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Sponsorship & event marketing

Nothing's sacred

Naming rights for venues from hospitals to subways are coming up for grabs as governments cut back and marketers get smart

by [Terry Poulton](#)
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As a strategy for zooming your brand identity up, up and away, nothing has more pizzazz than leaping a tall building Superman-style - and then crowning it with your corporate moniker. Until recently, it was office towers, sports stadiums and performance halls that attracted most of the leaping and much of the millions being spent to snaffle naming (and ancillary) rights for properties designed to showcase companies' business prowess and civic largesse.

Nowadays, however, so many "short buildings" and other novel venues are being "leapt" by a sometimes-surprising array of corporate pursuers that Judy Haber says "There's a gold rush going on in non-traditional naming rights opportunities."

A senior partner at Performance Sponsorship Group of Caledon East, Ont., Haber says she has brokered some unusual unions and knows of many other eyebrow-raisers either in existence or now being considered.

These naming rights and title sponsorship opportunities include shopping malls, Imax theatres, universities, science centres, schools, aquariums, amusement parks, convention centres and media centres for international events, not to mention city-owned properties such as parks, swimming pools and skating rinks. Venues carved out within other venues are also up for grabs, examples of which include the Sears Theatre (inside Toronto's Air Canada Centre) and the Air Canada Clubs inside Vancouver's GM Place, Ottawa's Corel Centre and Montreal's Molson Centre.

Even subway stations are being eyed, especially since Boston put its transit hubs up for grabs last year. That's a move that is ripe for emulation in Toronto according to Lawrence Solomon, executive director of the Toronto-based Urban Renaissance Institute, who reckons that the cash-strapped city could recoup millions by selling, say, the Yonge and Dundas station to the nearby Eaton Centre, or possibly the fashion district's streetcar route to a major clothing retailer.

A venue can even be scooped up if it's virtual, rather than bricks and mortar, as TD Waterhouse demonstrated when it bought the naming rights for the Toronto Maple Leafs' 2001 season. In some cases, the corporate suitors are more unusual than the objects of their affection. Examples include the Mattel and Hasbro toy companies, both of whose names are now

plastered on children's hospitals (in, respectively, California and Rhode Island); and Edmonton's Epcor Utilities. When its competitive hands were untied by deregulation, the company signaled its intention to branch out by transforming the Calgary Centre for Performing Arts into the Epcor Centre.

Why such an explosion of innovative partnerships at this point in time? Haber says it's easy to understand. Government cutbacks and the resulting budgetary shortfalls are one key driving force. Another is that sports stadiums have effectively "out-priced themselves" with stratospheric fees such as the US\$115 million bid placed by Internet biggie CMGI to name the New England Patriots' new Boston stadium.

Also, Haber adds, "sports arenas are sometimes abandoned by their teams and they're dark much of the time, while these non-traditional places often operate all year."

Shopping malls, where the foot traffic is enormous and consistent, are becoming enticing targets for naming rights acquisitions, especially in the U.S. In Canada, Haber says 25 million people per year pass through a venue such as Mississauga, Ont.'s Square One shopping mall, for which she is currently engineering a title sponsorship she hopes to announce next year. She was recently beaten to the punch when Minnesota's giant Mall of America sold naming rights to its five-story central rotunda to the Sam Goody music chain.

But, while many of the faces on both sides of today's bargaining tables may be new, their aspirations really aren't, Haber says. In fact, they generally resemble those that drove a 1991 deal when her then-client, Hummingbird Communications, purchased and eponymously renamed Toronto's O'Keefe Centre for the Performing Arts (dubbed in a 1960s naming rights deal for a local brewery).

"The O'Keefe found an alternate way to generate money to retain and augment its programming," Haber explains. "And Hummingbird, which was then a relatively new company, became a household name virtually overnight. So it was definitely a win/win outcome."

With smaller venues, such as museums, science centres and Imax theatres, says Rick Janes, the distinct advantage for title sponsors is the absence of the competing clutter that permeates arenas and rinks. As president of Toronto-based MacLaren Momentum (the events division of MacLaren McCann), Janes says he recently did an evaluation for the Famous Players cinema chain "to determine the [untapped] marketing value of its seven Imax properties across Canada."

The conclusion? "That these are bona fide opportunities because they have all the elements you should look for in terms of marketing deliverables," says Janes. These include "high traffic flow, opportunities for signage on-screen, in the concourses and on the exteriors - and they are also [exploitable] for media exposure." Best of all, he adds, "by taking the pre-eminent title position, you don't have to try to break through the clutter of dozens of other sponsors." Wayne Doyle, manager of public and media relations for Mississauga, Ont.-based Canon Canada, concurs with Haber and Janes and adds some extra insight. "In the past, acquiring naming rights in return for making a donation was mainly a philanthropic thing. But in today's

economy, people understand that, while it's great to put your name on a building, [doing so] has to serve your bottom line. So the question is, how do you leverage it for a return on your investment? And the answer is, you have to be able to take that naming opportunity and translate it into increased public awareness, increased public perception, or increased sales." On behalf of his employer, Doyle has been in the thick of a new-style naming rights acquisition lately in which the unusual element was not the venue but the suitor. Last week, the newly named Canon Theatre premiered its first production in a former vaudeville house that opened in downtown Toronto in 1920 as the Pantages Theatre.

"But can you imagine a company like Canon getting involved in theatre 20 years ago?" Doyle asks. "Today we realize that the demographics in the performing arts actually match up perfectly with what we're all about, as a company dedicated to imaging solutions." How are Canon's corporate interests being served by attaching its name to a theatre? Doyle says the benefits begin with being in the sort of multi-partner arrangement that characterizes many naming rights deals. Canon's partners are the humongous U.S.-headquartered Clear Channel Communications, which owns the property and brokered the deal, and veteran theatre impresarios David and Ed Mirvish, who will manage the facility.

Doyle expects that Canon will receive substantial exposure, thanks to the marketing know-how of both these partners. "Our name will be featured in every advertisement and in all publicity for every production, with coverage not only in the Toronto area but in tertiary markets such as the Northeastern U.S."

As for Canon's own customers, Doyle says, "Having the theatre gives us opportunities to continue building relationships, which is ultimately what business is about these days." So key customers will be feted at Canon Theatre premieres and others will be offered various cross-promotional prizes (see "Exploiting your edifice complex" to the left).

Although Doyle declined to disclose the price Canon paid for what amounts to the biggest billboard possible, some other companies practically brag about the cost-effectiveness of such deals, especially compared with the astronomic fees required to sponsor sports stadiums, teams or star athletes.

ROI potential is definitely a starting point whenever Toronto-headquartered Rogers Communications considers acquiring naming rights or other sponsorship positions, according to VP of communications Jan Innes. She says this applies even when a project is relatively small, such as the company's \$2 million investment in the Rogers Communications Centre at Toronto's Ryerson University, because, "no corporation just wants to throw money out the window."

Incidentally, speculation is rife that Rogers might acquire the naming rights currently on offer for the Toronto SkyDome. Innes says only that she "guesses it's something we'd look at. But we'd also look at our balance sheet to decide whether it's something we can afford and whether there's payback for us."

Other prime considerations in deciding whether naming rights are worth acquiring, according to Pete McAskile, CEO and creative director at Toronto-based sports and event marketing company Second Dimension International, are the contract terms. He says these generally include tenure in the facility and ancillary rights. The latter can involve selling or demonstrating the buyer's products within the venue, the type and volume of exterior and interior signage, and even restrictions on certain types of performances - as pertains in some cases where liquor and tobacco promotions are barred when youth-oriented entertainment is presented.

Even when the wisest of heads prevail on both sides of the naming rights equation, disaster can still strike, as the managers of an outdoor stage at Toronto's Harbourfront Centre can attest. Known as the Molson Stage for a couple of decades, it was hugely popular. But when rival brewer Labatt became Harbourfront's overall sponsor, Molson was obliged to vacate the premises. After about two years of anonymity, the stage acquired a new title sponsor this spring - Norigen Communications. But last month, Norigen declared bankruptcy, leaving the stage in the lurch once again.

As daunting as possible business failure may be, another potential pitfall - rejection of a venue's new name, especially if it replaces an historic favourite - can be almost as challenging. And it's usually tricky, McAskile says. While a company automatically expects free publicity whenever its new venue is mentioned in the media, it is often disappointed. "If the company name is just tacked on the front of the former name, it's almost sure to be dropped by the media and the public," he explains, adding that Canon was probably right to drop the venerable "Pantages" altogether, despite the likelihood of a backlash among theatre buffs.

Then again, there's always the possibility that a company's shiny new name may attract unfortunate jests. That's exactly what happened when Calgary's famous Olympic stadium was recently acquired by an oil company and became the Pengrowth Saddledome.

"Sounds like an infection brought on by too much horseback riding," quipped Bruce Arthur in the National Post.

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