Brand Management: The Key to Sponsorship Effectiveness

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BRAND MANAGEMENT: THE KEY TO SPONSORSHIP EFFECTIVENESS

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SPONSORSHIP

The sponsorship of major events and sports venues has always been an integral part of the financial basis of revenues. Sponsors have been courted and shown how to do business on major events and sport venues. (5, 14) In the traditional approach to sponsorship, saturation is the key to marketing. When the sponsors had good name recognition, they were satisfied and the event and venue was a success. The new wave of sponsored dollars is being driven by the need to demonstrate to the sponsor the benefits and how to change to improve their sponsorship. These are hard benefits and are directly related to increased sales. (3, 28, 29) Sponsors in this context are demanding accountability for their dollars. (34) The key to illustrating benefits is how the event and venue can be promoted and integrated into their overall marketing plan. (31) What is needed is a basic understanding of the sponsor's industry. In this context, it can be demonstrated through use of the event and venue how the sponsor can become a more effective competitor and increase market share. (28, 35) The important element is an integrated marketing plan for the event and venue that is compatible with the sponsor's overall marketing plan. This type of approach does not negate tradition. Tradition is always an important part of an integrated marketing strategy. What is being suggested is that hard benefits should be used to measure the benefit of any promotion. (6) Promotions have to be targeted and tied to the event in relation to the sales of the sponsor's product.

Data must be collected and marketing strategies tested to determine their effectiveness. Based upon these tests, new marketing strategies can be developed. Once the strategies are formulated, then their compatibility must be tested to ensure that they are consistent with the other aspects of the sponsor's marketing plan. The key to the developing of
an effective plan is to ensure that measures have been established to determine the quantitative diagnostic capabilities of the plan. The diagnostic and prescriptive ability is central to the measuring of hard benefits.

The one organization that has outstanding sponsor relationships is NASCAR (National Association for Stock Car Auto Racing). (11, 12) It has been shown that they have an effective way of communicating with their fans more so than in the other sports. Approximately 72% of fans support sponsored products. The key to development of loyalty has been the ability of NASCAR to work with sponsors to show them how to do business on their sport. (17, 33) Not all of the sponsor's stories are impressive. It takes working with NASCAR to develop a strategy to effectively reach the fan. It is important to understand NASCAR sponsorship in order to determine how other events and sports can be more effective in development of their sponsorship programs.

NASCAR

The primary purpose of this project was to identify marketing strategies (Phase I) that could be used to support a sponsorship of National Association for Stock Car Automobile Racing and to pilot test potential promotions (Phase II). (4, 28) A NASCAR sponsor was identified who was willing to have its promotions evaluated. The strategies were developed from primary and secondary data. The primary data were collected from the June (Miller) and August (DeVilbiss) races at Michigan International Speedway in 1997. The purpose of the project (Phase I) was to baseline data. The purpose of Phase II was to test marketing strategy promotions that may have potential to increase the effectiveness of the sponsorship. (12) The initial starting date of this project was the middle of May, 1997. Soft data were collected first from secondary sources. Hard data were then collected to develop a comprehensive picture and identify audiences and data points that would be suggestive of new strategies to increase the sponsorship effectiveness.

The basic philosophy utilized to develop the underpinnings of this research project was to study the infrastructure of the industry because effective sponsorship begins with understanding how the sponsorship relates to the nature and structure of the industry. (19, 27, 30) Different types of industry require individualized strategies and approaches to be effective. (15, 26, 40) This does not suggest that the developed strategies of other sponsors cannot be effective. They must be individualized for the industry and tested for their effectiveness. (17, 22, 25)

A way for sponsors to segment fans is based on brand loyalty. Brand loyalty of NASCAR fans is about double that of other sports. (1, 17) Demand is also indicated by television ratings and race attendance. (2, 31, 32, 37)

NASCAR as a motor sport has increased in popularity exponentially. It is America's fastest-growing professional sport. (7) It is bigger and more popular than it ever has been in its fifty-year history. (23) The demand for NASCAR racing, especially at the Winston Cup level is significant. Winston Cup Grand National Racing is the epitome of American stock car racing. It is a goal of every race car driver from midgets to sprint cars to join the Winston Cup circuit. The fan base for Winston Cup racing grows yearly. The 1997 Goodyear Racing Attendance Report lists total race attendance at 6,091,356. This represents a 9.0% increase over 1996 figures, with just one additional race. In addition, the
1997 Nielsen Sponsors Report estimated 219,115,840 television viewers. As of June, 1997, all four TV networks that carried Winston Cup races, CBS, ESPN, TNN and TBS, have set ratings and viewership records. After the first 11 races, cable ratings averaged a 4.9 compared to 3.9 in 1996. On network TV, the series averaged 6.8, compared to 5.6 in 1996. (8) The 1996 season realized a 4.9% increase in attendance over 1995 with no additional races or venues. (9) The average race attendance in 1997 was 190,355, in 1996 it was 180,260. (10) The 1997 season also saw the opening of new tracks across the country. Two of these tracks were assured of a Winston Cup Race date, those in Texas and California. Tracks built without a race date include those in Kansas City, Kansas; New Orleans, Louisiana; Madison, Wisconsin; and Pikes Peak, Colorado. Despite these openings, there was only one new race added to the already full 1997 schedule. The North Wilkesboro (NC) speedway lost the Winston Cup race dates it held continuously since 1949, when new track owners Bruton Smith and Bob Bahre moved one race to Texas and the other to New Hampshire. One new race date was added in 1998 at a new track in Las Vegas, Nevada. The number of Winston Cup race dates is limited due to the nature of the sport, meaning that all drivers vie to race in every race. There cannot be more than one race each weekend. The weather also plays a role. (7) The same drivers compete in qualifying rounds for each race and points are accumulated based on finishing position and lead laps. (21) Adding additional race dates is becoming logistically impossible. The new tracks seat hundreds of thousands of people, the older historical tracks do not, this is the reason for the closing of these smaller tracks, that is, fan demand, especially in the other regions of the country. The dilemma of the increased demand, therefore, is knowing how to provide a top quality product with limited scheduling opportunities. The questions being raised concern the nature of change in the sport to meet the current demand in popularity without changing the product to the point of alienating the racing fan and causing a drop in popularity or demand. (7) There is already much controversy among the traditional fans about ticket prices and money and its influence upon the sport. (36) Even though this seems to be the "hey day" of the NASCAR Winston Cup series, there is still controversy and there are questions about the ultimate future of the sport. This indicates the rabid nature of the fan and the importance of NASCAR fans to determine sales for the sponsors. (20)

The most important question is, can NASCAR, as a market strategy, help develop brand value, market share, or brand loyalty for a sponsor. (24, 38, 39) The best way to study brand value is to use a method similar to Fortune magazine and develop a report based upon executive estimates. Market share is best measured through sales data on an industry comparison. Brand loyalty is most successfully measured by consumer data based upon purchase patterns. Each of these measures gives a different view of the brand. Each is needed to determine the health of the brand. These estimates can be used in diagnostics of the basic company.

**METHODS**

The purpose of this project was to test promotions (Phase II) to give an indication of the effectiveness of potential market strategies for a NASCAR sponsor. The sponsor, in this study, is an after market automotive company and wishes to remain anonymous. A case study format was used to pilot test several strategies to illustrate the importance...
of such testing. Six programs were conducted: I. employees, II. parent fans and children, III. specialized parent and children programs, IV. fans, V. suppliers, and VI. professionals.

**PROMOTIONAL TESTING**

These were experimental programs to give an indication of the types of promotional motor sports programs that may be successful for the sponsor in the future. (13, 18, 38) The purpose or objective of each of the programs was different. The general purpose of the programs was to determine the feasibility of the promotion in relation to the sponsor's objective and to chart future directions. (12, 29, 40) Each of the promotional programs were selected based upon primary and secondary data analysis. Each of the experimental promotions were developed using the following outline: objective, method, format, promotion description, data, and strategic objective with action plan.

**PHASE I**

**Primary and Secondary Data Summary**

The sponsor chosen for this study is a leader in after market automotive production. The sponsor's primary emphasis was industrial but the consumer products market quickly developed and became a staple within the portfolio of the sponsor's corporation. The company has strong identification with the Toledo, Ohio, area and its labor force.

The sponsor has been successful in the past by using NASCAR sponsorships as a way of conducting business. Several opportunities exist to gain additional business by using more effective approaches through NASCAR sponsorship.

The purpose of the first part of this project was to establish a framework from which to work by developing new approaches so that the sponsor can use them to gain additional business using NASCAR to help market its products.

The developed plan concentrated on the researching of sponsor benefits relative to general fans, professional fans, suppliers, (warehouse distributors and jobbers), and the general population.

**General Fans**

The results indicated that the fans at the Miller Race in June had very little idea about the sponsor and its products. At the August race, the fans knew the sponsor's name and had an idea about the products produced. There was confusion based on other companies with the same name. Fans indicated a willingness to support the company because of its race sponsorship.

**Professional Fans**

Results from the professional survey indicated that fans have a loyalty to the sponsor. This loyalty stems from tradition and its links with NASCAR. The professionals have traditionally identified with the other infrastructural companies and were excited about the sponsor being an important part of their sport.
Guests

Survey results show that there is tremendous potential for the use of NASCAR among the warehouse distributors and jobbers with their clients to build a business base. The primary benefit was relationship marketing.

The suite guests surveyed were business associates. The skybox was used as a means to develop stronger relationships. Race sponsorship helps form new associations with other sponsors that have similar positions within the NASCAR infrastructure.

Market Strategies

The best strategy developed for the sponsor was not to "follow the other infrastructural companies into the market place" but "to lead other infrastructural companies into the market place".

*Remain price competitive by continuing competitive analysis.
*Maintain quality of equipment.
*Continue to maintain and build relationships.
*Demonstrate equipment in clinics/have give-aways of equipment as incentive promotions.
*Maintain and build relationships specifically among distributors and jobbers
*Conduct additional promotions/invite the media:
  1. Hold a special event in January
  2. Have NASCAR professional put on special contest and demonstrations.

These NASCAR professionals could be used at regional clinics to attract local professionals in a warehouse and jobber district. An event like this could also attract the general public through NASCAR art displays and demonstrations.

*Design special trips to NASCAR shops and garages.

The primary focus of the sponsor is industrial systems. There is an opportunity to have a consumer base its their after-market equipment. The sponsor has image and logo problems. The original sponsor's company was sold and because the purchasing company maintained a form of the sponsor's name this is causing confusion, even in industrial circles.

Using NASCAR to increase sales is a matter of a long-term commitment, especially for infrastructural companies. It takes an integrated approach. The sponsor must:

*develop a sense of community among its employees and divisions under the leadership of the sponsor.
*become more consumer based.
*integrate the company, warehouse distributors, jobbers, painters and consumers.
*keep up with innovation and new technology to stay ahead of the competition.

The motor sports strategy is the best starting place for the sponsor because this is where the other infrastructural companies have found a niche to develop their business. The following are the suggested phases tied to each strategy for the development of business.

1. Phase I (Year 1) - Development of hospitality/connections
2. Phase II (Year 2) - Development of relationships
3. Phase III (Year 3) - Building relationships into brand loyalty
PHASE II

I. Employees

The purpose of Phase II was to pilot test strategic promotions on the following identified populations: employees, parent fans and children, specialized parent and children programs, fans, suppliers, and professionals.

Objective: To increase employee solidarity.
Method: Play a NASCAR Pick a Winner Game with medium difficulty.

Game Selection

NASCAR Games were reviewed to determine an appropriate form for employees. The more difficult games included participation through driving skills. The less difficult games involved contents based upon chance. Some of the medium difficulty games involved knowledge of NASCAR but not participation. The success of NASCAR games with other populations has been very successful. They have increased visibility and helped with product identification. Some have even been used to generate dollars to help defray the cost of sponsorship. The game choice for the employees was a combination of a game of chance and knowledge of NASCAR. This helped to test the employees' involvement with NASCAR.

Format

1. Contacted employees at two of sponsored operations through Human Resources Director and asked to participate in a Pick-a-Winner Game the week of the sponsor's race.
2. Contest:

Michigan Pick-a-Winner Game and an eight-week Pick-a-Winner Game starting with Michigan and ending with Talladega.
3. Announce winners at end of NASCAR Winston Cup season.
4. Make primary awards the week of NASCAR Winston Cup banquet. Make secondary awards for high scorers a week after primary awards.

Employee's Pick-a-Winner Game

Purpose

The Pick-a-Winner Game for the employees was played to determine the employees' interest in NASCAR and to determine how well a game format would work to promote interest in the race. The other focus was to provide a format to determine the base knowledge of employees about NASCAR and to provide a forum for discussion about the race.

Description

A Pick-a-Winner Game was distributed to the Human Relations Departments at two of the sponsor's locations. Participation in the Pick-a-Winner Game was voluntary. The employees were asked to select, from the drivers, who would win the first five places on the pole for qualification and estimate an average speed of the winner for qualification. They were also asked to select the first five winners of the race, in order, and pick the average winner speed. These selections were also conducted over an eight-race period to determine the employees' ability to select winners over a number of short and long tracks.
Data

The results indicated that employees had an interest in the contest and that this format had a motivational element in promoting interest in the race that their company sponsors. There also was pride associated with race sponsorship and an ability to actively participate in a company sponsored function. The distribution of scores indicated that the women had better scores than the men. There was also a higher percentage of individuals who had higher scores than in other pick a winner contests with fans and guests. These indicated that some individuals had done their research and were highly motivated to play this game and this was a point of attachment since the company was sponsoring the race.

Trends in the data indicated that the sponsor's employees from plant 1 had a greater involvement and knowledge with NASCAR than sponsor's employees from plant 2. In fact, the scores of the plant 1 employees were higher than the NASCAR fans. Women had much higher scores than the men. The plant 2 employees indicated low involvement and knowledge of NASCAR. The great number of employees participating indicated an interest in NASCAR. There was pride, for those who were interested in NASCAR, and that their company was sponsoring a Winston Cup event.

Conclusion

The primary conclusion is that a contest is an effective form to stimulate motivation and interest, especially when the company is sponsoring a race. There needs to be special programs in which the individual can participate and identify with the race. The contest, in this case, may not be the most effective format but only may be effective for those people who are NASCAR fans. A passive identification can be made in terms of apparel or giveaways so that the employees can wear the race paraphernalia and be identified as an employee of a company sponsoring a race. This identification process may be a precursor to contests. New types of passive identification have to be found to build an interest in NASCAR, as well as event sponsorship. Event sponsorship, in this context, must be seen as a vehicle for building business.

EMPLOYEE PROGRAMS AT OTHER COMPANIES

Thirteen NASCAR sponsors were contacted in an effort to determine if they have employee service programs that focus on NASCAR, and if they do, to identify the successes and the outcomes associated with each program. Most of the sponsors did not have a program. Those who did, had either a contest or an incentive program. Neither of the programs was comprehensive or were designed to build solidarity through NASCAR involvement. Those who had contests, were primarily of a competitive form and were used to develop identity among employees. These contests were short-ranged and designed to produce immediate responses. Incentive programs are based upon performance and NASCAR is used as a reward for this performance. Noticeably absent from the employee programs were promotions that were designed for long-term outcomes. In long-term programs, relationships have to be made between NASCAR, sponsorship and the pride for working for a company that sponsors NASCAR events. Employees must realize that they are an important element of the sponsorship process, such as the collabora-
tive sponsorship between GM and their employ­ees and Interstate Battery.

Strategy Objective

To develop a cooperative program with employees to promote a NASCAR race and sponsor's products.

Action

(1) Incentive programs to make employees aware of NASCAR benefits to the sponsor.
(2) Involvement of employees in race implementation and sales promotions of "doing business in NASCAR".

II. PARENT FANS AND CHILDREN

Objective

To build trust relationships/brand loyalty between parents and children and the sponsor.

Method

Use a coloring exercise and follow-up contacts to develop relationships.

Format

1. Coloring exercise at the sponsor's event/Children's Art Gallery at Race.
2. Send letter, certificate, and permission form to have artwork placed on Internet.
4. Sent premium (calendar) and announced Art Gallery on Internet.
5. Conduct survey to determine effectiveness of program.

COLORING EXERCISE

Purpose

The primary purpose of the children's activity was to test the idea of children's events at the race to determine their feasibility to generate sponsor awareness with parents and children. Since there was very little data, except for Racing Kids Magazine, the idea was to identify different market strategies to be used with parents and children, especially with the tremendous activities of new sponsorship with the Cartoon Network, Hot Wheels, Tonka, etc. Of the companies, the most successful has been Hot Wheels. The most common type of promotional program with children was a coloring exercise.

Description

A number of project types of promotion were reviewed to determine the best idea to be used at the sponsor's event. The ideas reviewed were coloring contests, puzzles, games, specialized coupons with such corporations as McDonalds, Burger King, etc. The one idea that was most feasible to test at the race was an activity that allowed children to name, color, design, and paint a sponsor's car. The basic intent of this action was to watch the parent's and the children's interaction during the contest and use this as a vehicle to collect data on which to base future promotions and activities with children and parents.

The coloring activity was conducted within the sponsor's Hospitality Tent for two hours on Friday and one hour on Saturday. It was
felt with this limited exposure, there would be enough time for children and parents to provide a data base on which to make decisions regarding future promotions.

Data

At the race, the primary outcome was that the average time of coloring by the child was between a half hour to forty-five minutes. The individuals conducting the activity at the race were very impressed by the time the parent would spend, the involvement of the parent with the child in the coloring and the patience that parents had with this particular activity. The other observation at the race was that this was the only activity at the race for children and the parents expressed great appreciation. It was found that the most common number used was Jeff Gordon's 24. The colors of Jeff Gordon's car attracted the child and the child tried to model this particular car. Other cars also seemed to have very bright, contrasting colors which is an indication that color is very important to children. An important fact was that many of the cars were named after the artists. Another trend in the naming pattern was heroes or symbols such as lightning. There was a definite difference in pattern between colors used by boys and girls. The boy's colors were bolder and based more on race cars. The girl's colors were more pastels or soft colors and had specific design and shape.

After study of the children's program, several conclusions could be made. First, out of the 87 participants, 54 were males and 33 were females. Next, individuals who decided to number their cars chose the number 24 more often than any other number. A rendition of car number 24 appeared 22 times. In retrospect, the next most used number was car number 3 which was used five times. Finally, the majority of the children who took part in this activity ranged in age from four and under through 13 and up.

Conclusion

One of the first suggestions is that there should be a children's area of combined sponsorship for companies like Skittles, Tonka, Hot Wheels, and Cartoon Network that would provide an activity center at the race for families with small children. This activity center should be conveniently located and well supervised with a variety of activities coordinated. The basic concept would be to theme these activities and tie them to the active participation with sponsor names.

Inside this area, race sponsors could lease an area that they could use to promote their products. An example would be a Hot Wheels area where children could play with race cars produced by that company. The Cartoon Network could have a "meet and greet" area for the children to have their pictures taken with various cartoon characters. Electronics based NASCAR sponsors could provide terminals where families could play their racing-type video games. Companies with products not produced for the general public's consumption, such as the sponsor, could have an autograph session with some of NASCAR's drivers from the past and present. The ideas are limitless and the leasing costs for space in this area could be used to defer some of the costs involved in maintaining the race.

Color Exercise Follow-up

The coloring activity was followed with a certificate of achievement and an offer to
display the artwork on the Internet. This follow-up was completed about eight weeks after the race in order to reinforce interest in the race and sponsors. The artwork was also prominently displayed at the race in an art gallery and several other prominent locations in order to get the feedback of adults and children to this type of activity. The Art Gallery was a tremendous success, especially at the race, as there were always fans who stopped to look at the artwork and make comments. The children often brought other individuals from their family and social group back to view their artwork.

After a study of the coloring activity, it was decided that a grassroots follow-up would be the most beneficial. By doing so, both the NASCAR name brand, as well as the sponsor's brand, would be remembered by the participant and their family. Furthermore, the creation of a family styled activity was an untapped idea that proved promising at future races.

It was noted that the children at the August race were delighted by the display of their artwork at the sponsor's Hospitality Tent. It was this fact that prompted the idea of a semi-permanent display of their accomplishments. The Internet was an inexpensive way to approach this issue, but it was uncertain if the children would be able to access the page. Permission slips were sent to the parents of the children and within a matter of days several slips were returned express mail. Faxes and phone calls also began to pour in regarding the passing of the deadline to return the slips. Within 10-12 days, over 40 parents granted permission to display their child's work.

The next idea for an activity book/calendar was considered due to the great response to the web page idea. This NASCAR theme book, provided by the sponsor would be not only a desirable item for the fans' children, but a profitable item for NASCAR and the sponsor. These books could be distributed (sold) at the races and could be used to judge their effectiveness as a marketable item in a more conventional retail environment (e.g. Wal-Mart, K-mart, etc.).

Another idea that may generate interest would be a recognizable icon that can tie NASCAR and the sponsor together in the minds of families. A character like "Racing Bug" of "Competitive Motor Sports" conveys the idea of stock car racing mainly by wearing a stock car driver's uniform. This type of character can be used to develop almost any theme and tie programs together. With the sponsor's logo on a character's clothing and a multicolored persona, the character could convey the basic nature of the sponsor's connection to car racing which is the painting of the cars themselves.

In conclusion, it was proven that there is an enormous desire for a family type activity at these races. Ideas seem feasible as a positive way of cross promoting the sponsor and NASCAR while providing a quality service for the NASCAR fan and his/her family.

Parents Survey

A random sample of 10 parents were surveyed with four questions regarding the coloring contest and the follow-up contacts. The primary purpose from September to January was to interact with the parents and children to determine the types of outcomes that could be achieved from a promotional program. An initial telephone contact was made and if the parent had time, the interview was conducted during the initial contact. If not, a convenient time was estab-
lished for the interview. An open interview was used to allow for the exploration of outcomes.

When the parents were asked if they knew about the sponsor's corporation before the race, only two did and since the race, all 10 know about the corporation and know their associated product line. They all had a very positive feeling about the sponsor, including the children. The program developed produced intense loyalty. The intensity was so great that the parents wanted to know about future programs, as well as how they could get neighbors and friends into the program. The primary effect of the program was that it was a motivational device that brought children and parents together in an active form of entertainment that gave recognition to their children and made them feel proud. The primary benefit to the sponsor was the establishing of a communication link that is color-based and establishes a condition to open the parents and children to a specific message that the sponsor wishes to implant in the next phase of a program.

**Strategy Objective**

To develop a children's program to make parents aware of the sponsor and develop a relationship that will translate to trust relationships/brand loyalty.

**Action**

1. Develop national contest in association with Racing Kids.
2. Associate contest at local level with warehouse distributors.
   A. Local contest with winner advancing to National.
   B. Art Gallery with winner at the sponsor's Art Gallery.
   C. Internet site/Art gallery of participants.

### III. SPECIALIZED PARENT AND CHILDREN PROGRAMS

**Objective:** To build relationships between parents of children and the sponsor.

**Method:** Use contests and competition to develop trust relationships/brand loyalty.

**Activity Solution**

It was found that many of the fans and those who are involved with NASCAR have a development relationship with scouting (33%). The purpose of this initial project was to determine if scouting is a good resource for the sponsor's promotion.

#### DESCRIPTION PINewood DERBY PROPOSAL

**History**

The Pinewood Derby began in 1953, in Manhattan Beach, California. Cub Scout Pack 280C built model cars and raced them down an inclined track. Since this first event, many other groups and organizations have adopted and expanded upon this event.

**Purpose**

The Pinewood Derby is one of the most popular events for the Cub Scouts. Every year more than one million boys and parents come together to build and design the best car. For the first few weeks the children and
parents build model cars from kits. Each kit includes a block of wood, four plastic wheels, and axles. The wood is cut, shaped, sanded and painted. The wheels and axles are polished, lubricated, and installed.

The purpose of the Pinewood Derby is to help the Cub Scouts build a team relationship with their parents or helper, experience the sense of accomplishment and the excitement of completion, learn good sportsmanship, win or lose, and to have fun.

This event has been very successful and rewarding for everybody involved. All successful events require a great deal of planning, preparation and sponsorship. But the pay off is easily seen in the children and parents as their relationships strengthen throughout the event.

Proposal

The sponsor has an opportunity to sponsor an event to reach an audience who exhibits loyalty to its supporters. What better way for the sponsor to achieve its goal of a grass roots approach than to sponsor an event held by the Boy Scouts of America, especially since there is a relationship between NASCAR fans and scouting. The Pinewood Derby is the largest event in Boy Scout history. This is a time of year when Scouts get together with their families and concentrate on building the best Pinewood Derby car imaginable. When the cars are complete the scouts race them.

The idea is to directly and indirectly relate the sponsor to the Pinewood Derby race. This can be accomplished by:

1. The first phase -- to have the sponsor present the awards. They would offer a monetary gift to the scouts in return getting their name recognized.
2. The second phase -- for the warehouse distributors and jobbers to offer a monetary gift to sponsor the derby. This would expand the use of the sponsor’s products.
3. The third phase -- to have the sponsor develop an awards ceremony and then have warehouse distributors and jobbers display the winners of the contest. These ideas could be implemented at the local and national level.

Format

1. Research to determine most effective program promotion.
2. Develop proposal.
3. Conduct survey to determine potential.

SUPPLIER AND SCOUT SURVEY

A random sample of five suppliers and five scout professionals were surveyed with questions regarding the feasibility of sponsorship of the Pinewood Derby. An initial telephone contact was made and if the participant had time, the interview was conducted during the initial contact. If not, a convenient time was established for the interview. An open interview was used to allow for the exploration of the proposal’s potential.

There were four questions asked of the suppliers. The supplier was asked if they currently sold the sponsor’s products and all do currently handle the sponsor’s line. They were asked if they currently sponsored any agency or event. All responded "no" and indicated that it would depend upon the type of sponsorship and its potential to increase
sales. The proposal was then presented involving a sponsorship of a corporation, the supplier, and the Scouts. Their interest in the proposal was then questioned. All of the suppliers were interested, but they questioned the relationship between this sponsorship and an increase in sales. They were then questioned about the amount and type of donation. Four out of five indicated that they would be interested in matching the sponsor's money as long as it was not over $250.00. Two indicated that they would be interested in purchasing some of the kits for low-income children. They would like to meet with local Boy Scout leaders to determine potential areas of interest.

There were three questions asked of the Scout professionals. The first question was asking if they were aware of any relationships between the scouting population and NASCAR. Three out of five indicated that there was a relationship, but the Pinewood Derby generated an interest in motor sports. The second question was about sponsorship and increasing the effectiveness of the Pinewood Derby. The response was that sponsorship is needed for recognition and validation of the event. The benefit to the sponsor would be loyalty to product now and in the future. The last question was about the relationship with the sponsor. The primary response was the need to build relationships and relate these relationships to promotions to develop a revenue base from the sponsors.

**Strategy Objective**

To develop a children's program to make parents aware of the sponsor and develop a relationship that will translate to trust relationships/brand loyalty.

**Action**

1. Develop a system of awards for local and regional warehouse distributors and jobbers who are willing to cooperatively sponsor a Pinewood Derby in their area.
2. Develop a promotional system for warehouse distributors and jobbers on how to use the Pinewood Derby to increase business.
3. To develop a national event for the Pinewood Derby at a sponsor's event.

**VI. FANS**

**Objective:** To build positive trust relationships/brand loyalty between fans and the sponsor.

**Game Selection**

NASCAR Games were reviewed to determine an appropriate form for fans. The more difficult games included participation of driving skills. The less difficult involved contents based upon chance. Some of the medium difficulty games involved knowledge of NASCAR but not participation. The NASCAR games with other populations have been very successful. They have increased visibility and help with product identification. Some have even been used to generate dollars to help defray the cost of sponsorship. The game chosen for the fans was the simplest of games. Most people play pools and this stimulates interest based upon competition.

**Format**

1. Pick-a-Winner Game was played at random with 330 participants.
2. Contest:
Michigan Pick-a-Winner Game and an eight week Pick-a-Winner Game starting with Michigan and ending with Talladega.

3. Announced winners at end of NASCAR Winston Cup season.

4. Awards presentation made during NASCAR Winston Cup banquet.

5. Sent premium to all fan participants.

6. Sponsor sent winners a premium and sent small premium to all participants.

7. Conduct survey to determine program effectiveness

FANS PICK-A-WINNER GAME

Purpose

A Pick-a-Winner Game was played with the fans at the sponsor's event. The primary function of the game was to determine if a gaming format would work with fans to determine their interest in the game and potential outcomes. The other focus of the Pick-a-Winner Game was a discussion format to determine the basic importance of NASCAR and potential outcomes from sponsorship for the sponsor.

Description

A Pick-a-Winner contest was conducted with fans at the August race at the sponsor's booth. The fans were asked to select who would finish, by place, in the top five. They were also asked to estimate the speed of the winner. The results of the Pick-a-Winner Game were also projected over eight races to determine their ability to pick the winner over a series of tracks. Prizes were given for the highest scores for the Michigan race and the eight-week Pick-a-Winner Game.

Data

The results indicated that the fans enjoyed participating in the Pick-a-Winner Game, especially in a social setting or in a competition with individuals of their social group or with their husbands and wives. It seemed competitive so as to determine who was the best at picking a winner.

Another observation was that the fans made their selections in one of two ways: either their favorite drivers they followed, or the ones they thought would win. The simplicity of the game was one element that made it a success because an individual could score the sheet within seconds and yet, the game was competitive.

The distribution of the scores indicated an average skill level. This indicated that many of the fans picked their winners on the basis of their heart, not on the basis of knowledge of the race. The scores that seemed to be high indicated that there was a definite pattern to picking the winner associated with knowledge of past races, especially past races at Michigan. There was an intense loyalty to the sponsor's name and an extensive appreciation for the sponsorship of the race and supporting their sport. The race was not a new experience to most of the individuals but this game was a new experience and added interest and motivation to the event.

Conclusion

The primary challenge was to find a vehicle or a mechanism to channel the fan's interest and associate it with the sponsor. Games such as the Pick-a-Winner and active participation in contests may be the most aggressive form of association. The race was a party atmosphere and a contest that adds ri-
valry in the social group is one that adds interest. The very competitive aspect that requires physical skill, such as changing tires, is difficult for most of the fans. But a fan that has to use a knowledge base in terms of participating but does not have to exert effort seems to be the one that is most successful and the Pick-a-Winner is one of these types of games. A format has to be found to score the game so as to provide immediate feedback. Ways must be found to build relationships between this contest and associated sponsor activities. Some type of response is required on the basis of playing the game that can be linked to a follow-up activity.

Pick-a-Winner Follow-up

The purpose of the follow-up with the winner was to establish a continuous line of communication with the fan to determine if repeated contact could help establish more brand loyalty with the sponsor. Contacts included small premiums and information about the contest and encouragement of participation to build relationships. The follow-up was spaced to coincide with the end of the NASCAR season, including the banquet in New York. The primary idea was to create loyalty through repeated communication. The process used was one of identification, recognizing the fan and making them feel important. The personal touch of communication made the individual feel important and involved.

FAN'S SURVEY

A random sample of 10 fans was surveyed with five questions regarding the Pick-a-Winner Game and the follow-up. The primary purpose, from September to January, was to interact with fans to determine the types of outcomes that could be achieved from a promotional program. An initial telephone contact was made and if the fan had time, the interview was conducted during the initial contact. If not, a convenient time was established for the interview. An open interview was used to allow for the exploration of outcomes.

When the fans were asked about enjoyment of the Pick-a-Winner game, the primary response was that the game added a competitive element to the social group. The primary problem with the game was that there was no copy of the picks for the fans. The second question was about the response that they received from the sponsor. They were surprised that the sponsor of the race would conduct an interactive program with them. It made them feel important and special. The third question asked was about the sponsor and its products. Nine out of 10 had the correct product identification. The next question was about loyalty to the sponsor's products. The common response was that they would be loyal to the sponsor's name and products, but they did not know how to support them because the sponsor has no consumer products. Eight of the participants asked about the sponsor's merchandise. The last question was about what the sponsor should do for the 1998 race. The primary response was to see more drivers and to have identifiable race merchandise. There were also comments about active fan participation areas.

Strategy Objective

1. To increase fan's desire to have cars serviced by NASCAR facilities that use the sponsor's equipment.
2. To increase awareness of the sponsor as a quality painting equipment
company that supplies consumer products.
3. To increase fan buying of sponsor's merchandise.

**Action**

1. Develop signage for shops to identify shop as using official NASCAR sponsored products. A focus on buying U.S. products.
2. Develop newsletter for professionals to help them identify latest NASCAR news and the sponsor's promotion.
3. Develop a fan catalog for sponsor's equipment and merchandise. Catalog would show NASCAR cars and sponsor's equipment. A 1-800 telephone number would have been provided for getting fan cars to look like NASCAR's cars.
4. Develop consumer products and promotions.
5. Initiate incentive promotions that provide special deals to buy sponsor's equipment.
6. Develop National Special Events to be recognized as a major sponsor of NASCAR.
7. Develop and popularize sponsor's merchandise and increase value through nostalgia. (Help defray cost of NASCAR sponsorship/No Fear model, example Top Gun calendar).

**V. SUPPLIERS (WAREHOUSE DISTRIBUTORS AND JOBBERS)**

**Objective**

To build a positive trust relationship/brand loyalty between suppliers and the sponsor.

**Game Selection**

NASCAR Games were reviewed to determine an appropriate form for suppliers. The more difficult games included participation of driving skills. The less difficult involved content based upon chance. Some of the medium difficulty games involved knowledge of NASCAR cars but not participation. The success of NASCAR games with other populations has been great. They have increased visibility and helped with product identification. Some have even been used to generate dollars to help defray the cost of sponsorship. The game choice for the suppliers was a combination of a game of chance based upon a knowledge of NASCAR. This helped test the suppliers' involvement with NASCAR.

**Format**

1. Pick-a-Winner Game was played with suppliers.
2. Contest: Michigan Pick-a-Winner Game and 8 week Pick-a-Winner Game starting with Michigan and ending with Talladega.
3. Announced winner at end of NASCAR Winston Cup season.
4. Award presentation made during NASCAR Winston Cup banquet.
5. Sent premium to all supplier participants.
6. The sponsor sent winner premium and sent small premium to all participants.
7. Conduct survey determining program effectiveness.

**GUESTS**

**Purpose**

A Pick-a-Winner Game was played with the guests which included primarily warehouse
distributors and jobbers who do business with the sponsor. The primary function of the game was to determine if a gaming format would work with warehouse distributors and jobbers to test their interest in games with themselves and with their client populations. The other focus was to use the Pick-a-Winner Game as a discussion format to determine the basic importance of using NASCAR as a strategy for increasing business as well as developing relationships among client populations with warehouse distributors and jobbers.

Description

A Pick-a-Winner contest was conducted in which the client or participant was asked to select who they would finish, by place, in the top five. They were also asked to estimate the speed of the winner. The Pick-a-Winner Game was played on Sunday morning before the heavy activities of the lunch period and the pit visits.

Data

Guests were primarily male. The results indicated that the warehouse distributors and jobbers do not have an extensive knowledge of NASCAR drivers or operations. There was also an intense interest in NASCAR and how to use NASCAR to do more business. There was also a strong feeling that the sponsor had not been prepared to handle the event except for a saturation promotion. In the second and third years of the event, there needs to be workshops with distributors and jobbers on how to do business with their clients. There was also an intense loyalty to the sponsor's name and an extensive appreciation for the invitation to the race and the associated hospitality. This was a new experience for most of the warehouse distributors and jobbers. Suppliers have to be schooled in NASCAR so they can relate to their clients.

The scores on the Michigan Pick-a-Winner Game were low, which indicated little knowledge about NASCAR and the basic structure and drivers. When the scores of the eight-week contest were analyzed, the same pattern was also observed. Different people did win, which indicated that contest type has different kinds of skills and knowledge. One of the successes of the Pick-a-Winner Game was its basic simplicity that allowed all people to participate regardless of their knowledge level. This type of contest generates interest, especially among social groups. When analyzing the location of the guests from the north concourse, there was great diversity from Ohio, Pennsylvania, Tennessee, Indiana, North Carolina, Illinois, Canada, South Carolina, Montana, Colorado, and Iowa. The number of males in the sample was thirty-three and the number of females was five.

Conclusions

The race seemed to build a tremendous amount of interest among warehouse distributors and jobbers. The primary challenge for the sponsor in the future, is how to channel this interest and how to develop an effective network using the race as the primary motivational factor to increase business. The race should also be used as a venue to do more business, and ways need to be found to accommodate the interest of the clients of the warehouse distributors and jobbers that will ultimately filter down to the general public with a consistent message.
Pick-A-Winner Follow-up

The purpose of the follow-up was to establish a continuous line of communication with the supplier to determine if repeated contact could help establish more brand loyalty with the sponsor. Contacts included small premiums, information about the contest and encouragement of participation to build relationships. The follow-up was spaced to coincide with the end of the NASCAR season, including the banquet in New York. The primary idea was to create loyalty through communication. The process used is one of identification, recognizing the supplier and making them feel important.

SUPPLIER SURVEY

A random sample of 10 suppliers was surveyed with five questions regarding the Pick-a-Winner Game and the follow-up. The primary purpose, from September to January, was to interact with suppliers to determine the types of outcomes that could be achieved from a promotional program. An initial telephone contact was made and if the supplier had time, the interview was conducted during the initial contact. If not, a convenient time was established for the interview. An open interview was used to allow for the exploration of outcomes.

When the suppliers were asked about the Pick-a-Winner Game, the primary response was that it added an element of excitement to the race. This excitement translated to involvement because the individual made a selection and was now a stakeholder in the race. The next question involved how dedicated a NASCAR fan they were. Only three were NASCAR fans and the others had only a business interest. The third question was about the promotional program. They enjoyed the contacts, but felt there should have been more promotional materials and that this type of program would be good for their customers. The fourth question asked was about fan loyalty to the sponsor. They were more loyal and had positive feelings because the race made them feel important and special.

Strategy Objectives

To recognize suppliers (warehouse distributors, and jobbers) and show them how to sell the sponsor’s products using NASCAR promotions.

Actions

1. Create promotional interfaces between suppliers and professionals so that the professionals will recognize the importance of the supplier
2. Develop incentive sales programs for suppliers, based on NASCAR.
3. Awards and theme dinner to recognize suppliers.

VI. PROFESSIONALS

Objective

To recognize professionals as craftsmen.

Format

1. To develop a proposal for special events.
2. Conduct survey to determine feasibility of proposal.
Proposal

1. A contest.
2. Special event with NASCAR shops for professionals and fans.
   A. Fastest Gun In NASCAR Contest
   B. Cars as Art Form
   C. NASCAR Art Gallery
   D. Tours of shops

Proposal

The purpose of the proposed special event would be to recognize professionals as craftsmen. The basic focus would be to develop a contest at the local, regional, and national levels. The emphasis would be upon the artistic elements of NASCAR products. The idea would be to create a special event for NASCAR in the off-season in the Charlotte area. The NASCAR professionals from regional contests would be invited to the "Fastest Gun in NASCAR" shoot-off. In addition, there would be workshops to answer professional's questions. There would be tours of NASCAR garages and shops. Fans would be invited to a NASCAR festival plus the contest. Television coverage would be provided. Sam Bass could be utilized as the official spokesperson to legitimize the event. Warehouse distributors, jobbers, and the professionals could use this as a venue for doing business. Local and regional events could be developed patterned after the national event. NASCAR professionals and drivers along with show cars could be used to generate interest. A NASCAR festival would attract the local fans to stimulate business, especially in the after-market sector.

PROFESSIONAL FANS

A random sample of 10 professional fans was surveyed with five questions regarding a special event proposal. The primary purpose was to determine the type of outcomes that could be achieved from the proposed promotional program. An initial telephone contact was made and if the fan had time, the interview was conducted during the initial contact. If not, a convenient time was established for the interview. An open interview was used to allow for the exploration of outcomes.

A proposal was presented to professionals to obtain their reaction to a special event focused around contests and NASCAR. The first question focused on a contest and its benefits. The professionals all indicated that such a contest would help recognize their abilities. It would also give the professionals a forum to express themselves and have their profession recognized as an art form. They were also quick to point out that they would also want to use their own equipment in such a contest. The second question focused on NASCAR involvement. The responses to this question were overwhelmingly positive. There were several who asked about the sponsor company's involvement, as well as the nature or format of NASCAR professional involvement. This event was seen primarily as a promotion. One of the professionals suggested that show cars should be used to generate business and this could be coordinated through the local jobbers. The third question was whether the contest should be local or national. There was almost unanimous agreement that the contest should have a local, regional, and national perspective. The next question inquired about their willingness to pay to go to a national event. The average expenses that they were willing to pay was about $300.00. They expected
some help with expenses from warehouse distributors and jobbers, especially if they were representing these individuals. The last question focused upon the content of the workshop. Five thought that this was more entertainment, but all felt that the focus should be problem-solving and not focus upon demonstrations.

**Strategy Objective**

To showcase professional's work and make them stars.

**Action**

1. Go to professional clinic and other educational forums and hold contest and problem solving workshops.
2. Conduct special events and use the NASCAR professionals in local, regional, and national events to promote automotive equipment as an art form and a place to do business.
3. Conduct special event and use NASCAR Art as a forum to popularize auto equipment as an art form.

**Implications**

In a follow-up to last year's surveys, twenty-five general fans and twenty-five brand management program fans were selected to follow-up on a study of residual brand loyalty. The primary purpose of this part of the project was to determine the level of loyalty to the product after an event sponsorship.

Participants were asked to rate their loyalty to particular brands listed (six brands) on a one through five scale. The scale was "No Loyalty" (1) to "Very Loyal" (5). Two of the brands were non-NASCAR sponsors, two were NASCAR sponsors but were not involved with the sponsorship of the race at MIS and two were sponsors of the race at MIS over the past two years, with either full or partial sponsorship.

The mean score for the non-NASCAR-sponsored brands with the general fan was 2.3. The mean score for the NASCAR-sponsored brands, but not involved with the race event was 3.1. The mean score for the race-sponsored brands was 3.0. When the brand management program individuals were surveyed, it was found the mean score for the non-NASCAR-sponsored brands was 2.3. The mean score for NASCAR-sponsored brands but not involved with the race sponsors was 3.2. The mean score for the race-sponsored brands was 3.5 and sponsor's mean score was 4.2.

These results indicate that the residual in loyalty through brand management has a sustained impact upon the fan with a full and partial sponsorship.

**REFERENCES**


