

# Sports Career Consulting - Unit 8: Understanding Sponsorship

# In this lesson, you will learn to:

- Define and offer examples of sponsorship
- List three ways a company might implement sponsorship programs
- Understand why a company would engage in sponsorship
- Explain what criteria must be met for a sponsorship to be effective
- Understand the concept of a rate card (pricing sponsorships)



<u>Lightning's Sponsors | Cars Racing Sports Network</u>

## **Discussion Prompts**

Discuss the following questions with a partner.

- What is sponsorship?
- What are some examples of sponsorship that you have seen?
- How is sponsorship different from traditional mediums of advertising such as television, radio, and print?
- Why do companies engage in sponsorship?
- What criteria must be met for a sponsorship to be effective?

# Primary sponsorship cost From... \$35 million (Typically includes all five placements) \*\* Associate sponsorship cost To... From... Figures are for sponsorships in the full Nascar Sprint Cup Series of 38 races. Reserved for alternating primary sponsors Grant primary sponsors To... From... \$2 million (FOR A DECAL IN ONE OF THESE LOCATIONS) To... To... To... To... To... To... From... S2 million Lower rear for sponsorship cost To... To... To... S2 million Lower rear for sponsorship cost To... To... S2 million To... Deck lid Dock li

## **Expert Knowledge**

In the case of NASCAR, when you see a logo on a car or the driver's suit, that brand is sponsoring that particular team and driver, not necessarily NASCAR as a "league" sponsor.

Also, the placement of the logos on the race car and size of the decal is important, both for sponsor visibility and determining a "rate card" (how much brands pay for that advertising space). The team's primary sponsor will have the biggest logo, prominently featured on the hood of the car. The primary sponsor also chooses the car's paint scheme and the team colors. This is why a car's paint scheme is typically aligned with the primary sponsor's brand. For example, Kurt Busch is sponsored by Monster Energy, which is why the car is black and the hood is adorned with a large Monster logo. Denny Hamlin's car is white with orange and blue numbering, consistent with the color scheme of the FedEx brand which is plastered on the hood of his car. The same goes for the driver's suit/uniform.

After the hood of the car, the **quarter panels** are the most expensive place (right in front of or right behind the rear wheel) to place a logo. That area could cost between \$1 million and \$1.5 million for a full season. "**In-kind**" sponsorship opportunities also exist. With an in-kind sponsorship, a brand provides a product or service in exchange for advertising space (or sometimes tickets, hospitality at the events etc). In other words, AutoZone might provide all the tools and parts for a NASCAR team in exchange for the rights to put their logo on a team's car, driver's hat or suit/uniform.

Here is a link to an article with the image above.

# Design a Race Car

This activity explores the concept of sports and entertainment sponsorship. You will gain an understanding of why companies make the decision to engage in sponsorship as a promotional opportunity for their business, as well as the decisions required to ensure their sponsorship program is a sound investment. In addition, you will begin to understand the significance of sponsorship and its impact on the financial viability of sports, entertainment, and event properties.

You are the proud owner of a <u>new race car team</u> (MICHAEL JORDAN AND DENNY HAMLIN PARTNER TO FORM NEW NASCAR TEAM). You will be designing a race car to compete in the NARVAR (National Association of Random Vehicle Auto Racing) Cup Series. You can work in groups of **three or less**.

١	Who are you working with?						
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	Who is your target market (eg. NASCAR fans)? Remember to describe your target market using geographic, demographic, or psychographic characteristics.						
\	Who will be the primary sponsor for your race car?						
	Insert an image of your primary sponsor's logo below.						
\	Will you have other sponsors? If so, who?						
Insert an image for all other sponsor's logos below.							
E	Explain why these sponsors would invest in your racing team?						
·	How will you determine the placement and size of each logo? Describe the layout.						
	Determine how you will charge a potential sponsor for logo placement on your race car (rate card). Include a breakdown for different level sponsors (cost for primary vs associate sponsors).						
	Sponsor Type (primary vs associate)	Sponsor	Logo Placement	Cost			
1 1	EXAMPLE - Primary	Coke	Hood & main body, with vehicle style	\$15,000,000			

Consider the following.

		based on logo					
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What color scheme did you choose? Why?							
! ! 							
What will be the race car's number? How/why did you decide on that number?							
Who would be your first choice for a driver? Do some research if necessary.							
Based on the answers above, use one of the tools included below to design your race car (vehicle).  Take a <u>screenshot</u> of your final design and insert it as an image in the space below. Remember to consider sponsor logos in your design.  • <u>iKnow Auto</u> - Many vehicles and customization options  • <u>3DTuning</u> - Advanced designs with many options  • Other design tools (searched for: vehicle design customizer simulator online)							
Turn your completed project in on Google Classroom.							
15 Pts							
EC?? (Use PNG or images with transparent backgrounds)							
<u>r Guide</u>							