CATEGORY UPDATE

Clothing Brands Continue To Try On Sponsorships

Active category makes good sponsor target, with brands targeted at different demographics, lifestyles.

Like a style maven on a shopping spree, the apparel category shows no signs of slowing down.

Building on a trend that started roughly three years ago, marketers of non-sports apparel are increasing their use of sponsorship to build visibility and familiarity, drive store traffic and boost sales.

As national players, apparel brands largely focus on national or regional sports, music and other types of properties to gain broad reach.

Recent activity includes Brooks Brothers with Scotland’s “Home of Golf,” St Andrews Links; Donna Karan Int’l Inc. and the MLB New York Yankees; and a partnership between Rocky Mountain Clothing Co.’s Clinch Jeans & Shirts and the National High School Rodeo Assn.

On the music front, Jade Marketing Group’s Amethyst Jeans has expanded its partnership with the Vans Warped Tour.

And, in one of the largest deals in the category, Phillips-Van Heusen Corp.’s Izod brand is in its first year as title of the Indy Racing League’s IndyCar Series.

Expect to see more activity from Brooks Brothers, which sources indicate plans to announce a new partnership with an East Coast property within the next several months.

The recent sponsorship push is largely driven by two factors: The rebounding U.S. economy’s positive impact on discretionary consumer spending, as well as continued focus by retailers on private-label brands.

For manufacturers, sponsorship is a way to garner promotional support from retail partners that otherwise might favor their own brands. In other cases, those private-label brands are signing new deals.
For example, Macy’s, Inc. this year came on board as a first-time sponsor of the Vans Warped Tour on behalf of its American Rag line.

For its part, Donna Karan’s DKNY brand signed a multiyear partnership with the Yankees to highlight its New York City-centric positioning and build visibility among men, a market where it sees growth potential.

“We want to remind male consumers that we’re out there and to think of us as a resource,” said Jacki Bouza-Longaro, Donna Karan’s senior vice president, global advertising and marketing, noting that the company makes dress shirts, sportswear and other men’s clothing.

The partnership affords a large outfield bullpen sign and title of the DKNY dugout lounge for suite ticket holders. The company is activating the tie through multiple channels, including hospitality for department store buyers.

Donna Karan also is leveraging the sponsorship through other relationships. For example, DKNY last weekend sponsored an event produced by Gotham magazine that celebrated the publication’s latest issue, which features Yankee star Alex Rodriguez on the cover.

Below, IEG SR highlights three sponsorship hot buttons for the apparel category:

**Offer retail promotional platforms.** Nearly every apparel marketer uses sponsorship to drive store traffic and incent sales through property-related activities.

DKNY last month leveraged its Yankees partnership with a promotion at its corporate-owned Madison Ave. store. The promo featured a baseball-themed front window display, a ticket sweepstakes and discounts on purchases of clothing in the Yankees’ navy and white colors.

The fashion house plans to run similar promotions at department store chains in the greater New York market, Bouza-Longaro said.

**Develop co-branded merchandise.** Apparel brands frequently partner with high-profile properties to obtain a license to produce branded products.

That was the driver behind Brooks Brothers’ partnership with the St Andrews Links Trust, around which it plans to develop a collection of men’s and women’s sportswear and accessories for spring ’11.

The apparel marketer and retailer—privately owned by Retail Brand Alliance, Inc.—will kick off the partnership this year by offering a limited edition men’s polo shirt commemorating July’s British Open, which will be played on St. Andrews’ Old Course. The company is currently selling the shirts on site and will begin selling the product at select U.S. stores in June.

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**SIDEBAR**

**Warped Tour Serves as Launching Pad For Smaller Brands**

The Vans Warped Tour is seeing increased interest from companies in the apparel category, based in part on its ability to provide access to young-adult consumers and opportunities for smaller manufacturers to grab a piece of the action.

In addition to its new partnership with Macy’s American Rag and an expanded tie with Amethyst Jeans, the tour has secured deals with Advent Clothing Co., Choonimals Clothing Co. and After 11.

The three brands will market their product under a shared tent, while Advent will co-title one of the tour’s stages with music magazine Alternative Press, said Sarah Baer, director of tour sponsorships and marketing with 4Fin, which produces the tour.

The tour secured the three companies through AFN Distribution, a grassroots marketing company that specializes in the music space.

The tour over the past several years has seen increased interest in booth space and on-site sales rights from upstart apparel brands, Baer said.

“A lot of small clothing companies have become big—Glamour Kills, Stare Co., Hooligan and especially To Write Love on Her Arms. TWLOHA exploded on Warped and are now an international brand.”

The promoter limits the number of such partnerships on each tour so as not to compete too much with band merchandise sales, Baer added.
Similarly, Polo Ralph Lauren Corp. has leveraged its partnerships with tennis’s U.S. Open and status as exclusive parade outfitter for the U.S. Olympic and Paralympic teams by creating and selling property-branded clothing lines.

**Provide on-site sales and display.** Properties should provide booths and other real estate that apparel companies can use to showcase and sell their latest styles.

For example, Polo Ralph Lauren receives a major retail presence at the USTA Billie Jean King National Tennis Center as part of its U.S. Open sponsorship.

*Source*
*Donna Karan Int’l Inc., Tel: 212/789-1500*
SELLING

No Whining: Attraction Revamps Approach To Category After Losing Vineyard Sponsor

Knowledge of marketplace allows properties to adopt successful approaches to filling open categories

The story of San Francisco waterfront attraction Pier 39 and how it resold its wine category this year shows that rightsholders can’t always stick to previously successful sales strategies.

Rather it is vital for properties to adapt to changing market conditions in order to protect revenue streams.

In late ’08, Pier 39 signed a one-year, category exclusive deal with DeLoach Vineyards. Despite the venue’s efforts to promote on-site sales throughout ’09, the goals the two parties set were not met, and DeLoach opted not to renew the deal for this year.

The sales targets were based on ’08 purchase activity at the Pier, a year of strong wine sales. With recession-challenged visitors often opting to trade down to less expensive soft drinks, wine consumption took a hit in ’09, said Beth Schnitzer, the property’s vice president of strategic alliances.

With knowledge that many wineries had tightened their belts due to the economy, Schnitzer pegged the chances of finding a single sponsor to replace DeLoach at “slim to none.” So Pier 39 decided on a different course of action.

Instead of seeking an exclusive partnership with one company, the attraction established a shared “preferred wine of Pier 39” package that it offered to multiple labels under a Wines of California umbrella.

“Given the state of the wine industry and reduced marketing budgets, we created a smaller package,” Schnitzer said. “Yesterday’s tactics most likely will not work in today’s economic climate; this agreement was designed to benefit multiple parties, not just one entity.”

Pier 39 has secured participation from 25 labels, which together are paying the equivalent of 75 percent of DeLoach’s fee. Schnitzer hopes to end up ahead of the game by upselling the wineries if the relationship is a success.

“If we meet their goals and objectives, we can expand the relationship and increase the price,” she said.

While the logistics of establishing relationships with 25 separate partners took a considerable amount of upfront resources,
the program is now running smoothly, she added.

The program took advantage of the presence of Pier 39 tenant Wines of California Wine Bar to identify potential labels to pitch. A key selling point was the inclusion of pouring and sales rights at the bar and its retail shop, as well as at Swiss Louis Italian and Seafood Restaurant.

Pier 39 promotes the wineries through on-site signage, marketing collateral, email blasts and social media efforts.

The wineries also receive pouring rights at Fleet Week and other Pier 39 events, said Schnitzer, who plans to add two sparkling wines to the program.

Participating wines include 3 Girls Pinot Noir, Banyan Gewurztraminer, Bonterra Sauvignon Blanc and Bouchon Chardonnay.

Wine sales in the U.S. rose 2.1 percent in '09, according to Mintel, a market research firm.

Source
Pier 39, Tel: 415/981-7437
AUTOMOTIVE

Jaguar Sets Stage For Performing Arts Sponsorships

New vehicle launch provides impetus for sponsorship programs; properties should research new marques form other automakers.

Jaguar Cars North America has launched a new sponsorship initiative to promote its redesigned flagship XJ luxury sedan.

The British import is following the lead of corporate sibling Land Rover North America, Inc. (“Land Rover Plans New Deals As Auto Sales Come Back To Life,” 4/19/10). While the latter is focusing on equestrian events, skiing and adventure travel, Jaguar has set its sights on performing arts organizations, venues and related activities.

It has just completed deals with several properties, including the Hollywood Bowl and Houston Grand Opera, and is likely to seek deals with similar venues in New York City, South Florida and other key markets.

The deals represent Jaguar Cars’ first major U.S. sponsorship push since parent company Jaguar Land Rover North America, LLC was acquired by Mumbai, India-based Tata Motors Ltd. nearly two years ago.

The automaker is using the sponsorship campaign to support this month’s launch of the 2011 XJ, an all-aluminum vehicle apparently designed to take on the Mercedes CL-Class and Bentley Continental. The car is priced from $72,400 to $115,000.

The new sedan is also getting sponsorship support in its home country, with Jaguar Cars Ltd. signing a new partnership with June’s London Jewellery Week.

On both sides of the Atlantic, Jaguar is activating its ties through on-site vehicle display and ride-and-drive programs. Jaguar will leverage London Jewellery Week by transporting designers, actors, TV personalities and other VIPs in a fleet of XJ vehicles.

SIDEBAR

Another Week, More Auto Activity

While the auto category significantly cut back its sponsorship activity last year, the sector is wasting no time getting back up to speed, with a steady stream of new deals being announced this spring, plus some other signs of life.

Volkswagen AG’s Audi of America Inc. unit just took official vehicle status of Washington, D.C.’s Nation’s Triathlon.

The deal also is unique in that it represents a new property type for Audi of America, which historically has sponsored skiing, golf and other events.

The Sept. 12 triathlon affords the brand presenting status of the D.C. Cup, an award given to the male and female Washington, D.C. residents posting the best times.

Ford Motor Co.’s (“Despite Cuts, Big Three U.S. Automakers
Additional leveraging could include the hosting of networking events with affluent arts patrons.

The U.S. program is spearheaded by national and regional Jaguar marketing execs, including Glenn Drake, western regional sales and marketing manager, and Sharon Corrigan, vice president of marketing. Corrigan began in that position in December.

Jaguar’s other U.S. sponsorships largely emanate from dealers, including The Hampton Classic Horse Show in Bridgehampton, N.Y. and the Toshiba Classic Champions Tour stop in Newport Beach, Calif.

The automaker has a lot riding on the new XJ, one of only three models it sells in the U.S.

With only the XF sports sedan (starting at $53,000) and the XK coupe and convertible (starting at $83,000) available, Jaguar sold just 896 vehicles in April, down 30 percent from the same month in ’09. Land Rover sales were up 35 percent to 2,749 units in April, resulting in an overall 10 percent sales increase for Jaguar Land Rover North America.

Tata purchased the Jaguar and Land Rover brands from Ford Motor Co. in June ’08. The company subsequently moved its North American headquarters from Irvine, Calif. to Mahwah, N.J.

The sponsorship initiative also helps breathe new life into the arts sector, a property category that has seen many defections by troubled auto companies over the past two years.

Remain Large Sponsorship Players,” 5/3/10) Lincoln brand appears to be gearing up for a new sponsorship campaign to support the redesigned MKX mid-sized crossover.

Lincoln recently forged a new partnership with Boston’s Head of the Charles Regatta, with more deals presumed to be in the works.

Marketing/communication agency Team Detroit spearheaded the tie on behalf of Lincoln.

And ride-and-drive programs seem to be making a comeback.

Long seen as an effective way to put consumers in their vehicles outside of visiting a dealership, ride-and-drive programs—many of which were conducted in conjunction with sponsored properties—have been mostly garaged over the past two years as a result of the distressed economy.

But sources report some renewed test-drive activity by automakers.

Case in point: California Partnership Marketing Group, a sponsorship sales agency that also routs ride-and-drive programs on behalf of automotive marketing agency AMCI, has worked on tours for Honda North America, Inc.; Mercedes-Benz USA, LLC; and Toyota Motor Sales, U.S.A., Inc. over the past nine months.

“We didn’t see any interest until July of ’09,” said Tamara Goddard, CPMG’s director of strategic alliances.

CPMG plans tours both to automaker-sponsored events and other locations.

For example, the agency routed a Toyota Prius tour to malls that had a Best Buy and/or Whole Foods store, Goddard said, noting that Toyota research showed a demographic overlap between Prius owners and prospects and customers of the two retailers.

Sources
Audi of America, Inc., Tel: 703/364-7000
Ford Motor Co., Tel: 313/322-3000
California Partnership Marketing Group, Tel: 415/705-5565
SELLING

Missteps Properties Need To Avoid

Proper research that allows customization of packages would address most sponsor pet peeves

What frustrates corporate marketers when being pitched sponsorship or otherwise working with properties? What should rightsholders do differently when dealing with prospects and partners?

IEG SR recently posed those questions to six sponsorship decision-makers, all of whom were quick to point out their biggest pet peeves. Below, seven things properties often get wrong when communicating with potential and current sponsors:

Not understanding a prospect’s business. Nearly every sponsor expressed disappointment with properties that don’t know enough about how the company works, nor its products, targets, markets and priorities.

While no sponsor expects a property to understand its business inside and out, properties that have done their research are in a much better position to craft the kind of tailored proposals they are looking for, a number of sponsors said.

“Properties need to understand our business enough to know what would make sense to us, as opposed to selling what’s on the truck,” said Rick Singer, IBM Corp. vice president, client executive marketing. “They may say, ‘we know this is the right thing for your business,’ but then the proposal has nothing to do with our business.”

Chris Riedel King, senior relationship manager, corporate marketing for Principal Financial Group, Inc., echoed that sentiment.

She noted The Principal frequently receives proposals from golf tournaments and other properties offering access to high-net-worth individuals, a demographic outside its target of corporate benefits decision-makers.

“People seem to think we look for high-net-worth people,” she said. “We have them, but we approach them as business owners or business decision-makers, as opposed to individual consumers.”

Properties that make misguided assumptions. Sue Bundy, BMO Financial Group’s director of corporate sponsorships & marketing alliances, expressed frustration with properties that jump to conclusions rather than ask questions.

For example, properties should not take a look at the bank’s current portfolio and make the leap that it is not willing to add new property types.

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“Don’t assume that we wouldn’t be interested in an opportunity because of the typical way we do things,” Bundy said.

**Properties that are all talk and no listen.** Casey Cortese, Janus Capital Group Inc.’s vice president of sponsorship & community relations, gets irritated with properties that come on too strong and dominate the conversation, especially in an initial call.

“I absolutely hate it when they talk for five minutes straight without asking if I have the time; they get so excited that they’ve got someone on the phone. It should be a two-way conversation, not just a data dump.”

**Properties that just say ‘yes.’** Another irritant for Cortese—properties that simply agree to everything when brainstorming activation ideas.

“They say yes to every idea and try to butter you up, as opposed to offering their honest opinion and letting you know you are going down a path that may not be the best,” said Cortese. “They need to say it might not work because of x, y and z, and come up with a solution.”

**Cookie-cutter sponsorship packages.** Charmayne Vincent, community relations and sponsorship manager with the Virginia Lottery, points to properties that offer packages with no flexibility.

“It makes no sense to pay for things that we aren’t going to use,” Vincent said. “Sometimes I have to walk away from a sponsorship because they are not able to create a package that is unique to my business.”

**Proposals addressed to the wrong company.** Another pet peeve of The Principal’s Riedel King: properties that send proposals carrying the name of another company or that are not correct when it comes to her company name.

“I hate it when I get canned proposals that get our name wrong. We get proposals addressed to Prudential, or they misspell our name as Principle. I won’t pay attention to those.”

**Salespeople that just don’t get it.** Bruce Delahorne, senior manager, national advertising for retailer CDW Corp., expresses frustration with salespeople from pro sports leagues and teams who are passionate about the sports they represent but not effective salespeople.

“They know about their sport, but that doesn’t always do me a lot of good,” he said. “In many cases, salespeople get a pass because it’s a tough economy for sponsorship, as opposed to their bosses saying, ‘my salespeople aren’t very good.’

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**Sources**

BMO Financial Group, Tel: 416/867-5000  
CDW Corp., Tel: 847/465-6000  
IBM Corp., Tel: 914/499-1900  
Janus Capital Group Inc., Tel: 303/333-3863  
Principal Financial Group, Inc., Tel: 515/247-5111  
Virginia Lottery, Tel: 804/692-7000