



Getting In the Game

Sponsorships a
Sporting Venture
for Businesses

By Matt L. Ottinger

“I’m tired of hearing about money, money, money, money. I just want to play the game, drink Pepsi (and) wear Reebok.” – Shaquille O’Neal, NBA superstar

Indiana is known for its contributions to the world of sports. Not only is the capital city home of the Indianapolis 500, the 2006 Super Bowl champion Colts and the NCAA headquarters, but the downtown revival that began in the 1980s came in no small part due to the thoughtful goal of becoming an amateur sports leader.

Hoosiers throughout the state are privy to many prominent amateur and professional events throughout the year. With this notoriety comes sponsorship and advertising opportunities for the business community. But what is it that attracts businesses to sports like defensive linemen to a hobbling quarterback? And what impact do sports have on Indiana’s economy?

Community: It’s a team game

According to Brian Schackow, assistant general manager for the Fort Wayne Wizards baseball team (a Class A affiliate of the San Diego Padres), sponsoring sports can benefit a business in a variety of ways.

“When businesses sponsor sports, they want value just as they would with an ad in a newspaper or on the radio,” he says. “But there is a uniqueness in advertising through sports that other venues can’t offer.”

Schackow explains the “uniqueness of sports” is paramount in driving sponsorships, noting that stems largely from a sense of community, thus building morale not only with potential customers, but also with staff.

“Sports are a great place (for a business) to show community support,” he contends. “If you have a sign in the outfield and your employees have season tickets, they see you’re a part of the community. There’s a pride and connection there; people are passionate about sports – and your business.”

And it’s not just corporations that partner with the Wizards and other franchises.

“We have sponsorships from the largest companies to the mom and pops as well,” he adds. “We try to find a spot for every business who wants to advertise with us.”

The Wizards will be moving to a new downtown facility in 2009, which will expand seating capacity from 6,000 to 9,000, and the new locale will likely enhance sponsorships, according to Schackow.

“We think sponsors will see more value and naming rights opportunities downtown,” he says.

He states the new ballpark will feature a suite lounge that overlooks the field, thus promoting more networking opportunities for involved businesses.

Schackow also notes that luxury suites at sporting events can serve as networking and morale building tools.

“If you have a luxury suite, you can bring out a client or you can allow the office staff to get together outside of work,” he says. “We’ve even had some picnics at our ballpark with as many as 2,000 people.”

Rick Judy, media marketing manager at Dixie Chopper in Coatesville, agrees, saying his company’s sponsorships with the Indianapolis Colts, the National Hot Rod Association and other sports allow the company to reward employees with game tickets for achievements like perfect attendance. He also states the company uses Colts tickets to treat dealers to games, even those out of state in rival NFL markets such as Tennessee.

Additionally, Judy asserts Dixie Chopper has seen both its company profile and profits rise thanks to sports sponsorships.

“We’ve been involved with the Colts and racing for three years, and we see a direct link to it,” he says. “With the NHRA especially, we get a lot of TV time, and (buying) commercials alone would cost more than the sponsorship.”

“I hear from a lot of people who say they saw us on TV or at the Colts game and then looked at our web site,” Judy adds. “I’ve been told it helps sell.”



The Fort Wayne Wizards’ outfield wall may be many colors, but ultimately these sponsorships help the franchise see green.



While some may point to professional sports as the key to Indiana's success, it's also headquarters such as U.S. Track & Field and USA Gymnastics that help make Indiana a known commodity and host for many youth and amateur events. Indianapolis serves as a frequent home to NCAA Final Four tournaments, giving a great deal of exposure to the state.



By the Numbers

- Central Indiana has hosted more than 400 national and international sporting events since Indiana Sports Corporation's inception in 1979, generating more than \$3 billion in economic impact
- Sports organizations in Indianapolis (including the NCAA, National Federation of State High School Associations, Black Coaches Administrators, etc.) contribute more than \$91 million annually to the Indiana economy
- More than 295,000 fans attended 2006 events: Big Ten Men's and Women's Basketball Tournaments, NCAA Men's Final Four, AT&T USA Outdoor Track & Field Championships, Coca-Cola Circle City Classic
- The 2006 NCAA Men's Final Four generated \$39.3 million in new direct expenditures for Indianapolis (up from \$29.5 from the 2000 NCAA Men's Final Four in Indianapolis)
- Economic impact of other events: 2005 NCAA Women's Final Four (\$18.7 million), 2005 Solheim Cup (\$15.4 million) and 2007 Coca-Cola Circle City Classic (\$11.8 million)
- The 2008-2012 Big Ten Men's & Women's Basketball Tournaments are estimated to bring \$50 million in direct spending to Central Indiana

Source: Indiana Sports Corporation

A home run for the economy?

While developing its bid for the 2011 Super Bowl (the city is expected to seek the 2012 game after losing out to Dallas a year ago), Indianapolis officials estimated hosting the game would cost \$20-25 million, in addition to the \$200,000 just to make the bid to the NFL. They also noted that those funds would come from the private sector, with local businesses (and Colts owner Jim Irsay) eagerly staking the city in its efforts. This willingness was likely in no small part due to the fact that the city and PricewaterhouseCoopers estimated the event would bring in \$262 million to the local economy and 98,000 visitors to the region.

The Colts' new stadium was also a lure for the granddaddy of all sponsorships. Lucas Oil Products, a California-based company heavily involved in Indiana racing, purchased the naming rights for the Colts new home with a deal valued at \$122 million over 20 years.

At a press conference held following the announcement in 2006, Lucas Oil president and COO Forrest Lucas (a Corydon, Indiana native) explained the benefits to his company, citing image enhancement and the ability to increase the company's profile as primary motivators.

"We're getting ready to introduce our lightweight motor oil and our motorcycle oil," Lucas said at the press conference. "Why'd we do this? We were ready to come to another plateau. Racing brought us to a high level. We've reached this plateau, and we want to get to another level."

According to the Indiana Sports Corporation (ISC) – a private, non-profit organization in Indianapolis that works to recruit amateur sporting events and organizations to the state – the marked impact of sports on Indiana's economy is profound.

However, ISC president Susan Williams also sees sports as a retention tool for companies.

"It's understood in the corporate world that sports provide networking opportunities, but an active sports scene also helps in the retention of young talent," Williams says. "From that standpoint, it's a quality of life issue."

Nate Feltman, Indiana Secretary of Commerce and CEO of the Indiana Economic Development Corporation (IEDC), concurs.

"Companies that think about moving here want entertainment options for their employees," he says. "The city's and the region's reputation is based largely upon this. When Medco decided to move here (to Whitestown in Boone County), they said that culture was a big factor."

According to Williams, the fact that Indianapolis houses headquarters for the NCAA, USA Gymnastics and USA Track & Field is a major contributor to the state's economy.

"These organizations fill local hotels just for meetings," she states. "This is big business, and we need to understand it. These companies do business with Indiana vendors and it's definitely significant."

Williams also explains a new non-profit membership organization called Sports Indiana is in the works, which will be comprised of representatives from 24 communities within the state. The goals include developing marketing plans to make Indiana a sports destination and analyzing the collective



Although the Pacers may be currently struggling, companies still bid on becoming a prominent face above center court.

impact of current efforts. The group has already been meeting informally for two years and is partnering with Indiana University's Kelley School of Business to conduct an economic analysis of sports' impact on its member communities.

Williams notes that sports in the state encompass much more than just professional teams in Indianapolis and major NCAA events, and that recent analysis has spawned optimism on a statewide basis.

"Our niche is just a small piece of the puzzle," she says. "There are major events throughout the state that contribute to the economy. Evansville is a hub for youth soccer and Hamilton County has major golf events. And who knew Elkhart was huge in rowing?"

The college try

When it comes to determining which sports companies should sponsor, Williams explains there are many factors.

"Sometimes it depends on the corporate identity, but sometimes a CEO will have a passion for a particular event or sport and that will drive participation," she says.

Bob Bowen, chairman and CEO of Bowen Engineering Corporation in Fishers, personifies that sentiment. Bowen is a loud and proud sponsor of Purdue University athletics and believes sponsorships can be about much more than the almighty dollar.

"I don't do it for the sale," he states. "I doubt it's had much impact on our bottom line. But it does have an impact on building relationships. Business is about more than just a contract or a purchase order."

Bowen explains his company treats clients to many basketball and football games, and he will even take a client based in Columbus, Ohio to the Purdue-Ohio State contest in the Buckeye state next year.

Bowen Engineering sponsors not only Purdue sports, but academic programs, scholarships and a laboratory in its civil engineering program. However, Bowen does believe sports have a direct impact on a school's overall ability to reach out to the community.

"Sports are just part of the package, but they're also part of the excitement and the marketing," he asserts. "It markets the school, which helps the engineering program. Just like down at Indiana University, I'm sure it helps their medical school."

While his donations to Purdue could be viewed as benevolent, Bowen claims it's the least he can do to repay his alma mater and one of the nation's leading engineering schools.

"Purdue has been very good to me," he beams. "I have 100 graduate engineers working for me and 75 went to Purdue. My company wouldn't be what it is without Purdue."

Not only do the state's universities provide key sponsoring opportunities, but the Big 10 Conference has also proven to be a fixture. Making Indianapolis the home of the Big 10 men's and women's basketball tournaments for the next five years was an encouraging harbinger for ISC.

"This community stepped up in a big way, which makes Indianapolis enviable," Williams says. "Beating Chicago out of the Big 10 (men's tournament) spoke to this corporate community and the volunteer support."

Williams added that it's the people that are often overlooked. She explains the tournament requires 600 volunteers (between the men's and women's events), and the Final Four tournament relies on the work of 1,400 volunteers.

"Some corporations will donate volunteers and it means real work and time away from the job," Williams surmises. "We had a woman (from a local law firm) who was off of work for one and a half weeks. Some people can be off for weeks if the company places a high value on getting involved. But it's not just about someone wearing company apparel in the front

row; some of these people don't even see the event."

Ladies and gentlemen, seek your fortunes

According to Feltman, Indiana's reputation as a fixture in motor sports begets more than just an impact from actual races. He claims the acknowledgement on an international level helps bring business to the state throughout the calendar year.

"The (Indianapolis) Motor Speedway has special meaning, especially when we're an automotive state," he contends. "That gives us opportunities with businesses like Toyota and Honda. With the auto sector enhanced, it brings visibility to the state."

Feltman states Gov. Mitch Daniels'



Indiana Sports Corporation president Susan Williams claims evaluation of the total impact of sports on Indiana's economy is just getting started.



Even the steps leading up to the Fort Wayne Wizards' diamond show marketing potential.

business recruitment efforts have reflected this, rendering motorsports a key component in the overall goal to enhance the state's business climate. In fact, the IEDC now includes the Indiana Motorsports Association, which was developed to serve as a central voice for Indiana racing, and its board of directors is made up of Indiana motorsports professionals.

"(The governor) has made motorsports a big part of his initiative to bring businesses to Indiana," he says. "The fact that we now have companies like Lucas Oil wanting to get involved here is exciting. We have some of the lowest business costs (in the United States), and we want to leverage that to bring more jobs to Hoosiers."

Feltman cites the addition of the Honda manufacturing plant in Greensburg, scheduled to open later this year with 2,000 employees, as a prime example.

David Powers Motorsports, one of the NHRA's leading top-fuel drag racing teams, announced in 2007 its intentions to build a new team headquarters, garage and testing facility in

Brownsburg, creating 42 new jobs. To encourage the move, the IEDC offered the company up to \$260,000 in performance-based tax credits.

According to an IEDC press release announcing the move, "Powers joins the ranks of the more than 1,400 motorsports-specific businesses in Indiana that employ thousands of Hoosiers in jobs that pay approximately 150% of the average median income of Indiana's workforce."

Racing and the NHRA provide an enviable niche for a speed-based company like Dixie Chopper, according to Judy, since it boasts "the world's fastest lawnmower."

"I wouldn't say sponsoring sports is for everybody," Judy acknowledges. "But if you can find the right fit like we did, it's a good thing."

INFORMATION LINK

Resources: Brian Schackow, Fort Wayne Wizards, at (260) 407-2814 or www.wizardsbaseball.com

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