CATEGORY UPDATE

A DAY IN THE SUN: NEW DEALS IN THE SUN CARE CATEGORY

Sunscreen marketers double down on sponsorship to promote new products in a relevant environment.

New product launches from established and upstart companies is driving new sponsorship activity in the sunscreen category.

The goal: Promote new brands and line extensions, educate consumers about product attributes and gain platforms for retail promotions.

Not surprisingly, recent deals include theme parks, NASCAR teams and other activities where consumers spend a significant amount of time under the sun.

Those include Coppertone and Six Flags theme parks, Hawaiian Tropic and Mercedes-Benz Fashion Week Swim, and Banana Boat and Chip Ganassi Racing, the latter of which affords ties to two drivers: Jamie McMurray in the NASCAR Sprint Cup Series and Dario Franchitti in the IZOD IndyCar Series.

In addition, McNabb Nutraceuticals LLC this year signed a multiyear partnership with the LPGA on behalf of its two-year-old Sunology all-natural sunscreen.

Most deals are driven by new product launches.

For example, Banana Boat partnered with Chip Ganassi Racing to promote its new Performance CoolZone continuous spray sunscreen, while Hawaiian Tropic aligned with MB Fashion Week Swim on behalf of Hawaiian Tropic Silk Hydration lotion.

Coppertone is using its Six Flags partnership to promote two new products: Wet ‘N Clear and Sport Pro Series with DuraFlex.

The new deals come amid a backdrop of modest growth in the sunscreen category. Dollar sales of suntan lotion and oil grew 3.97 percent in the year ended June 10, 2012, according to SymphonyIRI Group, a market research firm.

Fun Under The Sun: Sunology Seeks Additional Deals

McNabb aligned with the LPGA to build visibility and sample Sunology among upscale females and mothers.
“We focused on the notion of accessing high income athletic females. Golf is a good theme for that target market,” said Richard Doermer, founder and managing partner of McNabb Nutraceuticals.

The company approached the LPGA, which was wrapping up a partnership with the Women’s Dermatologic Society. The organization used the tie to conduct skin cancer screenings at LPGA tournaments.

“They decided to redirect their money into a school program after the first quarter, so McNabb approached us at a good time,” said Cathy Levering, the LPGA’s director of corporate partnerships.

McNabb activates the sponsorship by distributing samples at LPGA tournaments. It also promotes the tie on product packaging and www.Sunology.com.

The privately-held company also uses the partnership to build relations with retail partners. Case in point: Doermer credits sampling programs at the March 22-25 Kia Classic with opening the door to Whole Foods Market, Inc. and Rite Aid Corp. McNabb now sells through select Whole Foods and Rite Aid outlets in Southern California.

McNabb accomplished that task by distributing account-specific coupons with Sunology samples at the event.

“We have used the LPGA as a fulcrum for starting conversations with regional buyers,” said Doermer.

The company also uses the sponsorship to establish a dialogue with LPGA sponsors in the retail category. For example, McNabb plans to discuss Sunology with buyers from Safeway Inc. around next month’s Safeway Classic presented by Coca-Cola.

Going forward, Doermer plans to ink additional deals with running, surfing, volleyball and other types of events on behalf of the planned 2013 launch of a Sunology brand extension aimed at top-tier athletes.

“The nexus between athletics and sunscreen is undeniable, and we’re actively looking for the right outdoor pursuits that are commensurate with our brand and branding,” said Doermer, noting that he is in “deep conversations” with the Competitor Group, the organizer of the Rock ‘n’ Roll Marathon Series.

In addition to regional Rite Aid and Whole Foods outlets, Sunology is sold through Walgreen Co., Kinney Drugs, Inc. and other national and regional retailers.

**Tips On Selling The Sunscreen Category**

Below, IEG SR shares five tips on selling companies in the sunscreen category:

**Attend trade shows.** Like other consumer packaged goods products, properties should read trade publications and attend trade shows (“Getting It Done: Prospecting Sponsors And Closing Deals” 06.11.12) to learn about new product launches and identify potential partners.

In a different twist, McNabb signed its contract with the LPGA at the March 7-10 Natural Products Expo West in Anaheim, Calif.

**Provide access to consumers that spend time outdoors.** While it may be obvious, sunscreen marketers look for opportunities to promote their products in a relevant environment where consumers spend time outdoors.

That was major driver behind Coppertone’s new tie with Six Flags.
“This is a partnership that provides a contextually relevant environment to communicate to adults and children the importance of protecting their skin from the sun’s rays while they are active and outdoors,” said Evan Bashoff, Coppertone product manager.

Merck & Co. owns the Coppertone brand following its 2009 merger with Schering-Plough.

**Access retail promotional platforms.** Sun care brands frequently look for tickets and other inventory that can be used for retail promotions.

For example, Coppertone is activating Six Flags with an instant redeemable coupon that offers up to a $40 discount on passes to participating theme parks.

**Offer social media platforms.** Like just about every other category, sunscreen marketers are placing more focus on social media activation.

Hawaiian Tropic is activating Mercedes-Benz Fashion Week Swim with a Facebook promotion that dangles a trip to the July 19-23 event, while Banana Boat leveraged Chip Ganassi Racing with a branded Facebook tab that offers tips on music and outdoor gear from Jamie McMurray and Dario Franchitti.

Consumers that visited the site also could enter a promotion that dangled the chance to win a CoolZone pit crew experience with McMurray at a race.

Energizer Holdings, Inc. owns the Hawaiian Tropic and Banana Boat brands.

**Provide on-site sales rights.** Sunscreen brands frequently look for on-site sales rights. For example, Coppertone gains sales rights at Six Flags theme parks, while Panama Jack receives sales rights around its partnerships with Hersheypark, SeaWorld Parks & Entertainment and other properties.

### THE TOP TEN: THE BIGGEST PLAYERS IN THE SUNTAN LOTION/OIL CATEGORY

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DOLLAR SALES*</th>
<th>YEAR-OVER-YEAR SALES INCREASE</th>
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</thead>
<tbody>
<tr>
<td>Playtex Products Inc.</td>
<td>$188.7 million</td>
<td>4.24%</td>
</tr>
<tr>
<td>Merck &amp; Co.</td>
<td>$160.3 million</td>
<td>(0.14%)</td>
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<tr>
<td>Neutrogena Corp.</td>
<td>$151.2 million</td>
<td>6.03%</td>
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<tr>
<td>Private Label</td>
<td>$121.3 million</td>
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<tr>
<td>L'oreal Paris</td>
<td>$29.3 million</td>
<td>16.85%</td>
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<tr>
<td>Johnson &amp; Johnson</td>
<td>$25.8 million</td>
<td>(10.29%)</td>
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<tr>
<td>European Tanning System</td>
<td>$16.1 million</td>
<td>4.47%</td>
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<tr>
<td>Sun &amp; Skin Care Research, Inc.</td>
<td>$13.3 million</td>
<td>(8.83%)</td>
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<tr>
<td>La Roche Posay</td>
<td>$9.1 million</td>
<td>21.66%</td>
</tr>
<tr>
<td>Chattem Inc.</td>
<td>$6.2 million</td>
<td>(10.95%)</td>
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Sources
McNabb Nutraceuticals LLC, Tel: 312/245-9444
Merck & Co., Tel: 908/423-1000
LPGA, Tel: 386/274-6200
Change is under way at Bank of the West.

The financial services company—which operates more than 700 banking outlets in 19 Midwest and Western states—in April hired Dan Osipow as senior vice president, corporate sponsorship manager, a new position.

His primary charge: Align corporate marketing objectives across the bank’s far-flung sponsorship portfolio to ensure return on investment.

“They brought me in to engage senior leadership and validate events from a business-building perspective,” said Osipow, who previously managed sponsorship for BlackRock, Inc. and the investment firm’s iShares (“529 program Managers Also Sponsor” 07.26.10) exchange traded funds.

The PNB Paribas subsidiary uses sponsorship to accomplish three primary objectives: build awareness, drive brand equity and demonstrate community involvement.

However, Osipow plans to take the bank’s sponsorship strategy to the next level by focusing on the three following areas:

Support ad campaign. Osipow plans to leverage existing ties to support Bank of the West’s 11-month-old “Go West” brand campaign. The ad campaign highlights the spirit of possibility that exemplifies life in the Western U.S.

The bank kicked off the activation initiative last week at the Bank of the West Classic WTA tournament in Palo Alto, Calif. The company leveraged the event with an on-site text-message seat upgrade promotion that offered a seat located on the west side of Taube Tennis Center.

The bank plans to use other sponsorships to support the campaign, ranging from promotions like the one at the Bank of West Classic to using on-site signage to promote the Go West moniker, said Osipow.

“We want to link up as many properties as possible to the overall brand campaign.”
Bank of the West last month renewed title of the Bank of the West Classic through 2017. The bank has sponsored the tournament since 1991.

**Work more closely with field marketing managers.** To ensure corporate marketing campaigns are supported at local events, Osipow plans to open the line of communication between the bank’s corporate sponsorship department and its seven divisional marketing managers.

“We want to make sure everyone is working off the same strategy from senior management on down,” said Osipow.

Divisional marketing managers will continue to vet and fund local deals. “We’ll continue to empower folks in the field to work with properties that mean something in the community, but we’d like to add our expertise once a contract is signed or negotiated to make sure there are some checks and balances.”

As an example, Osipow plans to stress the importance of exclusive deals. “Hopefully we’ll be the only retail bank going forward.”

Osipow oversees the bank’s larger partnerships including the Bank of the West Classic, Rose Bowl and Cheyenne Frontier Days, the latter of which the bank presents. Local ties include The University of New Mexico athletics, minor league baseball’s Triple-A Albuquerque Isotopes and the We Fest country music festival in Detroit Lakes, Minn.

**Gain business from sponsored properties.** Although Bank of the West has banking relationships with a number of sponsored properties, Osipow sees an opportunity to gain business from additional partners.

“Clearly, a relationship would have to make sense, but it’s something that we would like to push to greater prominence.”

Source

Bank of the West: 415/765-4800
For-profit school gains economy of scale by replacing local deals with a national platform.

Although some for-profit colleges (“For-profit Educators Ring Bell for Sponsorship” 09.08.08) and universities have cut back on sponsorship amid increased government scrutiny over low graduation rates, DeVry Inc. is charging ahead with the marketing medium.

The company in late 2011 announced its largest sponsorship: A five-year cash and in-kind partnership with the U.S. Olympic Committee, around which DeVry University and its Keller Graduate School of Management are offering scholarships and educational opportunities for Olympic and Paralympic athletes.

And the program is gaining traction: More than fifty athletes have enrolled at DeVry University at both the undergraduate and graduate levels.

IEG SR spoke with John Birmingham, DeVry University CMO, and Amanda Geist, director of partnership marketing, about the thinking behind the Olympic program, how the school is placing more focus on national deals, and other topics.

Below are edited excerpts from the conversation.

IEG SR: What is the thinking behind the U.S. Olympic Committee relationship?

Birmingham: It’s a mutually beneficial partnership. We started talking and learned early on that many athletes want to pursue their education and career goals but don’t have the opportunity due to their training schedules.

We discussed our course offering, flexible schedule and the quality of our academic instruction, and it became clear the relationship was a good fit. The purpose of the partnership is to provide educational opportunities for working adults that have other activities that compete for their time and effort.

IEG SR: DeVry University over the years has sponsored properties ranging from the Latin GRAMMY Awards to pro sports teams. What is the status of those partnerships?
Geist: Our sponsorship push began with local deals. Those included the MLB Arizona Diamondbacks and MLS Chicago Fire. After several years we realized we needed to take a broader look at how sponsorship impacted our marketing mix.

Birmingham: We’re not completely moving away from local sponsorships; it’s more about national sponsorships with local extensions. That’s not to say you won’t see us at local community-building events. But given our footprint, we want to strike national partnerships that can be activated locally.

IEG SR: Speaking of which, how are you activating the U.S. Olympic Team?

Birmingham: We’re hosting Team USA Road to London Tour events at DeVry campuses. The events feature family-friendly activities where consumers can test their athletic skills and watch demonstrations from Olympians. It’s a good platform for local activation.

Geist: We’re also using traditional and social media to tell the story of how we’re helping student athletes maintain a work-life balance. We tell the stories through Twitter, Facebook and TV commercials, as well as DeVry.edu.

Source
DeVry University, Tel: 630/571-7700
ABOUT IEG

IEG leads the way in sponsorship solutions. With over 30 years providing insights, evaluation, and guidance, our teams bring unparalleled perspective and proven methodology to every challenge.

We partner with top brands and properties to create fresh strategies, evaluate opportunities and maximize results. Our clients rise above competitors, meaningfully engage audiences and achieve lasting impact.

A unit of WPP’s GroupM, IEG is connected to specialty sibling communications companies in media, digital and activation. GroupM is the leading global media investment management operation that also serves as parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare.

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