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Marketing/Sponsorship

Sponsor revenue up, but U.S. remains a challenge for WBC

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THE LEFTON
REPORT
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The first pitch of the World Baseball Classic tournament takes place in less than eight weeks and yet it has few U.S.-based sponsors and no global partners signed outside of apparel companies. Two sponsors of the first WBC in 2006, U.S. brands **MasterCard** and **Anheuser-Busch**, did not return for this year's installment. However, **Paul Archey**, MLB senior vice president of international business operations, said that while he'd like to have more domestic marketing

partners for the event that starts March 5, total sponsorship revenue is up more than 50 percent and the number of sponsors for the 18-day, 39-game tournament should net out at more than 30, up from 26 in the inaugural event.

"In this environment, with this economy, we'll have more partners and our sponsorship revenue is already up more than 50 percent, so we are pretty happy with that," Archey said. With the entire first round of the WBC being played outside of the U.S., "our strategy was much more regional," he added. Accordingly, there are five beer sponsors around the world, including **Asahi** in Japan and **Presidente** in the Dominican Republic. However, there is no suds sponsor yet in the U.S.

"Sponsorship-wise, the U.S. is the biggest challenge for us right now," he said, adding that he expects to sign U.S. and global sponsors by the time the tournament starts.

Aside from a recession that has either frozen or drastically reduced many marketing budgets, the fact that the U.S. team failed to qualify for the finals in the last WBC may have some domestic marketers skeptical.

Sponsor packages include virtual signage and in-stadium signage rights. Some teams will have sponsor patches on uniforms and batting helmets, including Asahi Beverages returning to the Japanese team and **BHD Bank** on the Dominican Republican team. A patch sponsor for the U.S. team is unlikely.

Single-game tickets go on sale Jan. 19, with team rosters also expected to be announced around that date.



The World Baseball Classic has games, and sponsors, around the world.

➤ **BARTER BOOM: Omnicom's Icon International** would much rather be known as an agency that solves problems than as a barter group that makes its living off distressed inventory, that is true. But it's also true that when the economy is tight, there is a glut of excess inventory. That's where Icon steps in. With many luxury suites, signage, motorsports and golf sponsorships playing the role of the once-cute

puppy that's now an unwanted shaggy dog, Icon's business is going up as the economy goes down.

Coming off of its best year ever, which saw a 25 percent increase in business, **Chris Kiernan**, vice president of sports and event marketing for the New York region, said that Icon is on pace to replicate last year's results by June.

In sports, Icon's business model normally involves writing companies a check for unwanted sponsorship assets. In return, those companies agree to buy media time on some of the Icon's media holdings, which include time on sports networks like ESPN and Versus. Icon then tries to sell or barter the sponsorship assets to another company. That's enough of a margin on which to build a business. Icon has more than 150 clients and takes a portion of the media they buy and resell, which ventures into the hundreds of millions.

Of course, with consumer and business spending falling precipitously, sponsorship elements aren't the only thing they are helping clients dispose of. There are a lot of corporate jets, bad debt and excess product inventory, as well. However, on the sponsorship side, the intriguing thing is there's been less wholesale dumping than you might expect. "The trend we have seen is companies keeping their sponsorships, but getting rid of one portion," said **Brian Mieth**, also vice president of sports and event marketing, "whether that's a number of races on a specific NASCAR driver's car, or getting rid of a hospitality tent at a golf tournament they don't want their name on right now. But we have not seen much outright purging of sponsorships."

As you might expect, Icon's business is cloaked in secrecy befitting a psychoanalyst. Asked for an example without corporate name attached, Mieth cited a top global brand that spends more than a billion annually on advertising. Icon now executes much of their media and was able to underwrite all of the firm's fourth-quarter sponsorship payments.

➤ **GOLDEN BILLS:** The Buffalo Bills are fashioning a 50th anniversary celebration as their primary marketing platform for the 2009 NFL season, and **InBev's Labatt** brand is the first marketer to sign on. As part of a recent two-year extension of its Bills sponsorship, the brewer will use a forthcoming 50th anniversary commemorative logo on packaging for its Blue and Labatt Light brands in New York. Labatt, a Bills sponsor since 2004, will also participate in the anniversary happenings. **Pete Guelli**, Bills senior vice president of business ventures, said he is in final negotiations for a title sponsor of the program. He said the Bills' anniversary marketing plans are still in the planning stages, but will include events around the NFL draft, training camp and the team's first home game next season, along with fan voting for an all-time Bills team. Three Bills, owner **Ralph Wilson**, defensive end **Bruce Smith** and wide receiver **Andre Reed**, are eligible for election to the Pro Football Hall of Fame this year.

Peter Stern's Strategic, New York City, is Labatt's longtime sports and entertainment agency.

➤ **COMINGS & GOINGS:** New **Madison Square Garden Sports** President **Scott O'Neil** continues to assemble his marketing team at the building that modestly calls itself "the world's most famous arena." **Greg Elliott** joins as senior vice president of marketing partnerships, a new position. He will sell



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The Buffalo Bills will celebrate their 50th anniversary in 2009, and sponsor Labatt hopes to tap into fan passion through the team's marketing platform.

sponsorships across the New York Knicks, Rangers and Liberty, as well as for MSG's sports properties division, which includes college basketball, boxing, and track and field. Elliott most recently was vice president of corporate development, premium sales and broadcasting for the Houston Rockets and Toyota Center. Prior to that, he was president and general manager of FC Dallas. He also has held slots with Silicon Valley Sports & Entertainment, the International Hockey League and the Seattle Mariners.

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