

A Word From Our Sponsor



by Rebecca Hart

Sports marketing is big business, and it's growing faster than you can say "checkered flag." That's because the passion for sports creates a powerful branding opportunity. The number of companies participating in sponsorships is on the rise as businesses seek new ways to reach audiences and enhance their images. Office products suppliers are turning to sports marketing as a tool because of the

popularity of sports and the enthusiasm they create among spectators. But that opportunity doesn't come cheap and the results aren't always guaranteed.

Whether the objective is to sell product or rub elbows with sports celebrities, the key for successful sponsors is to know what results are expected from the sponsorship dollars before any invest-

(continued on page 38)

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ment is made. Then the results must be evaluated so revisions can be made as part of a long-term plan.

Although no office supply company ranks in 1999's top 20 spenders, according to *IEG Sponsorship Report*, a Chicago-based newsletter that tracks sports, entertainment, and cause marketing (Anheuser-Busch tops the list at \$170-175 million per year), there are office products companies participating in the game.

One of the most widely recognized sponsorships is that of the \$375 million Staples Center in Los Angeles, which is the new home of the NHL's Los Angeles Kings, the NBA's Los Angeles Lakers and Los Angeles Clippers, and, beginning in April, the Arena Football League's Los Angeles Avengers.

Staples paid \$100 million for a 20-year deal to sponsor the Center, which also hosts other events like concerts starring Bruce Springsteen and the E Street Band, Ricky Martin, the Eurythmics, the Eagles, Jackson Browne, and Linda Rondstadt. In addition, Staples Center hosted the 42nd Grammy Awards and will be the site for the 2000 Democratic National Convention and the 2002 U.S. Figure Skating Championships a month before the 2002 Winter Olympics.

The sponsorship marked a new level of involvement for office supply companies. "Every day something is written in the sports page about the Staples Center," says John Genzale, editor of *Street & Smith's Sports Business Journal*. "This gives Staples a tremendous amount of name recognition."

Another company that's stepping up to the plate is Toshiba Corp., the sixth-largest electronics/electrical equipment company in the world. Toshiba spends about 25 percent of its copiers and fax marketing budget on sporting events like the Toshiba Senior Golf Classic, the American Airlines Celebrity Golf Tournament, and the Richard Karn Star Days. Additionally, Toshiba Copiers and Fax sponsors two-time World SportsCar champion Wayne Taylor and his race team. Toshiba also purchases suites at the Arrowhead Pond of Anaheim and at Angel Stadium where they bring in dealers and their customers to watch

hockey and baseball games.

Anthony Codianni, director of marketing communications and training for Toshiba America Business Solutions, Electronic Imaging Division, says Toshiba considers a number of factors when deciding which events to sponsor. These include: the amount of publicity the event will receive, sponsorship cost, the exposure Toshiba will receive, activities and opportunities that can be passed on to customers, and any charitable association or foundation the event supports. Toshiba typically hosts hospitality tents at events where food and beverages are offered as well as offering a great seat for viewing the event.

"We try to give our customers a memorable experience that they may not have ever [had] on their own," says Codianni. "For example, the chance to play golf with a celebrity or pro, or the chance to take a pace lap with a renowned racecar driver."

Toshiba has seen tangible results from sponsorship activities. At a road race in Atlanta, a local dealer invited his customers to come to a hospitality tent where one of Toshiba's connected color copiers was featured with a digital camera and a notebook computer. When Toshiba's racecar driver came in to sign autographs, photos were taken of guests with the driver using the digital camera and sent to the connected color copier via the notebook computer and SC-1 controller. The image was printed out in color, the driver autographed it, and the guests had something special to take home. Because this dealer was creative in using the event to highlight the features of one of his office products, he sold two color copiers to guests that day.

Siemens is another company that heads for the race track to increase brand awareness among various target audiences. The company sponsors the Bill Davis Racing Team's #93 Winston Cup car driven by Dave Blaney. Kristine Ryan Tanzillo, acting vice president of marketing, says Siemens benefits from the sponsorship in a number of ways.

"First, our NASCAR involvement has enabled us to increase Siemens brand awareness with a large national

audience through prominent display of our logo and tie-ins of our products," says Tanzillo. "And we've subtly reinforced our image as an industry leader with high-quality products by leveraging the outstanding reputation of our drivers, associated sponsors, and the NASCAR organization itself."

The NASCAR events are effective promotion for Siemens' cordless phone products. "Some of our largest national customers have increased their orders because of the exposure we've brought them through the sponsorship," she says. "And traffic at the retail stores increases when the show cars are on display, which helps not only the sales of our 2.4 GHz cordless phone products, but also increases foot traffic and sales for the entire store. Our retailers have been very enthusiastic about the sponsorship."

When deciding how to allocate sponsorship dollars, Siemens looks for the right fit for their target audience. "As with all of our marketing opportunities, the demographic and psychographic profiles of the audience must match that of our target market," says Tanzillo. "Of course, we want to select sports marketing opportunities with the potential for the most media exposure in our prioritized markets, which helps to maximize our bottom line rate of return on our marketing investment."

Industry watchers agree that while office products suppliers are making progress, there's still plenty of room for improvement. "Frankly, I don't think the office products industry has really embraced sports as a marketing tool...yet," says Tom Cotter, who is often referred to as the founder of modern motor sports public relations and who is currently chairman and CEO of Cotter Group. "Tens of thousands—possibly hundreds of thousands—of people will watch a game or a race on a Sunday, then be in a position to make a buying decision on Monday. Potentially, their purchase could be influenced by what they saw on television, heard on the radio, or saw in person the day before."

Street & Smith's Sports Business Journal's Genzale thinks even the companies that are leading the way for the office products industry aren't fully maximizing their investments. "Sponsors need to understand that sponsorships don't exist in a vacuum," he says. "There needs to be an investment to promote the sponsorship and how it makes sense, and I don't always see that happening."

Michael Benghiat, vice president of General Sports and Entertainment, an agency that works with clients on signage, promotional tie-ins, and naming rights of venues, says he agrees with Genzale. "I don't believe companies are leveraging their associations enough and maximizing their investments," says Benghiat. "More importantly, I'm not sure they're making their sponsorships work for them to impact their bottom lines."

There are several current trends that make sports marketing a potentially powerful tool for office product suppliers. The first is the exploding small office/home office market. "With the growing number of people working at home, office products and equipment are becoming more mainstream in today's society," says Siemens' Tanzillo. "And with many sports appealing to ever-wider cross sections of consumers, sponsorship is becoming an attractive

option to target messages toward selected demographic and psychographic groups." She thinks office product sponsorships will continue to grow as more companies look for media exposure to highly targeted audiences at an attractive cost per impression.

Toshiba's Codianni sees the office products companies consolidating their efforts—moving away from sponsoring a large number of small events and instead spending their marketing dollars on sponsoring fewer larger events with more exposure.

And though there's plenty of opportunity, Benghiat warns that the competition for high-end deals is tough. "Sports properties are going to have to continually provide sponsorship programs that have an impact on the bottom line," he says. "With office products/equipment being an extremely competitive industry, I believe you'll see more high-end exclusive deals being made. Also, look for much more visible cross-promotional opportunities between sports properties and office product/equipment companies."

So what should you do if you're considering getting into the game? Here are six tips that will help maximize your sports marketing investment:

- **Begin with the end in mind.** You'll be much more successful if you can define what you want out of the sponsorship before you make the investment. Here are some potential benefits: improve the impact of your marketing messages, increase your visibility, look for informal opportunities for soft sales, enhance the relevance of your brand to your target audience, generate a desire to purchase and increase employee/distributor/supplier/customer loyalty. Do your homework and find an experienced partner to be your guide.
- **Decide if the shoe fits.** Does the sponsored property meet your marketing objectives? Are the fans in your target audience? Is a large percentage of your target audience a fan of the particular sport? Also, can you afford the investment to communicate the sponsorship? If not, you may want to scale back and sponsor a local or regional

event instead of a national one.

- **State the obvious.** Don't leave it up to fans to make the connection of why you're involved in the sport. Tell them what conclusion they should draw from your sponsorship and use every communication vehicle to communicate the message—packaging, public relations, promotion, advertising, direct marketing and merchandising.
- **Be an early bird.** Don't wait until the event begins to start promoting your involvement. Create advertising, send out direct mail, and develop point-of-purchase signage to get the word out ahead of time.
- **Think quality not quantity.** Remember a single sponsorship that your target audience notices and remembers is better than five that disappear into oblivion. Evaluate your results based on media exposures and survey research to try and measure changes in awareness. Also track sales data. You can get a clear picture by tying sales directly to a sponsored event—for example, giving ticket discounts for proofs of purchase.
- **Be on the lookout for opportunities.** Codianni shares this insight: "One thing Toshiba has found from sponsoring sporting events is that in doing so, you build relationships not only with your customers but also with other sponsors of the event. Surprisingly, additional business can grow from your fellow sponsors."

With a little innovation, there's no limit to the opportunities for creative and effective use of sports marketing as a powerful business-building tool. But it won't all come together without a little practice and a tremendous amount of planning—and, of course, a winning season doesn't hurt either. **OD**

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