

Increase fan participation and ticket sales.

Venue Management System/Platform.



Visit International Micro Systems Inc. on the web at www.ims-pos.com or toll free at 800.882.0627.



STREET & SMITH'S SportsBusiness JOURNAL



Advanced

[Home](#) [About Us](#) [Advertise With Us](#) [Marketplace/Classified](#) [Calendar Of Events](#) [Subscribe/Free Trial](#) [College Program](#) [My Account](#)

IN THIS ISSUE

- [Table of Contents](#)
- [This Week's News](#)
- [Media](#)
- [Labor & Agents](#)
- [Facilities](#)
- [From The Field Of](#)
- [Give customers the right options to turn their 'no' into a 'yes'](#)
- [SBJ In-Depth](#)
- [Opinion](#)
- [Coast to Coast](#)
- [Careers/People](#)
- [Faces & Places](#)
- [What I Like](#)

From The Field Of

NASCAR model uses driver-fan-sponsor reciprocity for success

Published September 24, 2007 : Page 21

Print This Story



BILL SUTTON

For more than 10 years now, my sport business MBA classes, as well as my consulting clients, have been interested in the NASCAR driver-fan-sponsor relationship and if or how that model can be applied to other sports.

Every year we debate and examine the possibilities. One of our projects for this fall is to try to determine how a golf tournament can be "NASCAR-ized."

To understand why the NASCAR model is successful, there are some key elements that must be examined. It is the sum of these elements working interdependently that creates the hoped-for beneficial results for all parties.

■ Breaking it down

First, there is a level of dependence by the individual NASCAR drivers on each of the other two parties: the sponsors and the fans. If there are not sponsors willing to ante up the more than \$50 million it takes to support a racing team, then there is no team. The driver and sponsor are dependent upon fans to support the driver by way of purchasing and recommending the sponsor's products.

Robert Hagstrom, author of "The NASCAR Way," points to a 1994 study by Performance Research, a Rhode Island-based sport market research firm, which identified three behavioral patterns of NASCAR racing fans that are integral to the success of the sport:

1. They are very aware of who sponsors their sport.
2. They have a strong tendency to purchase the products of the sponsoring companies.
3. They have demonstrated a switching behavior. That is, they purchase the products of new sponsors when those new sponsors become involved with the sport.

Thus, there is a discernible financial impact for both the drivers and the sponsors. The drivers depend upon the sponsors to race, and the sponsors depend upon the fans to justify the expense and recoup their investment.

■ Access and interaction

Not unrelated to the first element is the second: That the drivers are willing to provide the access and interaction that the fans and sponsors are looking for in their relationship with sport.

Touring the pits and meeting drivers for autographs or photos is a great asset for the sport. But what makes the access so much more valuable is the interaction: the acknowledgment of the fans and sponsors by the driver and the conveyed appreciation for their support that sets this reciprocal relationship apart from other sports.

The drivers are committed to enlarging their base of support because there is a logical financial expectation that correlates to their popularity. Attracting new sponsors, selling more merchandise, securing commercials and



Interaction among fans, sponsors and drivers sets NASCAR apart from other sports properties.

bat
brand affinity technologies™

"There's a largely untapped online marketplace for guys like us, and thanks to BAT, I'm part of it."

Brooks Robinson
Baseball Hall of Fame member

brandaffinity.net
© 2007 Brand Affinity Technologies™ All Rights Reserved

Resource Guide to Fact Book 2009

Order your 2009 Edition now!

[CLICK HERE FOR MORE INFORMATION](#)

endorsement opportunities and being coveted by other racing ownership groups or even the opportunity to create their own ownership group are among those expectations.

Drivers, unlike other professional athletes in team sports, are in a much more participatory framework along with the fans and the sponsors in helping to create the relationships and then directly benefiting from those relationships.

Sponsors and fans are regarded by the drivers as integral to making NASCAR happen. Without fans and sponsors there can be no races, no TV and no merchandising. Access and interaction are part of what any sports fan is searching for.

If one were to extend the model to other sports, golf would seem the most logical because it is an individual sport.

For a team sport such as baseball, would Barry Bonds' attitude and persona translate well into the NASCAR model? Probably not.

But if baseball, Bonds and other athletes modified their financial model in ways that were more conducive to personal benefit and more accountable (and measurable) to sponsors and fans, would we see a change in behavior? I think so.

Let's extend this thinking a little further into baseball. Earlier I mentioned that the key elements in my interpretation of the success of the NASCAR model were the recognition by fans of sponsors and the purchase of sponsors' products.

Because baseball lacks a salary cap, it would seem, at least hypothetically, possible to introduce NASCAR-type thinking into the finances of the sport.

■ A new baseball model

One of my criticisms of baseball is that the rich seem to get richer and the poor to get poorer. For the most part, due in part to their financial resources, we know that the Red Sox and Yankees will usually be in the postseason.

That being said, how about a new model that might help catapult my beloved Pittsburgh Pirates into a more competitive position?

What if fans were given a list of Pirates sponsors and their products, and a percentage of the revenue from the purchase of those products was allocated to the Pirates solely for player salaries?

It would let all the Pirates fans "play." They could help determine the salary resources of the team, which ultimately could result in not passing up a high draft prospect or free agent because of salary costs. The model would benefit other teams as well, as I am sure Red Sox Nation could purchase far more cereal than Pirates fans, especially if it helped thwart the Yankees' plans.

On a more serious note, access, respect, appreciation, reciprocity and making sure that a sponsorship is also a business solution are the keys for the growth of professional sport in the United States.

The sports that can deliver that model are set up to be successful. The only inhibiting factors are their management skills, their vision and their athletes.

When you examine the world of sport sponsorship, NASCAR's sponsorship business model is driving circles around the competition.

Bill Sutton (wsutton@bus.ucf.edu) is a professor and associate director of the DeVos Sport Business Management Program at the University of Central Florida and principal of **Bill Sutton & Associates**.

Reader Comments

Do you have a comment on this story?

Name

Company