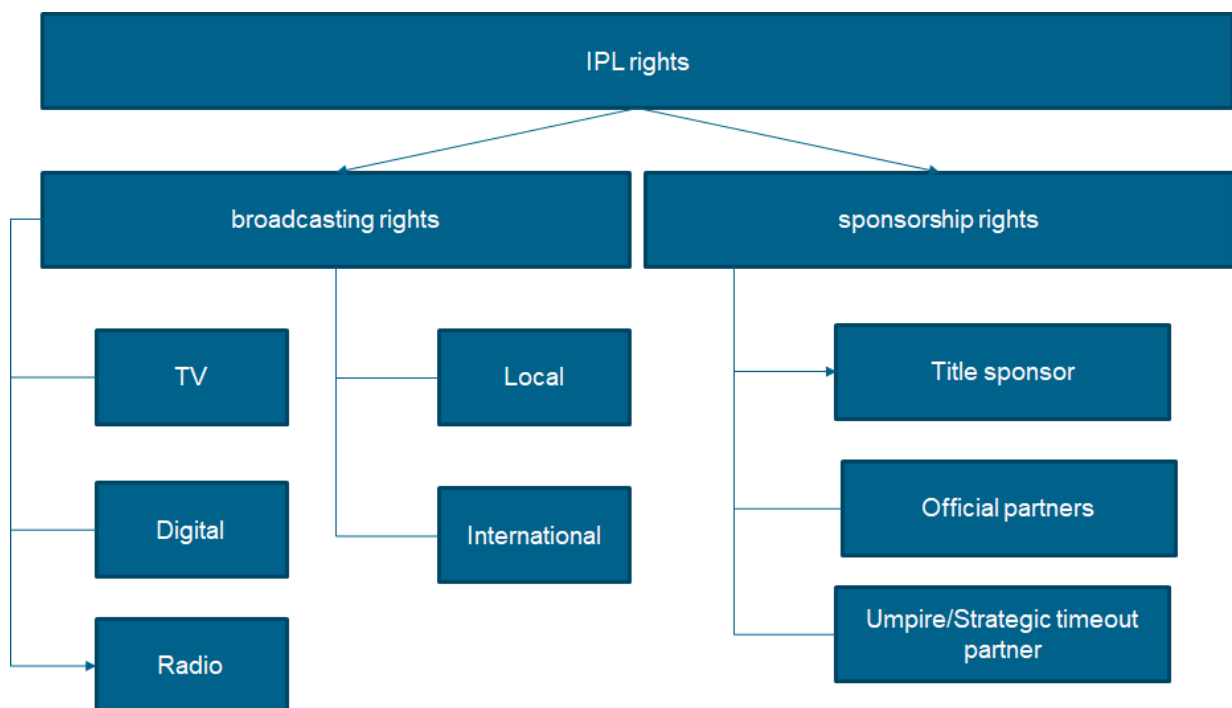
The next question is, how are sporting events funded? Is there scope for brands and sponsors to make a difference?

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■ Broadcast ■ Sponsor ■ Franchise ■ Ticketing ■ Merchandising

This therefore means that the official broadcasters are the ones providing the maximum funding. Here is a quick look at how IPL rights are distributed:



According to the sponsorship rights for the IPL, Star Sports - official TV partner - and Hotstar - digital streaming partner - would be the ones providing the maximum funds to the IPL.

Additionally, funds would pour in from broadcasters like YuppTV that had the rights to broadcast it in Australia and New Zealand.



Sponsorship rights include a variety of things - the IPL and each of the individual franchises would sell sponsorship rights to the different brands and organizations interested in sponsoring the league. Which brings us to the next question - why do people show interest in sponsoring sports events?

IPL SPONSORSHIP AND HOW IT WORKS

The BCCI (the organization behind the IPL) has been consistently good at attracting big brands and partners over the years. IPL signed Tata Motors as the official partner for three years and Vivo for the period 2018-2022. The amount from Vivo was [INR 2,199 Crores](#) - around 554% more than their previous contract. Tata Motors continues its association with the IPL again this year, promoting its Harrier vehicle and increased ad spend by 10% to promote its association with the IPL. Why?

As per Tata Motors, enquiries for the [Tata Nexon more than doubled](#) last year during the IPL period and the company as a whole saw its domestic sales go up by 61% compared to the same period last year.

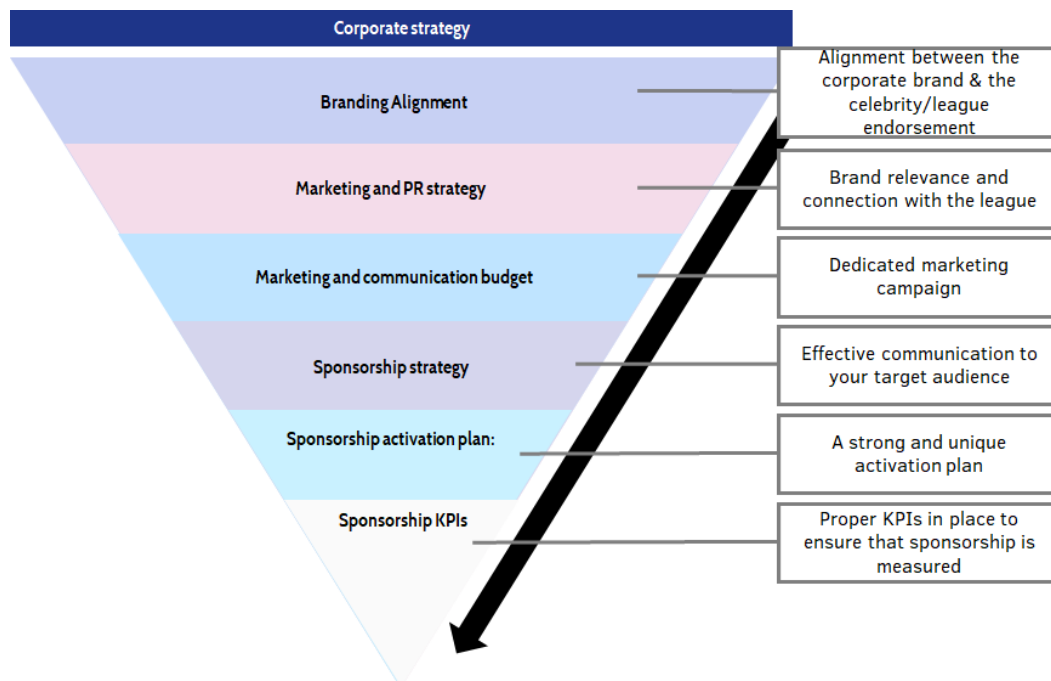
Here is a brief summary of the kind of sponsorship rights that they sell

Type of Right	Sponsor	Rights Examples
Broadcasting rights	Hotstar , Star Sports	Official broadcaster
Title Sponsor	Vivo	Event naming rights/ Title
Strategic TimeOut Sponsor	Ceat	Displayed live as a sponsor
Umpire Partner	PayTm	
Official Partners	FBB, Tata Motor	

So what do these brands gain from sponsorship? The most obvious answer is exposure and awareness. But it's not as straightforward as that. Sponsorship strategy is multipronged. If you're a brand, below are just some of the things you need to consider about sponsorship.

SPONSORSHIP - BEST PRACTICES AND TIPS

The bottom line for sponsorship is that it needs to be aligned with your brand and it needs to make sense. Marketing managers need to be very clear about why they would like to invest in a particular event.



So what are some tips and tricks?

The general rules of thumb in order to get the maximum returns from sponsorships is:

- *For every \$ spent in sponsorship, at least a \$ needs to be spent in activating it. For instance, HP was super active on social media for IPL 2018, for the matches for RCB. The tweet below is an example of them riding the wave and keeping the audience engaged*



- *It is advisable to create a dedicated campaign for marketing efforts around sponsorships to ensure that your audience is aware of it.*

- *Start communication early - preferably 1 month prior to the competition and keep the momentum going even after the league is over. We will go into this later in the report!*
- *In India celebrities sell - if your brand can afford it, an endorsement deal with a celebrity can do wonders for your sponsorship.*
- *Social media is a powerful tool - make sure you use all your social channels to spread the word about your sponsorship. Giveaways or sweepstakes of any type seem to work wonders.*

ROI - THE MILLION DOLLAR QUESTION

How do you calculate the ROI of sponsorship? It's probably the initiative that has the highest budget commitment, so it's the most important to ensure that the marketing dollars spent on sponsorship can be traced.

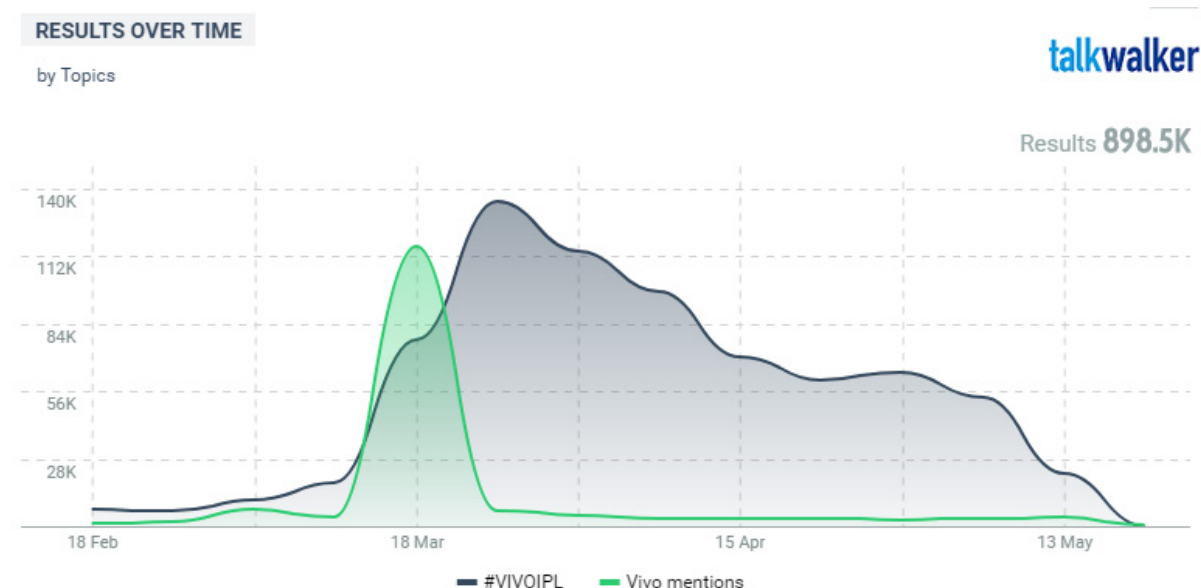
There are a few ways to calculate ROI for sponsorship.

- By taking into account the change in a brand's share of voice before and after the sports tournament.
- By measuring buyers' purchase intent using tools like digital surveys or social media audit.

BRAND SHARE OF VOICE

The most easily traceable return on investment for sponsorship will come from the digital footprint. Did sponsorship make a difference? Is the internet buzzing about your brand?

Turns out that for Vivo, this is very much the case.





Over a three month period, we can see that there was a massive peak in mentions of Vivo - not just for #VivoIPL but for the brand Vivo as well! We can see that the number of mentions started to rise exponentially towards the beginning of the IPL. There was a peak in mentions towards the middle of the IPL and then it died down gradually. During the 3 month period for the IPL, Vivo saw a 500% increase in mentions compared with the previous 3 month period. This may have been in part due to the Indian Elections as well - but 2019 was the exception, not the norm.

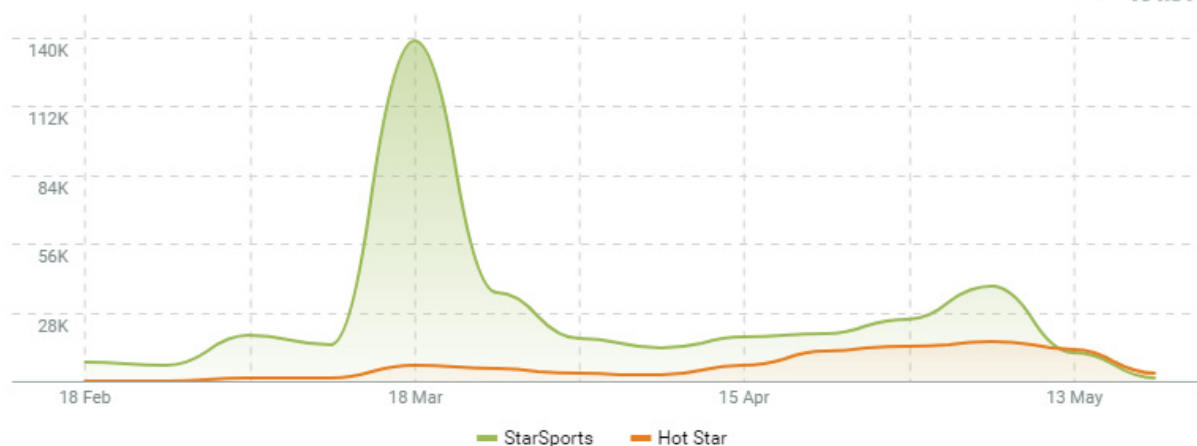
We can also see that Star Sports and Hotstar (data for the last three months) benefited quite a lot from the visibility they got as official broadcasters. Star Sports' had a massive rise in mentions towards the beginning of the IPL since they're mentioned for every match. For Hotstar the rise seems more gradual. The pattern is interesting since Star Sports rose to fame and died down in the middle, followed by a rise in mentions again towards the end of the tournament. For Hotstar the rise was more gradual and towards the end of the tournament more stable - it seems like the increase in mentions is here to stay.

RESULTS OVER TIME

by Topics

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Results 451.3K



Paytm is the official umpire sponsor for the IPL. If a brand knows how to activate their sponsorship well - it's Paytm.

RESULTS OVER TIME

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Results 305.3K

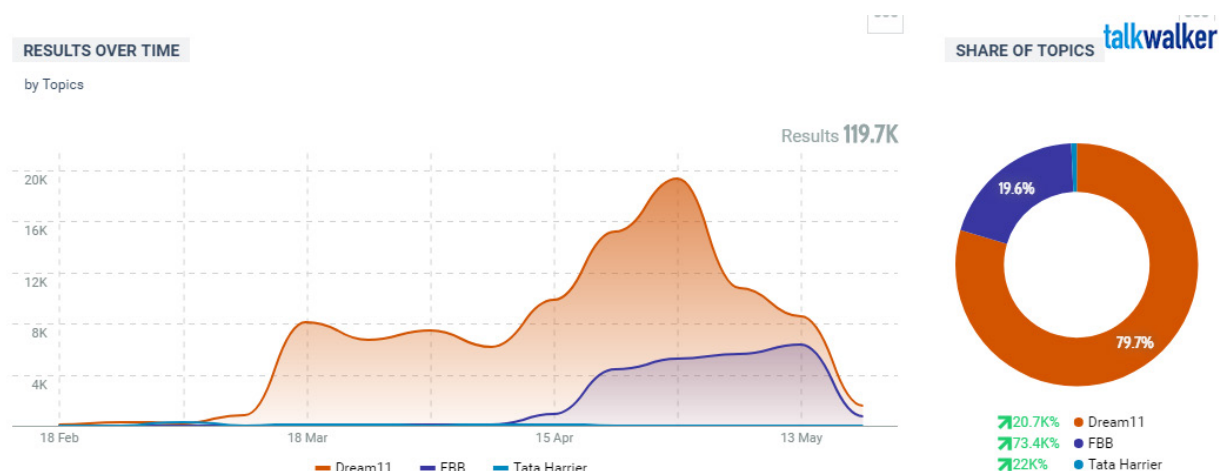




Paytm sees an increase in mentions towards the beginning of the tournament. Much like the other sponsors. Towards the end of the tournament, there is a decrease in mentions, but not by much. Interestingly, the peak in mentions for Paytm happened in the middle of the tournament.

This is because of activation campaigns from Paytm - there was a small campaign about “PayTM on Screen” and various other campaigns.

For the remaining sponsors we see a similar pattern. Dream 11 seems to have gained a lot from their association with the IPL and FBB as well. For Harrier, the jump comes at the end of April and May, but in the recent weeks there has been a decline.



Comparing yourself with your top three competitors and measuring share of voice in the market could be another great way to measure your sponsorship ROI.

DIGITAL PURCHASE INTENT SURVEYS

Purchase intent is a powerful measure of understanding whether sponsorship is working for you or not. A good measure of this is through surveys and interviews. You can hire an external provider to run a focus group or a survey to external databases to understand the impact of your sponsorships. More often than not, this could yield some concrete results.

Especially if you're a part of the team at a brand which deals in high value products and purchases such as automobiles. For instance, sales for the Tata Harrier due to their IPL sponsorships cannot skyrocket immediately since generally, a large investment is needed for it. Of course, enquiries can go up, but an immediate ROI would not represent an accurate picture. Purchase intent surveys would therefore help to understand the effectiveness of the sponsorships.

A good plan of action is to run a purchase intent survey before the tournament, comparing several competitors as well as your product and to run a survey after the tournament to see whether there has been any change in the results. One of the most powerful mediums for this is social media - you can use your social channels and tap into your audience - people who are already engaged with your brand - to see whether their opinions and views on your brand has changed.

CONCLUSION

Sponsorship is a high investment game. The stakes are high and the returns are long term. But if done correctly and measured well, sponsorship can be a game changer (pun intended) for your brand.



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Impact starts here.

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