

THE Sponsorship REPORT

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Saskatoon venue finds naming partner in local credit union

Teachers' Credit Union, now TCU Financial Group, is the latest Saskatchewan credit union to realize the branding benefits of venue naming

Since 1967, the Saskatoon Centennial Auditorium and Convention Centre has been the city's focal point for touring productions, conventions, conferences, wedding receptions and graduations. Remember that year – 1867, Canada's centennial – and pity Rob Jones, the venue's Executive Director, charged with selling naming rights to the municipally-owned building this year, 2004, Saskatchewan's centennial year.

“There probably could have been better timing,” he jokes. “I knew it wouldn't be a slam dunk.” No, but given the emotions and politics involved, the process was less bumpy than it might have been. **Jones hired Performance Sponsorship Group, based outside of Toronto, to handle the sale, and Senior Partner Judy Haber found a local partner,** TCU Financial Group, willing to pony up the \$1.1 million rights fee up front for 10-year naming rights.

Morris Smysnuik, General Manager of TCU Financial Group, clearly positioned the purchase as the acquisition of a valuable marketing asset. The venue has been renamed TCU Place, but some councillors lobbied hard for the retention of “Centennial” in the name. Locally, the venue is popularly referred to as the Centennial Auditorium. By stressing the commercial nature of the transaction, Jones and Smysnuik were able to make the case that the strength of the 38-year-old “Centennial” brand would overpower TCU, a new brand that had been on the market only a few months.

It is difficult to attract a national brand to a local venue, says Haber, and in smaller markets, “there are only so many buyers” for naming rights. When she began canvassing the marketplace for prospective naming partners, TCU Financial Group was still Teachers' Credit Union and nowhere near the centre of her radar screen. That changed abruptly when she got wind of the imminent rebranding.

Smysnuik says the credit union marketplace in Saskatchewan is changing. Collectively, they are major players in financial services, but they have been consolidating. Where once there were 250 credit unions in the province, now there are perhaps a hundred, a number that may shrink to 25 within the next 5 to 10 years. Teachers' Credit Union wanted to be among the survivors, but to grow through expansion rather than consolidation. Dropping “credit union” and rebranding to TCU Financial Group is a part of that strategy, with the new brand reflecting the wide range of financial services the institution offers.

Haber and Jones were able to show him how branding one of the city's premiere venues would elevate TCU to the same level as Saskatoon Credit Union and Conexus, the two credit unions that dominate the Saskatoon and Regina marketplaces in which TCU competes.

Sale of naming rights was prompted by an expansion of the venue, which is scheduled for completion in March 2006. Initially, Haber interested Smysnuik in the project by proposing that TCU participate in the financing of the \$10.6 million expansion. A commercial consideration of this nature might well have

rendered city council apoplectic, but it was quickly swept from the table when Smysnuik was convinced that the value of the deal lay not in commerce, but in the marketing and branding benefits it would deliver over the next 10 years.

If there is a commercial element, it is in the unique terms of payment. Naming rights were originally on the market at around \$1.6 million for 10 years. TCU was in a position to offer \$1.1 million up front, reducing the venue's borrowing needs and delivering value at least equal to the original proposal.

TCU does acquire the venue's banking business, but Haber says it was not technically part of the deal, and was certainly not a deal-maker. Rather, it was agreed that it would simply look "odd" for TCU Place to deal with any other financial institution.

And what of those benefits? TCU Place will play host to everything from major conventions to high school graduations. Its 2,000 seat auditorium features concerts and theatrical productions. TCU will receive the expected – tickets, a suite, twice-yearly access to the venue – which Smysnuik intends to leverage with clients and not-for-profit partners. Haber figures that over the course of the contract, most every family in the province will find some reason to pass through TCU Place's doors.

Smysnuik will also benefit from TCU Place's annual advertising campaign, which hits print, radio TV and, increasingly, online media. And Jones has his eyes on Regina, where TCU has one branch and another under construction. It's a market he has had difficulty penetrating, and sees opportunities for promotions – even ticket sales — through TCU branches.