



IEG SPONSORSHIP REPORT

The latest on sports, arts, cause
and entertainment marketing

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In Depth

Pros Offer Sales Advice For Good Times And Bad

Rather than analyzing the stock market's fits and starts, dissecting every comment made by Alan Greenspan or consulting Miss Cleo to divine the future direction of the economy, sponsorship sellers should concentrate on best practices that will help build relationships and close deals regardless of conditions, said some of the industry's most successful sales executives speaking at IEG's *Lead Sponsorship* conference.

"The past year was actually our best ever from a sales point of view," said Judy Haber, senior partner at Performance Sponsorship Group. Others view the economic slowdown as a reminder to get back to basics. "During the boom, sponsors bought so easily that we all got lazy," said Patrick Milan, managing director of Fallon Intersect, which works on the buying side with clients such as Conesco, Lee Jeans and Starbucks to develop and execute sponsorships.

Although sellers offered different approaches to the tasks of identifying and securing sponsors, they universally agreed the most important elements are taking time to understand prospects' businesses and demonstrating specifically how your property can achieve their objectives, particularly those that go straight to the bottom line.

"First and foremost, your job is to help sponsors cover their needs and show how your property is going to do that better than your competitors," said Amy Crowder, corporate sales manager for the NFL Seattle Seahawks. "While that may be most crucial when

Sales Advice continued on page 4

Strategy

Local Sponsorships Come First For Fifth Third

Fifth Third Bancorp—the 14th-largest bank in the U.S.—has signed more than a dozen new deals over the past six months as it expands through acquisition.

The deals emanate from the super-regional's 16 regional affiliates, wholly owned subsidiaries that oversee its local operations, including 927 branches in Florida, Indiana, Illinois, Kentucky, Michigan, Ohio and West Virginia.

The vice president of marketing for each affiliate typically screens and approves ties; affiliate presidents sign off on large deals such as venue naming rights.

In some cases, Fifth Third is increasing sponsorship at the behest of salespeople who seek new channels. "We have an aggressive sales culture that rewards referrals and cross-selling. Sponsorship provides opportunities to talk to prospects and network with people from our other business lines," said Diana Schoenberger, vice president of marketing for the Dayton affiliate.

Schoenberger seeks events such as auto, home and boat shows, where consumers shop for big-ticket items. "We're there

Fifth Third continued on page 3

WHO
Fifth Third Bank

TAKEAWAY
Super-regional bank adds local ties.

LEVERAGING

Land Rover And Jaguar To Trumpet Autos At Jazz Fests

Land Rover found its low-six-figure sponsorship of five Canadian jazz festivals last summer (*IEG SR*, July 2, 2001) so effective at reaching its target demographic and driving traffic to its dealers that this year it will team up with its Ford Motor Co. sibling Jaguar and step up presence at the events.

The marques, which primarily target 35-to-54-year-olds with \$75,000-plus HHI, will use the low-to-mid-six-figure deal to hype new versions of popular models debuting this spring—Land Rover's Range Rover and Jaguar's S-Type sedan.

Both nameplates plan to be on display at Jazz Festival Calgary, Edmonton's Jazz City Int'l Music Festival, Ottawa Int'l Jazz Festival, Toronto's du Maurier Downtown Jazz Festival and du Maurier Vancouver Int'l Jazz Festival. The Ottawa event replaces Jazz Festival Winnipeg in the lineup.

The two marques' decision to sponsor together was made easier after Ford's Premier Automotive Group restructured

Land Rover continued on page 2

UBS brings global branding and sponsorship platform to U.S.	6
AMERICAN ELECTRIC POWER signs with Cirque du Soleil tours	7
REGIONAL C-STORE CHAIN titles new balloon festival; radio partner signs cash-and-in-kind deal that includes resale rights	8
NEW DEALS	7
ASSERTIONS	2

Assertions

We hear **Cirque du Soleil** is in discussions to have **Intel** and **Janus** join **AEP** (see p. 7) as North American tour sponsors... The power company's campaign borrows a page from **BMW**, a sponsor of Cirque's 2001 Australian tour, which used Cirque **contortionists** in print ads to play up its "elegantly balanced" positioning. On site, the automaker displayed its X5 SUV on metallic balls and placed its Z3 sports coupe on its side on a wall.

Knowing the **hot buttons** of the company you're pitching is the starting point for any successful seller of sponsorship (see In Depth). While typically tied to the industry category of the company being pitched, **two universal** hot buttons repeatedly surfaced in discussions with sponsors at IEG's *Lead Sponsorship*. The first is **research and valuation**. Sponsors of every size and type said to sell a deal internally they need research on imagery, demographics and purchasing habits to show the opportunity's fit, plus they need third-party valuations to show they are not overpaying. The second hot button: **ethnic sponsorship**. Companies want to be more involved, yet are treading carefully after being burned by rightsholders inexperienced at working with sponsors.

A full **84 percent** of the **Radio Advertising Bureau's** members plan to increase **nontraditional revenue** efforts this year. **Event marketing** is the **most pursued area of NTR**, cited by **92 percent** of respondents to RAB's annual survey, followed by **cause marketing at 70 percent**. Other areas of NTR include: recruitment (58 percent), Internet (55 percent), manufacturer direct (44 percent) and dealer group (40 percent). More noteworthy findings:

- **Stations will be involved with more events and causes this year.** Respondents planning to increase NTR efforts most frequently cited event marketing (72 percent) and cause marketing (54 percent) as the areas they would grow. No other area garnered more than 50 percent.
- **Sponsorship is the most common event benefit sold.** Ninety-four percent of stations said the benefit most frequently included in the event offer is sponsorship. It was followed by signage (88 percent), booth space (86 percent), sampling (74 percent), couponing (64 percent) and hospitality (49 percent).
- **Fewer stations view sponsorship as merely added value to a media buy.** While 30 percent of stations always incorporate radio into NTR campaigns, that was a 20-point drop from 2001, according to **Bill Barr**, RAB's vice president of co-op/NTR services. In addition, 22 percent of stations report that half of all NTR offers do not even include radio. "Members are willing to look at the bigger marketing picture instead of insisting that traditional radio spots always be included," Barr said. "If clients don't see radio as their best option—or as an option at all—account execs must be able to create and execute campaigns that deliver results without using radio."

Missed call. The **Samsung** pavilion in **Salt Lake** showcased its **phones** and **new PDAs** but all fans could do was touch and feel them. They **couldn't try** them because **AT&T** had the official wireless service category and Samsung's service provider is **Sprint**. Over at the AT&T pavilion they had a similar problem. Hard to demo service with **no hardware!**

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Land Rover continued from page 1

WHO
Land Rover and Jaguar

TAKEAWAY
Two marques are better than one in raising on-site presence and gaining the attention of target demos.

the Canadian operations of its three British marques to fall under Aston Martin Jaguar Land Rover Canada at the start of the year. Similar restructurings already had occurred in the U.S. and Europe.

Formation of Aston Martin Jaguar consolidated marketing decision-making under vice president of marketing Jacques Parent, who signed off on the deal.

"This allows us to work together on this sponsorship or other initiatives without 1,000 phone calls," said Jennifer Hutcheson, event marketing spokesperson for Aston Martin Jaguar.

Land Rover Lacked Cash To Increase Involvement

Land Rover wanted to increase its presence at the festivals after collecting more than 7,500 names through an on-site sweepstakes last year and receiving positive feedback from dealers experiencing increased traffic after the events, Hutcheson said.

In preliminary discussions with Wakeham and Assoc. Marketing, Inc., which created and sells the multi-event package, Land Rover realized it did not have the funds to title proprietary elements and otherwise increase on-site visibility. So it decided to approach Jaguar to participate.

"Land Rover makes 4x4 vehicles, and Jaguar doesn't, so sponsoring together is a natural fit," Hutcheson said. "We see owning a Jaguar and a Land Rover as having the ultimate garage."

Aston Martin Jaguar is finalizing activation plans, looking to take advantage of opportunities it missed by coming on board late last year, Hutcheson said. The unit began discussing cross-promotions with several cosponsors at the Toronto fest's sponsorship luncheon, she said.

While the marques usually will be side by side on site and on collateral materials and signage, each wanted non-shared benefits, said Marilyn Michener, Wakeham vice president. Land Rover and Jaguar rejected an offer to co-title the high-profile Concert Under The Stars series at the Ottawa fest, opting instead to present several concerts individually.

Land Rover also has signed a new deal with pro golf's Telus Skins Game in Toronto this June.

Absolut Attractions

To reach 20-to-25-year-olds, Absolut Vodka has signed a mid-five-figure deal to sponsor urban-groove performances at clubs as part of the Calgary, Edmonton, Toronto and Vancouver festivals, as well as Victoria, B.C.'s JazzFest Int'l. At the Toronto fest, the brand—distributed by Maxxium Canada, a subsidiary of Maxxium Worldwide B.V.—will sponsor a pass giving attendees access to the 20 shows taking place during the 10-day event.

Bundling to create a national property has given the festivals access to more prospects than in the past. "It enables us to acquire more national sponsors because major ones are looking to penetrate more than one market," said Robert Kerr, Vancouver's executive director. "This way they can create a consistently themed marketing campaign across the different markets."

SOURCES

Aston Martin Jaguar Land Rover Canada, Tel: 905/792-9400
Du Maurier Vancouver Int'l Jazz Festival, Tel: 604/872-5200
Wakeham and Assoc. Marketing, Inc., Tel: 416/593-0040

Fifth Third continued from page 1

to communicate that we can often save attendees money if they buy a car or boat with a home equity loan.”

Fifth Third's sponsorship thrust also is being fueled by its acquisitions, which include the purchase and rebranding of Grand Rapids, Mich.-based Old Kent Financial Corp. in '01, Evansville, Ind.'s Civitas Bank in '99 and Dayton's Citizens Federal Bank in '98. Fifth Third now has \$71 billion in assets, up from \$21 billion in '97.

“We've picked up a tremendous plate of new products from the acquisitions,” Schoenberger said. For example, the company's mutual fund offerings have grown from eight to 31 as a result of the Old Kent deal.

“Sponsorship gives us the chance to get the word out about those products.”

Acquisitions also strengthen the need for Fifth Third to demonstrate its community involvement, Schoenberger said. “People hate change. Sponsorship lets us make a statement that we're here to stay.”

Fifth Third's Grand Rapids affiliate last year signed a 10-year renewal to title that city's Single-A baseball venue, a deal originally done by Old Kent.

“It was important for us to reinforce our commitment to western Michigan,” said Larry Magnesen, director of marketing, who dubbed the venue Fifth Third Ballpark to differentiate it from Fifth Third Fields in Toledo and Dayton.

The affiliate has retained several other sponsorships initiated by Old Kent, including Grand Rapids' Fifth Third River Bank Run and the athletic departments of Michigan State University and Western Michigan University.

Back To Ohio

Fifth Third's Toledo affiliate sponsors to showcase its community roots, which it believes distinguish it from competitors and ultimately lead to new customers.

“Sponsorship changes how people perceive our bank, which drives business at least as well as offering a free gift for each new account, which every other bank does,” said Karen Fraker, vice president of marketing for the affiliate, which covers northwest Ohio and southeast Michigan.

Toledo is kicking up product-specific promotions around the opening of Fifth Third Field, home to the Triple-A Toledo Mud Hens.

The bank is promoting team-themed checking accounts and offering

a free team jacket with each \$15,000 home equity line of credit, said Fraker, who also will use the venue to entertain employees and commercial accounts.

The affiliate also uses sponsorship to boost its relationship with The Kroger Co., where it operates in-store branches. For example, around its tie to Toledo Zoo, the office has run sweepstakes at Kroger branches that included prizes provided by Pepsi-Cola North America, which Kroger brought in, Fraker said.

The affiliate also sponsors the LPGA Jamie Farr Kroger Classic presented by Alltel, where it titles a pro-am.

Fifth Third's Cincinnati affiliate, based at corporate headquarters, titles three of the four properties it sponsors: Fifth Third Bank Broadway Series; Fifth Third Bank/Fox 19 Celebrity Classic charity golf tourney; Fifth Third Bank Cincinnati Home & Garden Show presented by GMC; and Kentucky's Newport Aquarium.

“Branding is extremely important. You don't have brand equity if you get lost in a sea of logos,” said Jennifer Bishop, the affiliate's sponsorship manager, who screens and funds ties with five other marketing specialists.

The Cincinnati affiliate's sponsorship objectives include product sales; it is pleased with the 74 loan applications it received at last year's Home & Garden Show, Bishop said.

Business Lines, Branches Sponsor

Fifth Third sponsorships also can emanate from corporate's four business lines—commercial, investment, retail and Midwest Payment Systems, its electronic payment processor subsidiary. For example, the retail business line sponsors the AHL Cincinnati Mighty Ducks.

Individual branches also take ties; deals typically are less than \$5,000, Bishop said.

Fifth Third's other affiliates are based in Chicago; Cleveland; Columbus; Detroit; Evansville; Florence, Ky.; Huntington, W.V.; Indianapolis; Lexington, Ky.; Louisville; Naples, Fla.; and Traverse City, Mich.

SOURCES

Fifth Third Bancorp, Tel: 513/579-5300
 Fifth Third Bank, Dayton, Tel: 937/227-3064
 Fifth Third Bank, Grand Rapids, Tel: 616/771-5470
 Fifth Third Bank, Toledo, Tel: 419/259-7890

Bank Parking

MidAmerica Bank has signed a three-year, \$185,000 deal with the Naperville Park District, becoming sole sponsor of sports programs and official bank for the park district of the fourth-largest city in Illinois.

The bank will receive exclusive on-site presence at all sports programs and signage rights at the district's four sports complexes, recognition on collateral and T-shirts and ID on a billboard near downtown announcing upcoming district events.

The MAF Bancorp, Inc.-owned bank, which operates four of its 33 branches and two loan processing centers in Naperville, has supported district events and teams since opening its first branch in the city in '75.

“We wanted to build on what we've already done,” said Callie Matheny, promotions and PR manager for the bank. “Kids grow up through those programs and develop wonderful memories; we want to be part of that to help build our relationships with families.”

The bank will activate the deal with a three-month customer acquisition promotion that taps residents' fealty to the district. For each new account, the bank will donate \$10 to the district in lieu of giving the customer a gift valued at \$10.

“Checking is one of our core products,” Matheny said. “Once someone opens a checking account, it's much easier to get them to try our other products.”

MidAmerica plans to eventually sign up new accounts on site, but will begin leveraging the tie by touting its Kids' Savers Account, which a child can open with \$1. Mascot Nickel B. Eagle will hand out promotional items at tee ball games, soccer matches and other events.

The district approached the bank as part of a recent push to grow alternative revenue sources, said Erin McNulty, corporate relations manager, who sold the deal.

Tom Miers, MidAmerica's senior vice president of retail banking, signed off.

MidAmerica Bank, Tel: 630/920-2720

Naperville Park District, Tel: 630/848-5000

Pros Offer Sales Advice For Good Times And Bad continued from page 1

AT ISSUE

Successful sponsorship sales

TAKEAWAY

In any economy, targeting the right prospects and demonstrating business-building benefits are critical to success.

sponsors are financially challenged, it is the same approach to take when the economy turns around.”

“Ask them, ‘What’s keeping you up at night? What’s the problem you’re unable to solve?’ Then show them how you can help solve it,” Milan said.

Jay Aldous, senior partner at The Brighton Group, which advises nonprofits on sponsorship and marketing, takes a more traditional approach to prospecting. “I suggest using statistical probability to increase your odds. There always will be exceptions, some company that defies all the rules, but it’s not efficient to devote time and resources to chasing those.

“With high-quality prospects your success rate is probably one in 20, which is much greater than it would be without being strategic.”

Aldous recommends beginning with industry categories that fit with the property because of a logical tie-in or similar demographics and then measuring companies in those categories against a set of “favorability indicators” that allow properties to rank companies in terms of likelihood of sponsoring.

The criteria will differ for each property and should be based on experience with past sponsors, as well as the property’s revenue and promotional goals. “If you are a national cause looking to maximize fund-raising, the number of stores or outlets a sponsor has is going to be a critical factor,” Aldous said.

He recommends scoring companies on a one-to-five scale on how well they meet the criteria (see table). “If a company is already involved with a similar property, they would rate a one or zero because the chance they would leave and sponsor your property is low. If you find out their current relationship isn’t solid, then the score would come up. Similarly, if you have a senior level contact, that’s a five. If you have one through a past acquaintance, that’s a three.”

Companies with a total score above 20 are prospects with a reasonable chance of becoming sponsors, Aldous said. “Between 11 and 20 you have some chance, but it’s not super-promising; 10 and below you’d just be banging your head against the wall.”

The key to the system is conducting good research that will enable you to accurately score each company, Aldous said.

Brighton Group client Steve Miller, director of corporate development for Make-A-Wish Foundation of America, said the cause used the system to good effect to target the QSR category. “We had a national board member who had recently been named vice president of promotion for Burger King, so naturally everyone thought that was our best shot.

“But we stuck with the system, and the research to judge favorability indicators turned up that one of our chapters had a personal contact with the vice president of PR at Domino’s Pizza. The chapter then found that Domino’s was ending its relationship with a national nonprofit, so there was an opportunity.

“The scores showed that Domino’s was a better candidate than Burger King. Had we not done it this way, we would have focused on Burger King and ended up waiting because it’s unrealistic to expect someone new to the organization would be able to immediately set their cause marketing agenda. Instead, it was the right time to go after Domino’s, and we signed a three-year deal with them.”

Prepping The Pitch

Of course, the stars being aligned in your favor doesn’t seal the deal. The right package of benefits and ideas pitched to the right decision-maker is the heart of the sale.

Further research is required before the pitch. “We’re too anxious to pick up the phone,” Haber said. “Ninety-five percent of your time should be spent figuring out what to say.”

Targeting Your Most Likely Candidates

Conventional wisdom says it is not worth a seller’s time to go after companies that have never sponsored because before you can sell them on the merits of your property’s benefits, you must invest the time to educate them that sponsorship is a viable marketing tool.

Haber offers a contrarian view. “If you’re calling the Verizons, the Cokes and the AT&Ts, they already are committed to millions of dollars of other sponsorships and you’re one of 100 new proposals they receive each week. How are you going to break in? The door is pretty much shut. Use the time it would take to get in that door and find some new blood and start involving them.”

The need to educate such companies on sponsorship’s merits as a medium is overstated, Haber believes. “All you need to get their attention is to tell them how you can make them money.”

Haber, who has secured deals from first-time sponsors such as EPCOR Utilities Inc. (*IEG SR*, May 14, 2001) and The Mad Science Group (*IEG SR*, Dec. 10, 2001), noted that pitching fresh prospects requires a long-term strategy. “They may not buy now, but if you’re in this for the long haul, they’ll buy in one year or three years.”

Going after non-sponsors allows you to cast a wider net. Haber noted that ideas for companies to target have come from friends, colleagues and various media. “You’re looking for companies that are doing well, but that you haven’t heard of yet. I look at the stock pages to see who’s at their 52-week high. Classified ads are a great source; they tell you who’s hiring, who’s growing.

“Whenever I make a pitch and get a ‘no,’ I always ask that person who they would recommend I talk to. A telecommunications company turned down a deal I was offering, but told me to talk to another company that I didn’t think had the money. They ended up making a \$20 million deal.”

BRIGHTON GROUP’S PROSPECTING TOOL

Favorability Indicator	Company A	Company B	Company C
Senior-level Contact	Yes 5	Past Acquaintance 3	No 0
Geographic Presence	Most Regions 3	National 5	One Region 1
Number of Outlets, Locations	1,000+ 5	500 4	100 1
Facing Critical Business Issue	Yes 5	Yes 5	No 0
Active Sponsor	Yes, Major 5	No 0	Yes, Small 3
Sponsoring Similar Property	Yes 1	No 5	No 5
Total	24	17	10

Both Haber and Erin Hager, vice president of agency Arts & Communications Counselors, recommend getting an inside perspective from someone who works for the company, but is not the decision-maker. "That person can help you map your way through the organization, tell you what the hot buttons are and what realities the organization faces," Hager said.

Haber often begins with the director of sales. "Someone in sales will get what it is that I'm after, empathize and want to help."

Key information to obtain from these "coaches" is when and whom to approach with your proposal. The right guidance in these areas can make or break a potential deal, said Bill Carter, president of Fuse Integrated Sports Marketing, who consults to buyers and sellers in the action sports arena.

"We get about 30 calls a month each for our clients Ford, Gillette and Pepsi. We get as many in March as we do in September, when, in accordance with their fiscal years, is the time we sit down with them to make decisions. So unless you have some way to keep the ball rolling from March until September, you're doing yourself a disservice to approach us in March."

If more than one individual or group is involved in the decision, approach them all, Carter advises. "For example, at Ford you have the brand team, you have ad agency J. Walter Thompson and for action sports properties, you have Fuse. Even though it's three times the work and it's tempting to avoid agencies because maybe you've had a bad experience in the past, you are better off talking with all of us for two main reasons.

"First, avoiding any of those groups will backfire because the proposal is eventually going to be passed along to everyone and now you've alienated those you didn't initially send it to. Second, different people will see benefits that others will not. For example, my focus is on site. If you only send me the proposal, and I think the on-site benefits aren't worthwhile, it might go in the trash. But if JWT also has it and says the media elements are strong, they're going to push the process ahead."

Aldous advises trying a pitch on one company in the category in advance of scheduling other meetings, allowing you to pick up some of the issues and even the language of the industry. "I'm always much smarter after talking to that first company," he said, relating that his client the National Parks Conservation Assn. has taken the tack of not pitching its best prospects first so it can practice and polish its approach on those less likely to say yes.

Meeting Management

Haber effectively summed up the sales pros' opinion of handling the initial meeting when she said, "Be very brief, to the point and then shut up."

While it is natural for any salesperson to love talking about his or her product, the meeting should be focused on the prospect. "They want to talk about themselves and you need to listen to determine what you can further offer them."

Listening also is an effective tool because it helps to establish a relationship that can extend beyond the fate of a particular deal, Hager said.

Finally, leave the meeting with specific next steps. "It's not good enough to say, 'I'll draft something and send it to you,'" Haber said. "You need to add, 'Let's discuss it next Thursday at 4 p.m.'"

In addition, keep the deal alive while it works its way through the company's system. "Involve your contacts in other successes you're having," Haber advises. "Tell them about other new deals, media partners or any good story."

Top Tips

1. Forget e-mail. Sponsors and sellers at *Lead Sponsorship* unanimously said buyers do not want to receive proposals or solicitations electronically.
2. Fill in gaps. Most sponsors are dealing with staff reductions, as well as budget cuts, Carter noted. "Offer to staff their booth or train their salespeople on the event; that will make a big difference."
3. Call at the right time. Haber has found the best times to reach buyers are 7:45 a.m. to 9 a.m. and 4:45 p.m. to 6:30 p.m. "The rest of the day they're in meetings or busy." She said Friday is the best day to call—"people are happier and more inclined to engage"—and Monday is the worst—"no one wants to talk."
4. Accept one-year deals and price accordingly. While multi-year agreements offer greater security, many sponsors have a mandate to only sign for a year, Carter said. "At the end of '01, we reviewed all deals we negotiated and found that sponsors typically pay 15 percent to 20 percent more for a one-year deal. There are worse things than taking a short-term financial benefit in lieu of the certainty that they'll be back."
5. Don't jump at quick cash. Beware of deals that earn immediate revenue but undermine long-term success, Carter said. "UnVailed, one of the top five snowboarding events in the world, this year gave in to pressure from a sponsor to change its name completely and has lost all of the equity it built over the years."
6. Leverage connections. Many properties don't bring significant purchasing power to the table, but they may have connections who do. "A board member may control a large office building or venue with significant energy and food-and-beverage contracts," Haber said.
7. Build a team. Miller shares his prospecting process with his board and chapter staff, and asks for help in implementing the plan. "We give them specifics about categories and companies so they are focused only on those areas that are going to help." Miller sends monthly status e-mails and recognizes those who have given contacts. "Don't just ask for help and not report back."
8. Contact your sponsor's retailers. Since retail promotions are critical to the success of many sponsor promos, properties should make sure retailers understand them and what to do. "A property that extends itself to the retail level will make a great impression on the sponsor and gain an ally when it comes to renewing," Carter said.
9. Join their team. Become involved in something the sponsor does that has nothing to do with your property such as a company philanthropic effort, advises former Disney and Pasadena Tournament of Roses exec Steve Leland. "If you want them to embrace your culture, why not invest in theirs?"

SOURCES

Make-A-Wish Foundation of America, Tel: 602/279-9474
 Seattle Seahawks, Tel: 206/381-7818
 Arts & Communications Counselors, Tel: 416/966-3421
 The Brighton Group, Tel: 435/658-2783
 Fallon Intersect, Minneapolis office, Tel: 612/321-2415
 Fuse Integrated Sports Marketing, Tel: 802/864-7123
 Performance Sponsorship Group, Tel: 519/940-4442

BRANDING

UBS Takes Sailing Tack To Compete In Global Financial Race

Some of the best amateur sailors in the U.S. will vie against America's Cup teams in the UBS Challenge, a series that sets sail next month. Created by UBS Americas, Inc., the event leverages the estimated \$13 million-plus in yachting sponsorships signed in the past year by the financial services company's Swiss parent UBS AG.

UBS AG, which is number 62 on the *Financial Times* Global 500, decided on sailing after considering Formula One and other international sports properties. Ties include cosponsorship of the October-through-January Louis Vuitton Cup, the America's Cup qualifying series in New Zealand; title of the Swiss challenger in the America's Cup and cosponsorship of two entries in the current Volvo Ocean Race. UBS is promoting the sponsorships in a global ad campaign that touts the similarities between its corporate culture and sailing: teamwork, strategy and skill.

UBS Americas, one of three main regional offices worldwide, hopes the sponsorship will raise the profile of the UBS brand and its U.S. business units—brokerage firm UBS PaineWebber, money-management firm UBS Warburg and institutional asset manager and mutual fund provider UBS Global Asset Management. All three operate under the UBS Financial Services Group umbrella.

"The UBS brand is not that well known in the U.S., even though some of our brands are," said Neil Gluckin, executive director, marketing communication for UBS Americas. "Corporate asked us to come up with ways to tie into the America's Cup and the global branding initiative. America's Cup has a lot of interest in the U.S., but it's removed from us in terms of time and space. The UBS Challenge will bring it closer to home."

The region's three-year commitment to the event ensures an ongoing promotional platform regardless of how the UBS America's Cup entry fares, Gluckin said. "We had to ask ourselves what would happen if the team doesn't go all the way. The UBS Challenge provides value in this market regardless of the America's Cup outcome."

UBS Americas, which received some funding from UBS AG toward the estimated low-seven-figure deal, is the first regional office to leverage the parent company's sailing involvement with a major sponsorship, said Gluckin. "There is a strong likelihood that the other regions will follow suit," he added.

The UBS Challenge includes six regional competitions at yacht clubs around the country and culminates in a two-stage, week-long championship in Newport, R.I. in late July that will be part of the prestigious Swiss Match Grand Prix Sailing Tour.

The business units will invite customers and prospects to UBS Challenge events, said Gluckin, who plans to expand the number of regional qualifiers to eight next year. Gluckin spearheaded and signed off on the tie with other marketing execs, including Donna Peterman, managing director and head, communications and marketing for UBS Americas.

UBS will run a community outreach program dubbed Art of Sailing, in which art students in the six qualifier host cities will compete in a sail painting contest. The sails will be auctioned, with proceeds donated to Better Chance, a non-profit that helps young people of color gain education and leadership skills.

"Part of our challenge is to make our message relevant to people apart from hardcore sailing enthusiasts. This takes our story away from the waterfront," Gluckin said.

UBS is conducting discussion groups with reps in each business unit to acquaint them with the program and hospitality opportunities, said Gluckin, who will track sales force feedback and media exposure to determine success.

Benefits for UBS include opening and closing billboards and ads during a half-hour broadcast on Outdoor Life Network.

Event owner Octagon is pitching cosponsorship packages and is close to signing deals with Continental Airlines, Inc.; Nextel Communications, Inc.; and watch manufacturer Omega, Ltd., said Scott Macleod, the agency's senior vice president of international sales and marketing.

Sponsorship Lends Credibility To Corporate Campaign

UBS AG leverages its sailing ties through client and prospect entertainment. It also will tour an America's Cup-themed interactive exhibit and will leverage the sponsorship in its bank branches in Switzerland.

"A sponsorship like the America's Cup team makes your advertising more critical. It gives you more credibility to run an ad showing your logo on a sailboat than just running sailing pictures," said Laurent Joliat, the company's head of sports sponsoring.

WHO

UBS

TAKEAWAY

Sponsorship of sailing provides platform for global branding initiative.

UBS AG ties into track and field, hockey, snowboarding and cultural events in its home country, including the Locarno Film Festival, Montreux Jazz Festival, Swiss National Exhibition, Swiss Olympic Assn., Swiss national hockey team and UBS Verbier Festival Youth Orchestra.

UBS AG also is funding the first U.S. edition of Art Basel, an art fair it has sponsored for nine years in Switzerland. Art Basel Miami Beach is slated for December after being postponed due to the Sept. 11 attacks.

The company's business units sponsor autonomously, although they share benefits to help build the UBS brand, Gluckin said. For example, UBS Warburg shares hospitality opportunities with its siblings around the UBS Warburg Cup, a Ryder Cup-style tournament featuring U.S. versus international senior pros that it created last year with IMG.

UBS PaineWebber sponsorships in the U.S. include Juvenile Diabetes Research Foundation, PGA Tour's Bay Hill Invitational presented by Cooper Tires and Cambridge, Mass.'s American Repertory Theater.

UBS Warburg's London office also is sponsoring two shows this year at the Tate: an Andy Warhol exhibition at the Tate Modern and Lucian Freud at Tate Britain. The company is touting the ties through an exhibition-themed print campaign.

UBS Switzerland—the business unit that in addition to being the largest bank in its home country oversees the company's private banking services for high-net-worth individuals around the world—sponsors events in conjunction with the Yacht Club de Monaco, including the Riviera Yacht Rally for motor yachts and a skiing/sailing excursion.

The private banking group also backs UBS Oyster Regattas in Antigua and Majorca.

SOURCES

UBS Americas, Inc., Tel: 212/713-2000

UBS AG, Basel, Tel: 41/1234-1111

Octagon, Tel: 203/363-1084

STRATEGY

AEP Uses Cirque Du Soleil As Bridge To Broader Identity

To get the word out that it is no longer just a regionally focused electricity provider, American Electric Power Co.—the largest generator of electricity in the U.S.—is sponsoring all four of Cirque du Soleil's North American tours. AEP is using the new one-year, low-seven-figure deal to target investors and analysts, as well as corporate decision-makers who strike their own deals with power providers.

Following its merger with Central & South West Corp., AEP hired Boston-based agency Digitas Inc. to develop a branding campaign that identifies the company as a diversified energy concern that produces power, runs coal mine and barge divisions and is the number two gas and electricity wholesaler in North America.

"The financial community and our wholesale audience still perceive us as a Midwest electric utility," said Nick Ashooh, senior vice president of corporate communications, who signed off. "The challenge is to distinguish ourselves."

Digitas sold the company on the idea of building its recently launched ad cam-

paign around Cirque imagery to communicate its new brand attributes of balance, creativity and flexibility. AEP hopes the ads, which use stock photography from the property and launched last month in business pubs and on business news Web sites, will separate it from competitors such as Duke Energy Corp. and Reliant Energy, Inc.

The company, which might shoot its own Cirque photos for future ads, also plans to offer discounted tickets to employees and take advantage of access to each show's VIP hospitality tent.

"If you sponsor a golf tournament, you have Saturday and Sunday to entertain," said Steve Greifer, vice president and director of event sponsorship and promotion in Digitas's New York office. "One of the cool things about Cirque is that it affords the flexibility to pick a night over a six-week run."

Cirque Revamps Sponsorship Structure

AEP is the first sponsor to sign with Cirque since the property adjusted its North American sponsorship program to align with its new format of touring several productions concurrently. Previously, one show would tour the U.S. and Canada over three years with a single presenting sponsor, as well as local media and service provider sponsors.

The new plan is to sign five corporate

partners—each at the same level—each year to sponsor all tours. Media and service provider sponsors also have a place in the new structure.

"We all felt a little uncomfortable that a brand other than ours was presenting our show," said Mario D'Amico, vice president of marketing for Cirque. "It just didn't feel right. We present our shows."

Adding tours will allow the property to expand beyond the top 20 markets it has visited in the past.

AEP's decision to use Cirque in ads geared to a business audience provides the property with exposure to one of its top ticket-buying audiences. Cirque does not target this group because of budget constraints. "We don't advertise to those people because we have to fill our tents," which means advertising in general-interest publications to reach greater numbers, D'Amico said.

Cirque sees an advantage in signing its initial sponsor from a nontraditional category that does not require on-site presence.

"We don't want to clutter the on-site component; it means we can offer more to a car company, for example," D'Amico said.

WHO

American Electric Power

TAKEAWAY

Energy conglomerate sponsors performing arts property to highlight competitive differences.

SOURCES

American Electric Power Co., Tel: 614/223-1000

Cirque du Soleil, Tel: 514/722-2324

Digitas Inc., New York, Tel: 212/610-5000

New Deals

SPONSOR	EST. ANNUAL FEE	SPONSEE
Adolph Coors Co.	\$15 million	Official and exclusive beer, National Football League, through 2005
ADT Security Services, Inc.	\$1.75 million	Lead sponsor, Arena Football League and arenafootball2, 50 teams, through 2004
Chrysler (DaimlerChrysler Corp.)	\$250,000	Together We Stand: The Winans Family Tour, 40 cities
The Dannon Company, Inc. (Danimals yogurt products)	\$750,000	Six Flags Theme Parks, 30 U.S. parks, through 2004
Food City (K-VA-T Food Stores, Inc.)	\$500,000	Title, NASCAR Winston Cup spring race, Bristol Motor Speedway, Tenn., 2003 through 2007 (renewal)
Menominee Casino Bingo Hotel Inc.	\$75,000	Presenting, USHL Green Bay Gamblers, Wisc., through 2003
New-Loan (Australian Wholesale Lending Party Ltd.)	\$265,000	Title, Wests Tigers Rugby League Football Club, New South Wales, Australia, through 2003
SunTrust Banks, Inc.	\$100,000	Exhibition, High Museum of Art, Atlanta
TDS Metrocom (Telephone & Data Systems, Inc.)	\$25,000	Gurnee Mills, Mills Corp. mall, Gurnee, Ill.

SUBSPONSORSHIP

Pass-through Rights Key To Balloon Fest Media And Retail Deals

To generate store traffic and visibility, Tedeschi Food Shops, Inc. has signed its largest sponsorship: a two-year, estimated low-to-mid-six-figure-per-year deal for Weymouth, Mass.'s inaugural Tedeschi & Li'l Peach Balloon Festival.

The privately held company, which operates 134 C-stores under the Tedeschi and Li'l Peach brands in Massachusetts, New Hampshire and Rhode Island, plans to liquidate its rights fee by selling cosponsorship packages to vendors.

The event also has signed Greater Media, Inc., owner of five radio stations in Boston, to a deal worth an estimated \$575,000, of which \$500,000 is in-kind. The cash portion of the fee gives the company the right to sell event cosponsorship in three categories—wireless, beer and automotive, said Annie McGuire, vice president and director of sales for Greater Media Boston.

Tedeschi will sell discount ticket packages to the August event at all of its outlets. The offers, which include \$4 off an adult general admission ticket, "should give consumers an incentive to come into our stores," said Charlie Fitzgibbons, president. "It's hard for convenience stores to generate sales through a normal ad campaign because we sell the same things as supermarkets." The company has used vacation sweepstakes previously, he said.

The retailer's ticket offer will be touted in Greater Media's \$500,000 worth of promotion. "We couldn't afford to buy that many ads," Fitzgibbons said.

Tedeschi has sold cosponsorship to about 35 vendors, each paying \$7,500 to \$25,000 in exchange for on-site and in-store benefits such as counter display, said Howard Freeman, managing general partner of The Festival Group, which owns the event, as well as the Quick Chek New Jersey Festival of Ballooning presented by Jersey Central Power & Light and Grove City, Ohio's Big Bear Balloon Festival.

Vendors with \$7,500 packages receive on-site booth space and sampling rights, while vendors at the \$25,000 level—including Perrier Group of America's Poland Spring—receive pouring rights at the event's concession stands, said Freeman, who receives a cut of each deal. Non-beverage companies also receive sales rights, including Lance, Inc.'s Cape Cod Potato Chips, he said.

Tedeschi can bring in any product sold in its stores, Freeman said. The vendors do not receive exclusivity, he said, noting that both Pepsi and Coke are participating in the program. "Tedeschi doesn't offer exclusivity at its stores, so why should they at the balloon festival?"

The sponsorship has been well-received by Tedeschi's 85 franchisees, most of whom are expected to participate in the promotions, Fitzgibbons said. "They probably all will."

Tedeschi also is closing a deal to buy 80 C-stores owned by Waltham, Mass.-based The Store24 Cos., which will boost the company's holdings to 214 stores in New England.

Event Owner Opts For Radio Promo Commitment, Less Cash

Greater Media, which spoke to current advertisers before signing the deal, anticipates selling the wireless and auto categories to current advertisers and using the beer slot to lure a new advertiser.

WHO

Tedeschi & Li'l Peach Balloon Festival

TAKEAWAY

Allowing retail and radio sponsors to resell packages is integral component of inaugural event's strategy.

Based on advertiser feedback, it opted to include cash as part of its deal. "We don't typically pay cash, but we can produce a lot of revenue from our clients around this event," McGuire said.

Greater Media is spreading the cost of the sponsorship across its five stations "giving us efficiency of scale," McGuire added.

While Freeman admits he probably could have generated more money selling the categories himself, the relationship with Greater Media gives the inaugural event instant credibility and a resource to find sponsors in other categories, he said.

"We're new to Boston. This gives us access to 50 salespeople with local relationships," Freeman said. "We're taking a short-term hit for a long-term gain."

Greater Media has introduced Freeman to a department store and real estate brokerage, both interested in the balloon festival, said Freeman, who hopes to sell the categories to the radio station, which would pass through sponsorship benefits to its clients. The packages cost \$20,000 to \$40,000, he added.

Greater Media is an in-kind sponsor of Boston's GMC New England Home Show and FleetBoston Pavilion. The company also owns 14 stations in Detroit, Philadelphia and central New Jersey.

Freeman also pitched Entercom Communications Corp. and Infinity Broadcasting Corp., but neither radio owner was interested in the cash component, he said.

PNC Aligns With New Jersey Event

Freeman has signed PNC Financial Services Group, Inc. to cosponsor the Quick Chek festival. Quick Chek, which has PNC ATMs in 106 of its C-stores, initiated the relationship, Freeman said.

PNC will tout the sponsorship on its ATMs and ATM receipts, he said.

SOURCES

Tedeschi Food Shops, Inc., Tel: 781/878-8210
Greater Media, Inc., Boston, Tel: 617/822-9600
The Festival Group, Tel: 973/882-9896

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