

QUESTION:

How did Energizer batteries increase their share of the Battery category in the Nation's 2nd largest mass merchandiser from a 30 to a 58 in less than four years?

How did Wrigley increase their sales velocity on a group of iconic brands that needed a jump start in a cluttered confections business?

What is the primary lever that leading corporations like UPS, Dupont, Fed-Ex, Unilever and Lowe's use to build equity in both their product and corporate brands?

ANSWER:

MOTORSPORTS MARKETING.

With access to over 13MM spectators and 500 Million Television households per year of the most brand loyal fans in any sport, motorsports sponsorship is helping companies build successful brands. In addition to building consumer awareness and loyalty, motorsports sponsorship is also driving business results through unique and exclusive corporate entertainment, business to business initiatives and internal programs used for recruiting and incentives.

In order to maximize a sponsorship investment, a company must associate themselves with a property that shares their values and understands their objectives. HayWire Motorsports is an established leader in the sport on and off the track. We operate our race teams like a business with a focus on accountability and results and a track record of innovation. We build long-term partnerships with our sponsors through open and honest communication and learning more about their business objectives.

The following provides an overview of the benefits of sponsorship and the strategies that top companies employ to leverage their investment in Motorsports. In addition, it outlines HayWire Motorsports' business philosophy, value structure and record of performance.

Traditionally, sponsorships were used as a means to gain awareness and trial for a company's products by placing signage where people gathered and selling the products on site. Beer, Soda and Tobacco companies dominated sponsorship funding in an effort to complement their television advertising. Today companies across almost every industry use sponsorships as a core element of a larger integrated branding strategy. Leading corporations investing in multi-million dollar sponsorship programs include: Target, Home Depot, Dupont, Aflac & 3M.

These companies are category leaders and they attribute a large part of their success to their ability to build brand equity through a concerted, disciplined and integrated branding strategy; one that uses

sponsorship as a core element of communicating the essence of their brand to consumers, business customers, employees and investors.

The brand strategy is developed by first identifying how the brand is perceived, this is often an eye opening experience for corporate officers and brand marketers as large variances are usually discovered between how a company thinks their brand is perceived versus the reality of how they are actually perceived. The company then assigns a set of core attributes to the brand. These attributes are woven into every aspect of the brand including press releases, speeches, employee communication, advertising, partnership philosophy and sponsorships.

The notion of corporate reputation as a measurable asset has become an area of increased study over the past decade. Accountants have traditionally viewed all forms of advertising and marketing exclusively as expenses. This paradigm has shifted as leading corporations are now viewing their corporate and product brands as valuable assets. They have learned that reputations can be built and destroyed quickly and that the implications of the relative strength of their reputation affects all areas of their business including consumer trends, business partnerships; even their stock price.

Each year the Harris Institute at the Stern School of Business at New York University determines which U.S. Corporations have the highest Reputation Quotients (RQ). The study uses six primary evaluation criteria. They are: Emotional Appeal, Financial Performance, Products and Services, Social Responsibility, Vision and Leadership and Workplace Environment, According to Charles Fombrun, the professor at N.Y.U who founded the Institute, "Sponsorship can push up the perceptions that people have of companies in any of those six areas". Fombrun's contention clarifies why sponsorship is growing as a core element of leading corporate brand strategies. A shift in personal values with an increased need for two-way communication has changed how consumers interact with marketing.

Marketing partnerships can serve different organizations in different ways. In order to maximize their investment, sponsors must look to associate themselves with properties that match their core brand attributes and then use the sponsorships as a branding platform to "activate" the brand in the marketplace. Activation can include everything from using the sponsorship as a recruiting tool to suing it to generate measurable business results.

There are many properties to associate a brand with, but motorsports has emerged as the front runner in corporate sponsorship investment. Companies recognize that motorsports sponsorships deliver a brand loyal and growing fan base, an interactive medium to communicate with consumers and the ability to do more than just associate a company with a property; motorsports sponsorship allows the company in essence to become the relevant property.

LOYAL FAN BASE

In a poll conducted by Performance Research, attendees of the Super Bowl were asked unaided to name as many of the Super Bowl sponsors as they could. Respondents on average named three brands and the brand they named more than any other was Budweiser, even though Miller Lite was the official beer sponsor of the Super Bowl. When asked if they were more likely to drink Bud because of their perceived association, over two-thirds of respondents answered "no". When a similar poll was conducted, outside of the Daytona 500, respondents named an average of twelve sponsors. When asked if they were more likely to use those products because of their association with NASCAR, 72% answered "Yes". When asked why one respondent answered "because without them I don't have races to watch,"

TRADITIONAL VS. ALTERNATIVE MEDIA

CMOs agree that the consumers changing needs are driving the advertising industry to evolve past the traditional mediums. Their shift to alternative methods such as events/sponsorship, internet, viral marketing and product placement, in their minds has been precipitated by the advent and eventual ubiquity of technology in the everyday lives of their consumers.

They understand that consumers have more choices in entertainment and information gathering which has translated into more direct control over whether to invite them into their lives. NASCAR has and continues to play a very strategic role in their marketing plans because of the sport's ability to transform their brand/offering into a lifestyle activity that allows these loyal and rabid consumers to warmly invite them into their lives for more than 10 months a year. It is this open invitation they use to their advantage and for some of our partners they have been gladly doing so for more than 10 years.

These CMOs firmly believe that the personalization and customization that technology affords consumers allows them more flexibility in how they come into contact with their advertisements. By studying consumer adoption of Digital Video Recorders (DVR) and Video on Demand (VoD), they believe this has brought the current and future value of T.V. advertising into question because in addition to the obvious ad-skipping, they complain that networks have not reduced their rates to account for this dilution in value. They even cite that satellite/internet radio and personal music devices like the iPod and mp3 players have given millions the freedom to listen to commercial free music and avoid turning on their car and home stereo altogether.

What they have grown to understand through first-hand experience is that Hardcore NASCAR fans consume more than 20+ hours of NASCAR media a week and over 60% of them will watch a four hour race from start to finish every Sunday. They do not care if these consumers miss an ad via technology or when they need to answer the phone or make a sandwich, they have just spent four hours watching their brand compete on the track and so their brand is not an interruption from the action- **IT IS THE ACTION**. When these CMOs see data that suggests the average NASCAR fans spend \$300 on merchandise per year and then they witness first hand fans proudly wearing their brand on their hats, shirts and waving a flag with their company's logo on it, there is no doubt in their minds that they have made a deep and powerful connection with a consumer.

Now couple this proliferation of consumer freedom with an era of increased scrutiny on marketing budgets and these CMOs have found themselves trying to answer a set of somewhat elusive and complex questions; How should I allocate my marketing dollars? And how do I define and measure success?

They all argue that until recently, most marketing professionals at their respective companies had a fairly accurate read on what impact a :30 second TV or radio ad had on awareness and recall or what impact a feature in a newspaper circular had on sales. The options for them to reach consumers were more concentrated and they could trust that these methods would create strong enough brands to pull consumers through the purchase cycle or push their brands through a specific retailer. Historically they developed plans based on budget and reach, using share of voice to measure efficiency and effectiveness.

However, in today's tech-driven, data-based, relationship marketing world, their focus has become less on reaching everyone and more on reaching the right one which is why NASCAR and its legions of 75MM fans make sense.

INTERACTIVE COMMUNICATION MEDIUM

Which of the following consumers are more likely to connect with your brand?

- A. A couple sitting on their couch watching a game on TV. There's a break in the action and your commercial comes on – one of hundreds they'll be exposed to today. During the break they may go to the bathroom, let the dog in or even flip to another game.
- B. The couple next door who get in their car at 5am to drive 200 miles, pay for a hotel room, race tickets, parking, food and merchandise bearing your logo and the name of the driver that represents your brand. After the race they sit in 3 hours of traffic and drive 200 miles back home.

There is a good chance that couple **A** never even saw your commercial. Couple **B** on the other hand devoted two days and more than \$500 to be a part of the scene that you helped to create. They may have learned more about your product at an on-site branded trailer or even had an experience with their children that you helped to provide.

Used exclusively, traditional media interrupts the audience from the compelling reason that are participating in the activity in the first place. With Motorsports your brand is more than a break in the action; your brand is the action. Consumers and business customers can interact with your brand and in effect experience your brand.

BECOMING THE PROPERTY

Imagine if the L.A. Lakers were called the "Target Lakers" and fans clamored to buy Kobe Bryant jerseys with the Target Bullseye on the chest. Now imagine if Target could take key customers or executives into the locker room before the game and let them sit on the bench with the players during the game. After the game, the players would come to dinner with them and sign autographs. Motorsports allows a corporation to brand the team with their colors and corporate ID in a way that no other sport can, creating unique branding properties and platforms to communicate a brand message through an associate that is relevant to consumers and business customers.

HAYWIRE MOTORSPORTS

HayWire Motorsports is an established leader in the sport both on and off the track, and 2015 marks our 23rd year of operation. With 24 wins and through operating our race teams like a business focused on accountability, results and innovation. We believe that focus is essential to any successful business strategy. This is why we direct all of our efforts towards enhancing our core competencies; winning championships and providing a valuable return on our sponsor's investments. Our mission is clear; We do not believe that every sponsor should be serviced in the same way. We open the lines of communication, learn more about our sponsor's businesses, their needs and objectives and then tailor a program to help them achieve those objectives. We pride ourselves on being different, and we drive differentiation into everything we do. Because fan passion and sponsor interest continues at a high level in motorsports, we believe that "the difference is the difference."

PARTNERSHIP

We take great pride in our commitment to partnership and actively facilitate cross-promotion and business-to-business opportunities between our partners to help you collapse the sales cycle. We believe sponsors put their logos on cars whereas marketing partners develop an understanding of each other's business and seek to drive mutually beneficial value. We wish to work with companies who want to be our partner rather than a sponsor. Because of our focus on doing business with partners vs. sponsors, our partners understand and are committed to helping each other. HayWire Motorsports' core philosophy of building strong relationships has resulted in many long lasting, mutually beneficial relationships.

Thank you for the time to learn more about our sport and our organization.

If you have additional questions please contact:

Tim McDougald
Media Relations Director | Marketing Representative
HayWire Motorsports
1101 124th Street South, Suite B
Tacoma, Washington 98444
253.905.3627 | TerribleTim68@comcast.net