

# **The NASCAR Sponsorship Alignment Team: A Proposed Model**

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## **Abstract**

Sponsorships provide marketers with unique opportunities to position their products in the marketplace. With sponsorship—unlike conventional marketing techniques—the company, the product, and the event or cause sponsored tend to connect in consumers' minds. Sponsorships tend to deliver increased awareness, brand building and propensity to purchase. One of the most pervasive findings in sponsorship research is the best effects are achieved where there is a logical match between the sponsor and sponsored activity such as a sports brand sponsoring a sports event. Therefore, the authors take a deeper look at sponsorships within the National Association for Stock Car Auto Racing (NASCAR). Historically, NASCAR has been successful with sponsorships in the racing community. However, based on the analysis of this investigation, an alternative NASCAR sponsorship model is proposed for consideration and implementation.

## **Introduction**

When marketers think of racing, the first thing that typically comes to mind is sponsorship. Companies who are involved with NASCAR have seen stronger brand loyalty among their customers because of these partnerships within the sport. These successful NASCAR-Corporate partnerships have a quarter of all Fortune 500 companies participating in a sponsorship, and even more impressive, a third of Fortune 100 companies are involved in the sport (International, 2014). These partnerships have proven successful among race fans, as these consumers are three times more likely to switch brands than non-race fans. Fifty percent of avid NASCAR fans consistently purchase from companies or brands affiliated with NASCAR (International, 2014). However, as in all business models, companies cannot stay complacent with past and/or current results due to their marketing efforts. More specifically, this investigation analyzes NASCAR's

current business model as it pertains to sponsorship and attempts to uncover ways to improve the process in order to allow further growth and stronger partnerships.

## **NASCAR Industry**

### **Brief Background of NASCAR**

Relative to other major sports NASCAR is a very young sport. Bill France, Sr., held a meeting in 1947, in which he founded NASCAR (History of NASCAR, 2013). The first race ran on June 19, 1949 at the Charlotte Fairgrounds (History of NASCAR, 2013). The sport continued to add races to the schedule as well as racetracks. However, NASCAR's intensity level changed in 1979 at the Daytona 500 (Produced, 2013). CBS covered the whole race live for the first time. This race viewed by most of the nation due to a major snowstorm sparked an interest with many Americans. While the race outcome was not what viewers remember, but many recalled the famous fight in the grass at turns three among three drivers, Cale Yarborough, Donnie Allison and Bobby Allison (Produced, 2013). This fight drew Americans to the sport of NASCAR because they saw an extreme passion these athletes exhibited in order to win the race.

### **Benefits of NASCAR Sponsorships**

NASCAR has more than 1,200 races throughout all of its series. There are over 100 NASCAR racetracks, which are located in Canada, Mexico, and 30 tracks in the U.S. NASCAR is the number one sport in brand loyalty; with more than 100,000 fans at each race (Racing, 2013). In 2014, more than 100 million viewers saw a NASCAR program on television in the United States (Racing, 2013). The fan demographic is 63 percent male and 37 percent female (Racing, 2013). One out of five NASCAR fans is an African—American, Asian-American, or Hispanic (Racing, 2013). To build the fan base even stronger, NASCAR has been engaging in a five-year strategic plan to grow the sport while maintaining its current avid fan base. Forty-seven percent of NASCAR fans are between the ages of eighteen to forty-four (98 index vs. U.S. Population). Over half of NASCAR fans make over \$50,000 (104 index vs. U.S. Population). Forty percent of NASCAR Fans have children under the age of 18 (100 index vs. U.S. Population) (Racing, 2013).

### **NASCAR Fan Loyalty**

The NASCAR Cup series is rated second highest regular season sport on television (Investor, 2013). With that statistic, NASCAR is also ranked number one spectator sport (Investor, 2013). During the 20 race weekends, the NASCAR Sprint Cup Series ranked in the top two sporting events watched on television (Investor, 2013). The NASCAR Sprint Cup Series has 5.8 million viewers per event and the series had 70 million unique viewers in the previous years (Investor, 2013). The NASCAR Nationwide Series, similar to the Sprint Cup, is the second highest motorsports series viewed on television and the Camping World Truck Series is the third highest viewed motorsport on cable (Investor, 2013). The NASCAR Camping World Truck Series also saw an increase in viewership with the adult demographic of eighteen to thirty-four year olds which was up ten percent in 2012 (Investor, 2013). Forbes as the world's seventh most valuable sporting event recognizes the Daytona 500, which was fourth most valuable event held on an annual basis (Investor, 2013). It is important to note that NASCAR stands to make \$1.4 billion from sponsorships with a number of major companies

during the 2015 season. The amount of brand equity or value a company generates by sponsoring a NASCAR team, driver, foundation, track or series is rather significant.

## **Purpose of Study**

The purpose of this study is to gain an in-depth view of sponsorships in NASCAR racing industry. In researching sponsorships, there needs to be a clear understanding of the mutual benefits the track has for having a sponsor as well as the company sponsoring the race. This will occur by examining different track sponsorship methods, sponsorship business model, and potential problems with the current sponsorship business model. In order to improve the NASCAR sponsorship process a more efficient and effective model is proposed.

## **Methodology**

### **NASCAR Series Investigated**

To gain an accurate understanding of NASCAR sponsorships, the authors needed to investigate an equitable way to compare and contrast sponsorships. Therefore, the authors decided to focus and analyze on the NASCAR Sprint Cup Series, which is a national touring series. More specifically, the NASCAR Sprint Cup Series is the most popular racing series in the United States with the largest fan base in motorsports.

### **Type of Sponsorship Investigated**

Specifically, in the racing community, companies have a variety of different sponsorships they can choose to participate. A company may sponsor a driver, team, track, series and/or foundation. Sponsoring a particular driver permits a company to have that driver personally endorse a brand. A team sponsorship allows a company to place its brand on the actual racecar. A series sponsor grants a company to become the official partner of NASCAR for the entire season or longer depending on the contract. In addition, a company may become involved with sponsoring a foundation within the racing community. However, racetrack sponsorship was the focus of this investigation. Research suggests that NASCAR fans who attend a track are two times more likely to be loyal to existing sponsors than those who only watch the event on TV. Further, those who attend are two times more likely to switch to a sponsor's brand than the average NASCAR fan (International, 2015). With these statistics in mind, the authors focused their research NASCAR racetrack sponsorships. A significant benefit is that track sponsorships allow a company to have the naming rights to a particular race along with other advantages discussed later in the paper.

### **Tracks Investigated**

The racetracks selected and analyzed include Bristol Motor Speedway, Charlotte Motor Speedway, Talladega International Speedway, Pocono International Raceway, and Watkins Glen International Speedway. In order to ensure the investigation was representative of all racetracks, the researchers used multiple factors in the selection process. The first factor considered was style of track. There are four styles which include a short track (Bristol Motor Speedway),

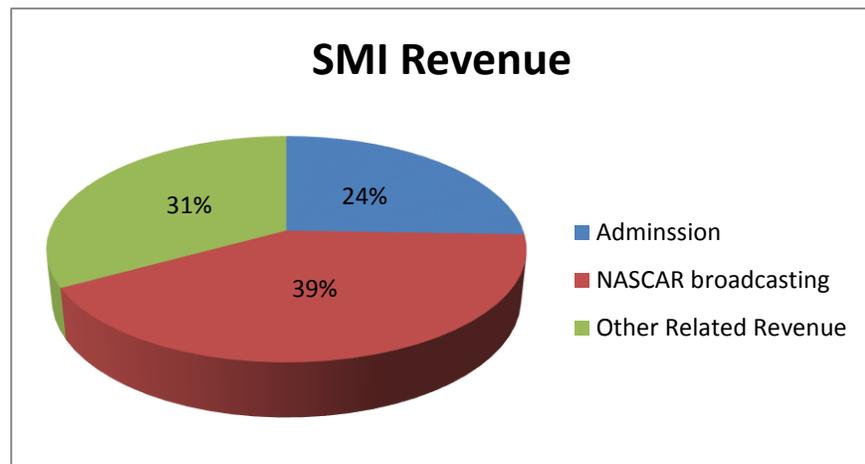
intermediate track (Charlotte Motor Speedway), superspeedway (Talladega International Speedway and Pocono International Raceway), and road course (Watkins Glen International Speedway). The second factor, ownership, was utilized as two companies possess the vast majority of NASCAR tracks and only a few tracks owned independently. Explicitly, Speedway Motorsports Incorporated (SMI) owns Bristol Motor Speedway and Charlotte Motors Speedway. SMI owns an additional six tracks on the NASCAR circuit along with a radio station, Performance Racing Network (Speedway, 2013). International Speedway Corporation (ISC) owns Talladega International Speedway and Watkins Glen International Speedway. ISC also owns a radio station, Motor Racing Network and ten more racetracks. (International, 2012). Pocono International Raceway is a privately held racetrack (Pleban, 2013).

## Race Tracks Revenue Streams

### Speedway Motorsports Incorporated

Speedway Motorsports Incorporated (SMI), which owns eight tracks, uses a number of different sources to product revenue (Speedway, 2013). It should be noted that SMI ownership includes Atlanta Motor Speedway, Bristol Motor Speedway, Sonoma, Las Vegas Motor Speedway, Charlotte Motor Speedway, New Hampshire Motor Speedway, Kentucky Speedway, and Texas Motor Speedway. In 2012, SMI revenue comes from three main streams, which include admissions, NASCAR broadcasting, and other related revenue such as sponsorships, track rentals, and radio broadcasting. A significant cash flow comes from NASCAR broadcasting which accounted for thirty-nine percent of the revenue in 2014 (Speedway, 2013). Admissions was the lowest source, which tallied about twenty-four percent of revenue during same period (Speedway, 2013).

The middle source of revenue is from the other related revenue section, which makes up thirty-one percent of revenue (Speedway, 2013). This revenue is generated from sponsorships, track rentals, and radio broadcasting. This section has grown due to an increase in corporate partners being more



involved with the sport. Speedway Motorsports Incorporated holds many different types of racing at its tracks such as Indy Car, NASCAR, NHRA, and WOO. However, in 2014 eighty-three percent of Speedway Motorsports Incorporated revenue came primarily from racing events sanctioned by NASCAR (Speedway, 2013).

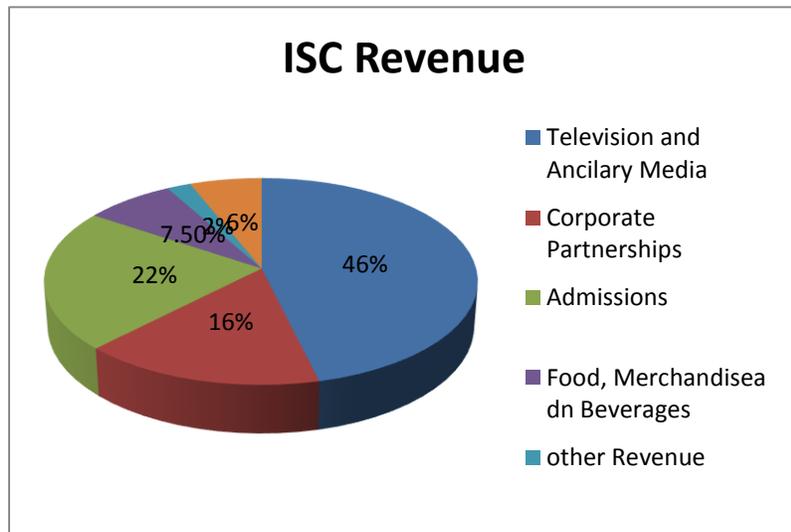
## International Speedway Corporation

International Speedway Corporation, owners of twelve tracks, has six main types of revenue sources (International, 2012). Specifically, the tracks that ISC own includes Watkins Glen International, Richmond International Raceway, Martinsville Speedway, Darlington, Daytona International Speedway, Michigan International Speedway, Chicagoland Speedway, Talladega Superspeedway, Kansas Speedway, Homestead Miami Speedway, Auto Club Speedway and Phoenix International Speedway. Two contracted sources provide long-term revenues. (Investor, 2013). These contracted services included television and ancillary media, which makes up forty-six percent of the revenue while corporate partnerships make up sixteen percent of the cash flow (International, 2012). Admission to events makes up twenty-two percent of the income (International, 2012). Food, merchandise, and beverages make up seven and a half percent of the proceeds (International, 2012). The last two categories are other categories; one category simply makes up two percent of the revenue (International, 2012). The other category, motorsports related revenue, tallies up six percent of total returns (International, 2012).

International Speedway Corporation has ninety percent of its income from NASCAR related events (Investor, 2013).

International Speedway Corporation is very dedicated to NASCAR due to their high-ranking officials working at NASCAR as well as International Speedway Corporation. For example, Lesa France Kennedy, CEO and Board Member of International Speedway

Corporation is also the Vice Chair/EVP at NASCAR (Investor, 2013). James C. France, Chairman at International Speedway Corporation is also the Vice Chair/EVP at NASCAR (Investor, 2013). Finally, Brian France, CEO and Chairman at NASCAR is a Board Member for International Speedway Corporation (Investor, 2013).



## Race Tracks Corporate Sales Strategy

### Bristol Motor Speedway

Bristol Motor Speedway holds two NASCAR races each year. Currently, Food City and Irwin, a Newell Rubbermaid Company sponsor Bristol's races. Bristol typically reaches out to sponsors. However, the Irwin Tools sponsorship developed when Sharpie, a company of Newell Rubbermaid, received a new president who no longer wanted the race. Irwin, company of Newell Rubbermaid, heard of the news and decided to sponsor the race, due to Irwin's target market aligning with NASCAR's fans (Harvey, 2013).

Bristol's corporate sales department differs itself from other tracks based on a few characteristics of the tracks. Bristol is the fifth largest sports venue in the world and second largest in America, which means the track has the potential to hold the second largest crowd (Harvey, 2013). Another selling point Bristol uses is how great all of the seats are. Every fan at the track can see every thing that is going on due to the seats elevation. All fans get to see every pit stop to because of pit road being on the front and backstretch. This track is the only one to be completely surrounded by seats. Consequently, a fan is able to sit on any corner or straightway to view all the racing action. The last pitch to potential sponsors is the fact that both of Bristol's races are night races, which makes the excitement level rise with drivers and fans. Bristol is such a big hit with sixty percent of fans camp out for the event, which allows track sponsorship to be seen more frequently. Also in August people start to camp out two weeks before the race even starts (Harvey, 2013).

### **Charlotte Motor Speedway**

Charlotte Motor Speedway holds three NASCAR races. There are two races held in the spring and one race held in October. Charlotte Motor Speedway is the only race on the NASCAR circuit that holds the annual All-Star race. This race is held on back-to-back weekends with the Coca-Cola 600. Therefore, some race fans camp out at the speedway for over 12 days. When the fans, camp out at Charlotte Motor Speedway for two weeks, the fans are exposed to their sponsors repeatedly. Charlotte Motor Speedway also has the home field advantage of all the tracks on the NASCAR circuit. Almost all NASCAR teams are located in an hour of Charlotte Motor Speedway. The NASCAR Hall of Fame and part of NASCAR headquarters are in Charlotte as well. With this track being a hometown track to all of the race fans, it is necessary to see for NASCAR fans, which gives the track advantage when inquiring to companies about sponsorship. Charlotte has an inside corporate sales team. The corporate sales team is responsible for Race Title Sponsors, Associate Sponsors, Suite Sales, Track Rentals and Hospitality Sales.

### **Pocono International Raceway**

Pocono reaches out to potential sponsors and potential sponsors contact Pocono about sponsoring a race. Pocono has two agencies they work with who search and present the race sponsorships to potential sponsorship. In addition, companies that are potential sponsors hire agencies to look at tracks that can provide the right demographics for the potential sponsor's products. Pocono differentiates themselves by being a track with only three corners instead of the traditional four corners. Pocono also has a relatively small staff that handles all sponsorships activation, no matter how large or small the sponsorship is. Pocono also has a great geographic location with being located ninety miles west of New York City and ninety miles north of Philadelphia. In addition, Pocono has been working to reduce their environmental footprint by creating a solar farm on their property (Pleban, 2013).

### **Talladega International Speedway**

Talladega holds two NASCAR Spring Cup Series races each year. Talladega is known for its door-to-door restrictor plate racing which calls for a lot of excitement during the race. The super speedway is known for its rich racing history. The track has an International Motorsports Hall of

Fame on the property, which includes a Research Library. With this track's exciting racing were some of racing legends like Dale Earnhardt Senior have won at this track is very close to the top of the list for race fans wanting to attend. With fans enthusiasm for the track, sponsors are very eager to sponsor the track's races (Hitchcock, 2013).

## Watkins Glen International Speedway

Watkins Glen International Speedway holds one NASCAR race per year. It is one of two road course tracks that NASCAR Sprint Cup Series visits yearly. Watkins Glen sells its track heavily based on location and on style of track. If a NASCAR race fan wants to see a Sprint Cup race and they live on the East coast, Watkin's Glen is the closest track to them, with the other road course race being in California. Watkins Glen focuses on its location to the local markets of Bingham, Buffalo, Rochester and Syracuse New York Williamsport, PA and Toronto, Canada. Watkins Glen drives home the closeness of the Finger Lakes and the wine country it is located in to fans to entice them to take a trip to New York for the race (International, 2014).

## Sponsor Benefits

After interviewing the corporate sales department at all five of the investigated tracks, it was found that most tracks are giving their current sponsors similar benefits. Each track focuses on brand awareness opportunities, employee or customer rewards, or VIP experience. Below is a chart that breaks down the types of benefits these tracks offer.

Chart 1

Brand Awareness	Employee or Customer Rewards	VIP Experience
<ul style="list-style-type: none"> <li>• Naming Rights to the event</li> <li>• Logo</li> <li>• Trophy Design</li> <li>• Name and logo on souvenirs</li> <li>• Official title at race</li> <li>• Corporate Displays               <ul style="list-style-type: none"> <li>• Product Sampling</li> <li>• Promotional Contests</li> <li>• Product Knowledge</li> </ul> </li> <li>• PR               <ul style="list-style-type: none"> <li>• Mailings</li> <li>• Social Media</li> <li>• Sprint Vision</li> <li>• Website</li> <li>• TV</li> <li>• Radio</li> </ul> </li> <li>• Singage               <ul style="list-style-type: none"> <li>• Victory Lane</li> <li>• Pre- Race Activities</li> <li>• Around track</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Pace Car Rides</li> <li>• Tickets to Race</li> <li>• Hot Passes</li> <li>• Cold Passes</li> <li>• Garage Tours</li> <li>• Parking Passes</li> <li>• Suite Access</li> <li>• Hospitality Packages</li> <li>• Use of Track Facilities</li> <li>• Promotional Contest               <ul style="list-style-type: none"> <li>• National Event Promotions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Grand Marshal</li> <li>• Honorary Starter</li> <li>• VIP in victory lane</li> <li>• VIP in Pre- race Activities</li> <li>• VIP on TV or Radio Broadcast</li> </ul>

Brand awareness is one of the most significant benefits track can offer to a sponsor. The track gets the naming rights to the event, the logo and trophy design. Go-Bowling designs the logo and the bowling pin trophy for Pocono International Speedway. This brand awareness is carried over to the company's name and logo appearing on all types of souvenirs, which are purchased by the fans. The track offers corporate displays to a sponsor which may allow for product sampling, promotional contest, or product knowledge to the fans at the track. Aaron's uses it corporate display area at Talladega to allow fans to meet their drivers and give customers branded give always. Coca Cola uses their corporate displays to complete product sampling. The sponsor then gets access to the tracks mailing, social media accounts and website where they get a certain number of mentions on these tools. The sponsor also can be the official category of the track, for example, Cheez-it is the official snack of Watkins Glen. The sponsor can also hold a monopoly at the track in their particular industry. For example, Bank of America is the only ATM that are at Charlotte Motor Speedway. During the event, the sponsor gets their name on the Sprint Vision screens at the track and signage in victory lane, on the pre-race stage and around the track. The sponsor also gets a certain number of mentions on National Television and Radio stations during the event.

In the second category, the track provides the sponsor rewards for either their fans or employees. Tracks give the company an agreed upon amount of the following passes for the race, grand stand tickets, hot passes and cold passes for access to the garage and parking passes. They also offer garage tours to the companies along with the possibility to add a suite to their experience or hospitality packages. The sponsor also is offered the opportunity to use the track's facilities for their use throughout the year.

The sponsors' third and final benefit category is the VIP experience. These experiences are once in a lifetime. The sponsor gets to choose the Grand Marshal of the race, which is the person who says, "Drivers start your engines." They also gets to choose the honorary starter for the race, which is who waves the green flag to start the race. Irwin utilized this sponsor benefit by giving their users in the field the opportunity to be the Grand Marshal and honorary starter (Irwin Innovation, 2013). The sponsor also has the opportunity to put a VIP in victory lane, at pre-race activities, or on TV or radio broadcasts.

## **Discussion of Findings**

### **Track and Team Success Levels**

Teams and tracks both approach sponsors to support the sport. When looking at team sponsorships on the Sprint Cup level, teams approach sponsors differently based on the team's success level. A high success level team is one with well-known drivers, numerous team wins a year, and/or being in the championship chase or winning a championship in the past. High success level teams include Hedrick Motorsports, Penske Racing, Stewart Haas Racing, Joe Gibbs Racing, and Richard Childress Racing. A low success level team is one that newly formed with a limited number of wins. The teams' athletes are typically not well known.

High success level teams do not divulge an overwhelming amount of information on their website about sponsorship. High success level teams focus on entertaining their fan base on the

websites. These teams focus on downloads for fans, merchandise sales, and team interaction with fans. On the other end of the spectrum, low-level success teams do not have much entertainment for fans. These teams focus on informing potential sponsors about the benefits of sponsoring a NASCAR race team. Some low success level teams have data just typed on their page where others have presentations with visuals explaining their sponsorship packages.

Interestingly enough, some high success level teams such as Hendrick Motorsports would rather have a long term relationship with a sponsor than a one race sponsor; whereas, low level success teams are extremely excited by a one race sponsorship. An example of this is driver Dale Earnhardt Junior who is with Hendrick Motorsports. Earnhardt has been NASCAR's most popular driver for ten years in a row (Gluck, 2013). In 2013, he needed to find sponsorships for thirteen races (Gluck, 2013). The National Guard and PepsiCo's Diet Mountain Dew sponsored the other thirty-eight races. NASCAR critics, media and fans were jumping to conclusions about the lack of sponsorships for Earnhardt. Many of these groups thought NASCAR teams were not able find sponsorships. However, car owner Rick Hendrick assured the media during an event that numerous companies have asked to sign a deal to do a one-race deal with Earnhardt. However, Hendrick Motorsports prefers to long-term partnership with a company for a sponsorship that looks beyond the current race season. Consequently, the team will not accept one-race sponsorship deals.

This is a very interesting idea Hendrick Motorsports is utilizing. Before the early 2000's, it was quite typical for a company to sponsor a car for the entire season. However, after the economy took a turn for the worst, NASCAR teams noticed they would have to accept reluctantly multiple sponsors for their car even if that meant six major sponsors for one driver throughout the season (Gluck, 2013). The fact that Hendrick Motorsports is attempting to create long-term partnerships with companies rather than short-term deals seems to be a positive change in the sports health.

Hendrick Motorsports is most likely using this partnership strategy because of their success. They supply motors along with chassis for all Chevrolet teams with the exception of two Chevrolet teams (Heritage, 2013). Hendrick has four top drivers within NASCAR combining nine championships among them (Heritage, 2013). Since Earnhardt is NASCAR's most popular driver, the idea of sponsoring him will give what every company he endorses the "cool factor". With NASCAR fan brand loyalty being as high as it is with companies who sponsor the sport, the company would see additional customers from the fan base of NASCAR fans. With this competitive advantage of having the best drivers and having the "cool factor" of being, a sponsor of Dale Earnhardt Jr. it makes sense that Hendrick Motorsports sets an additional standard to become a sponsor of Earnhardt. Since the team made the standard to become a partner for numerous years, their competitive advantage truly gave the company a more prominent image among all the teams and drivers involved in the sport.

Armed with this knowledge of how teams promote sponsorship, tracks can use a similar structure to promote their sponsorship packages. For example, tracks can rate themselves on their success level, similarly, to how teams are categorized. A high success level track would be a track that has a title sponsor for all of their major NASCAR sanctioned races, has high attendance, and is a track that fans' rank high on their own personal top track list. A low success level track would be a track that does not have title sponsors for all of its major NASCAR sanctioned races and lower

attendance. A high success level track would focus on giving fan's information about the track and events at the track. The high success level track would not give much information about track sponsorship other than contact information.

A low success level track would use the website to not only give fans as much information about the track and events. In addition, the low success level track would focus on having presentations on their website about sponsorships and the benefits of sponsoring their races layout on their website. This allows interested parties the opportunity to learn about sponsorship and the track before even contacting the track. This way the corporate sales department will be able to discuss how sponsoring the race will benefit the company directly instead of explaining the track history and the generalized benefits of sponsoring a race at the track.

### **Controversial Track Sponsorships**

Some sponsorship tends to get national attention due to the nature of their business. A recent controversial sponsor is the National Rifle Association. However, Texas Motor Speedway handled the National Rifle Association sponsorship just as they would another sponsorship. The National Rifle Association paid at least one million dollars to sponsor the NASCAR Sprint Cup race on April 13 at Texas Motor Speedway (NRA, 2013). This partnership fit the demographic of Texas Motor Speedway race fans greatly with Texas Motor Speedway customers being hunters.

While the speedway only had less than a dozen responses regarding the National Rifle Association being the sponsor of the event, Texas Motor Speedway did not see the public having a problem with the sponsorship (Sturbin, 2013). NASCAR, however, did step in and said they would look at the approval process for companies to sponsor races.

While NASCAR cannot afford to turn away sponsors due to their business model revolving around sponsorships, NASCAR needs to implement a system to regulate sponsors. When a person who does not know about NASCAR sees an event sponsorship of the NRA 500, they believe NASCAR supports the NRA. However, they do not know the track is the one with the relationship with the NRA not NASCAR. To lessen the confusion, if a company that could be controversial subject such as politics or religion, NASCAR should have the right to refuse a title sponsorship at a track level due to the perceived connection between NASCAR and race titled sponsors. However, NASCAR should allow the track to do an associate sponsor with the brand. The associate sponsor at the track would allow the brand to be observed around the track on advertisements, hospitality tents, fans zone activities, and suites if the company would like. The advertisements would still be seen on television and to the viewers at the track; however, it would allow broadcasters and media personnel to associate or not with a controversial NASCAR Sponsor.

If the brand wanted to be talked about more than just an associate sponsor at a track is, NASCAR could suggest pairing up with a driver and team who believe in the political or religion topic. For example, the NRA has sponsored Austin Dillon in the past (Dalseide, 2011). Austin is an avid hunter and his other primary sponsor at the time was Bass Pro Shops (Dalseide, 2011). Therefore, Austin and the NRA have similar beliefs. This allows the NRA to be mentioned during the race more frequently than an associated sponsor at a track would be sponsored. The

NRA is more of a political topic as of late. An example of a religion topic being run on a car is Morgan Shepherd typically runs a logo on his car that says Jesus (Ministry, 2012). Obviously a track could not have this logo for a race because it very religion based. Nevertheless, Morgan Shepherd believes in Jesus, therefore he displays a logo on his car. Once again, this is not being associated with NASCAR; it is being associated with Morgan Shepherd.

### *Attendance*

In 2013, NASCAR made the decision not to include crowd estimates to the media (Ryan, 2013b). The reason NASCAR and tracks are not sharing the attendance numbers is due to twenty-one of the tracks being owned by companies that are publically held (Ryan, 2013b). NASCAR is the only major league sport that does not give attendance numbers (Ryan, 2013b). This could be due to multiple reasons. First, ever since the economic down turn, it is no secret that the NASCAR industry has seen a decrease in attendance. To combat this obvious decrease in attendance members of the NASCAR industry have been trying to make it less obvious. Television broadcasters do this by getting camera angles that do not show the backstretch grandstand on many track, which is the last area the tracks sell.

Tracks have multiple methods to hide attendance problems; first, they sell tickets on the front stretch and turns one and four. These grandstands are shown more on television. Then on the back stretch grandstand and turns two and three, tracks have been placing advertisements on the seats, so the public does not notice the empty seats, when watching on television. Some tracks have revamped their seating to help with attendance as well by making seats wider. Charlotte Motor Speedway took out their grandstand between turns one and two and made luxury motor home parking, which overlook the track (Scott, 2012). These luxury motor home parking took away seats but raised ticket prices for the fans who purchase the luxury motor home lot parking spot.

While it would be nice for sponsors, media members and industry professionals to know attendance numbers, the past crowd estimates numbers were not close to accurate and could be off by ten thousand people (Ryan, 2013a). NASCAR needs to start believing in themselves again and tell the media and fans attendance numbers. NASCAR is a unique sport, so comparing motorsports to another professional sport is not an even playing field. However, since NASCAR will not release its numbers, NASCAR could be comparing itself to other professional sports. NASCAR tracks are located throughout the country on a traveling circuit, which is unlike a NFL NBA or MLB team that has a home stadium. Unfortunately, this causes NASCAR fans the inability to attend races throughout the country. Typically, a NASCAR race is a weekend long event, which includes additional expenses other than race tickets. Fans either camp or get a hotel room, which hotel rates are raised during racing events, and incur travel expenses such as plane tickets or gas money.

With all the additional traveling arrangements that need to be made to attend a NASCAR event, the down turn in the economy is seen in NASCAR attendance. However, most industries also seen a down turn in business. Another reason NASCAR needs to be confident is larger tracks can hold 190,000 people, where NFL stadiums on the other hand on average holds 60,000 to 80,000 fans (Odland, 2012). Even with the attendance downturn, NASCAR had an average of 97,722 fans in attendance per race, which is down from the high in 2005 of 129,733 per race (Ryan,

2013a). However, the 97,722 average is still higher than the average NFL stadium seating capacity,

Even with these so called attendance problems, NASCAR is the number one spectator sport (Odland, 2012). In addition, NASCAR events are seventeen of the top twenty most attended sporting events in the United States (Odland, 2012). In addition, NASCAR is still a leader in sponsorship; Simmons Market Research reported that 40 percent of fans are willing to switch brands to buy NASCAR linked products (Odland, 2012). With 75 million people being NASCAR fan, this means 30 million people are willing to switch brands to buy a sponsor product (Odland, 2012).

## **NASCAR Sponsorship Alignment Team: A Proposed Model**

Many companies have effectively used integrated marketing campaigns for their products. However, companies can start doing this on a NASCAR level as well. Brad Keslowksi, a Sprint Cup Series Champion, said the sport is not going to be able to sustain its current business models because it encourages all parts to fight with each other (Pockrass, 2013). What Kesolowski is referring to is the fact a company can sponsor many areas in the sport such as a personal sponsor (sponsoring the driver), a team sponsorship (sponsoring a car), sponsoring a track (sponsoring a specific race), and sponsoring NASCAR itself (Pockrass, 2013). Every one of these areas is currently trying to make companies choose to sponsor whichever organization they are affiliated. However, there is a more efficiently way to do this than fighting each other.

A company's goal when entering into a sponsorship with a partner can differ depending on the company's strategy and position in market. Most companies are looking for three things: to increase brand exposure, being associated with a person or organization that will represent the company and/or brand, and increasing the bottom line. The racing community offers ways to do this, however, the company may need guidance as to what motorsports has to offer.

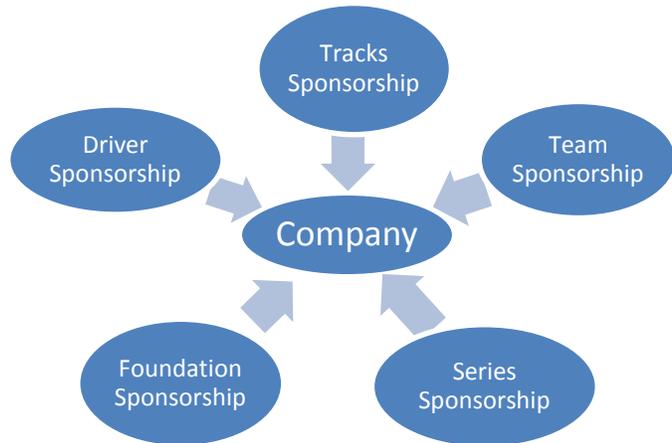
When a company is interested in becoming a sponsor, there could be a new system implemented. The company first could go through the NASCAR Sponsorship Alignment Team. This NASCAR Sponsorship Alignment Team would be responsible for sponsor satisfaction to reduce any retention that could otherwise occur. The team would do this in numerous ways. First, the Sponsorship Alignment Team would research and understand the brand and company's strategy and positioning.

After understanding the company, the Sponsorship Alignment Team would figure out if the company were interested in a national campaign or a more targeted campaign. Based on these interests, the company will suggest how they could sponsor in NASCAR. If the company is looking for a national campaign, the representative could recommend sponsoring NASCAR itself, a personal sponsorship for a driver and a multiple race sponsorship. If a company were looking for targeting a certain geographic area, NASCAR Sponsorship Alignment Team would suggest a track in geographic area or a one-race sponsorship with a team to sponsor a car. The

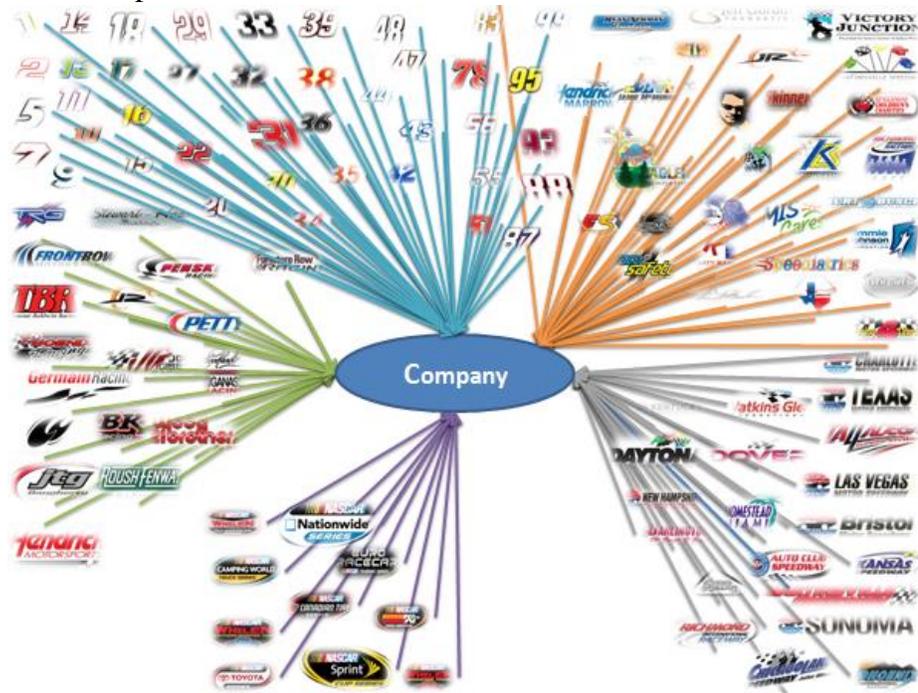
NASCAR Sponsorship Alignment Team will also help companies develop an integrated marketing campaign within the NASCAR industry by providing information on different types of organizations that may be used in NASCAR to promote their brand.

The most important part of the NASCAR Sponsorship Alignment Team is to foster relationships with the company. By fostering relationships, it will reduce retention. While companies complete their research before entering into the sport as a sponsor, the NASCAR Sponsorship Alignment Teams will know that company from their research and the representative will know teams, drivers, and tracks personalities better due to regular interaction with these people. This is extremely important to make sure the company is reaching their correct target market, which will show them success.

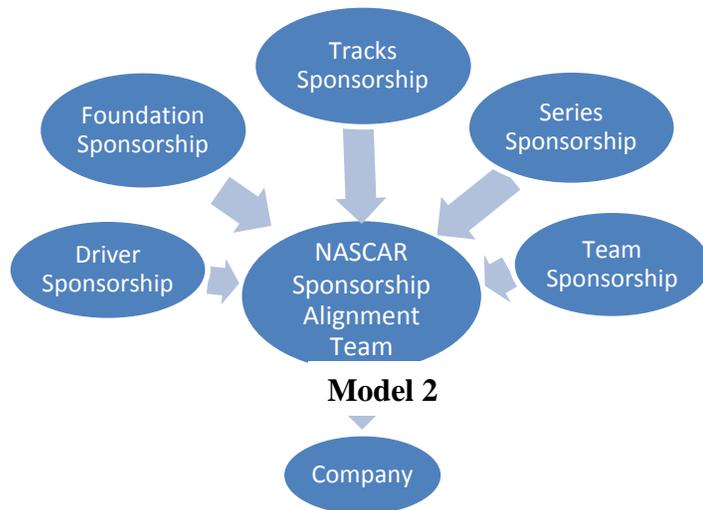
**Model 1**



Model 1 depicted above is a diagram of the current NASCAR sponsorship process. This model shows companies literally being bombarded by an extreme amount of organizations seeking money for sponsorships. A more accurate detailed diagram is depicted in model 2. The green arrow represents NASCAR teams who are seeking sponsorships for their cars. The purple arrows are NASCAR series that are looking for companies to become series sponsors or official sponsors. The gray arrows represent the tracks on the NASCAR circuit. The tracks are seeking title sponsors along with associate sponsors who can advertise at certain areas of the track. The orange arrows represent foundations related to the NASCAR industry. These foundations are seeking sponsors for events or charitable donations for the foundation's cause. The blue arrows represent the driver's personal sponsorship. A personal sponsorship allows the company to advertise on the driver's uniform or have the driver appear at their events.



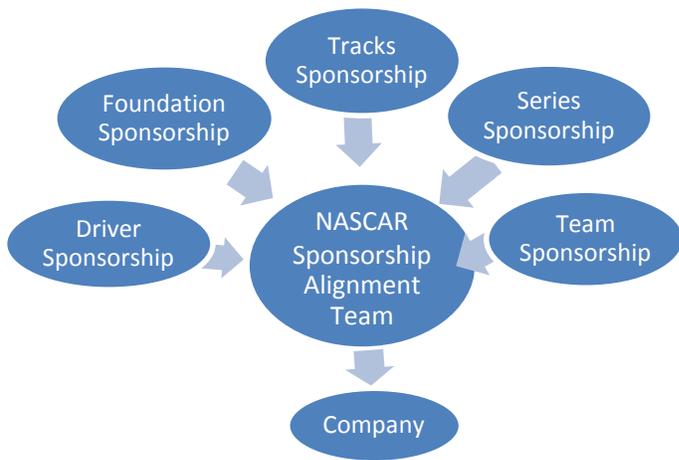
First, one should note not all parties are listed in model 2; there is simply not enough room. Since it is clear the company in the current model is a bit overwhelmed, NASCAR needs to address and resolve this problem. Therefore, it is the authors' recommendation that Model 3 (see below) could be introduced. This is a proposed model based on the discussions within the interview process. More specifically, Model 3 has the same organization but it is going through a "NASCAR Sponsorship Alignment Team" the authors developed. This proposed NASCAR Sponsorship Alignment Team will then be the intermediary



between all of the organizations and the company, like a product placement broker. The benefits of the NASCAR Sponsorship Alignment Team are they will be experts on all organizations, from driver's personal sponsorship to agencies to tracks. They will have stronger relationships with all seven types of organizations and understand what each of them are looking for in a company. When a company decides they are interested in becoming a sponsor they will come to the NASCAR Sponsorship Alignment Team. The NASCAR Sponsorship Alignment Team will then become experts on the company and understand what the company wants from a sponsorship.

The benefit to this model is it reduces the stress of the company having so many organizations knocking at their door about sponsorships. It also allows the company to build a successful relationship with the different organization within the sport. The NASCAR Sponsorship Alignment Team builds relationships between organization and companies while making sure all parties expectations are meet, which allows for a positive relationship between parties.

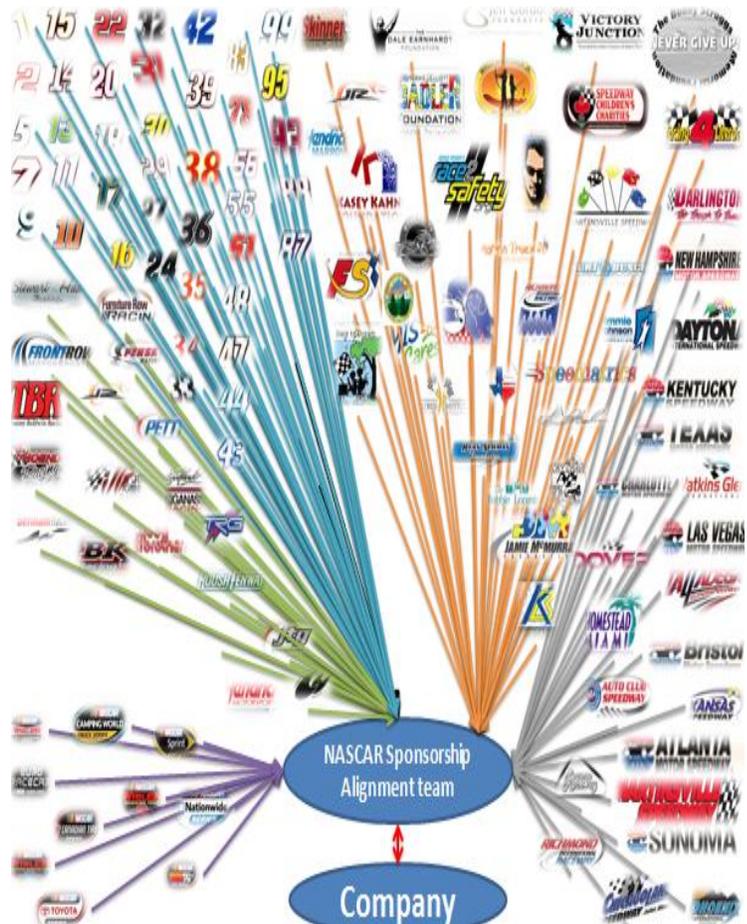
### Model 3



Another positive outcome of this model is the addition of new jobs within the industry. There would need to be multiple NASCAR Sponsorship Alignment Employees to handle all of the companies. One concern about this model is the fact some people might think jobs may be eliminated from the seven types of organizations because of this model. However, this is not true. Everyone at the organizations is still necessary to maintain the relationships between the sponsoring company and the organization. Overall, model 3 helps sponsors spend their money in the correct one organization or in multiple organizations. Model 4 is a detailed model of the recommended model.

This model should be implemented with new sponsors the NASCAR Sponsorship Alignment Team seek out or sponsors that come to the NASCAR Sponsorship Alignment Team. If any of the organizations get request from a potential sponsor about sponsorship the information should be given to a NASCAR Sponsorship Alignment Team who can talk about all of the options in NASCAR. For example, if a company one connects to Stewart Haas Racing about sponsoring a car, Stewart Haas Racing would contact a NASCAR

### Model 4



Sponsorship Alignment Team. The NASCAR Sponsorship Alignment Team would tell a company about all of the organizations they could be in and be in NASCAR such as personal sponsorships, series sponsorships, track sponsorships, and other related partnerships. The NASCAR Sponsorship Alignment Team would determine how much money they are willing to spend and their goals of sponsoring in NASCAR. If the those facts lead company one to want to pursue a team sponsorship and sponsoring a driver from Stewart Haas Racing makes sense, the NASCAR Sponsorship Alignment Team should go to Stewart Haas Racing to set up the sponsorship.

Once the organization is selected, company officials are encouraged to start a dialogue with companies without using the NASCAR Sponsorship Alignment Team. However, the company may go back to their NASCAR Sponsorship Alignment Team to discuss strategies or ideas. Companies, who are currently sponsoring an organization, would not have to repeat the process. The NASCAR Sponsorship Alignment Team will assist companies to match appropriate brands to the company. For example, Harley Davidson might want to be a sponsor a driver. Harley Davidson as a company might desire to sponsor someone like Jimmie Johnson who has a motorcycle racing background along with a similar fan base. However, the NASCAR Sponsorship Alignment Team may recommend Harley Davidson sponsor Clint Bowyer who talks about his motorcycles on social media, interviews, and on his website (Clint, 2012).

The NASCAR Sponsorship Alignment Team would also be on top of current events in the NASCAR Industry. After the new NASCAR chase format at Texas Motor Speedway, the NASCAR Sponsorship Alignment Team would be contacting Everlast boxing gloves. To someone who is not as familiar with the sport, he or she might think Jeff Gordon should be whom Everlast chose to sponsor. Jeff Gordon went after Brad Kesolwski after being eliminated from the Chase. However, the NASCAR Sponsorship Alignment Team would know there is a much more effective driver to sponsor. Kevin Harvick is the driver that Everlast should be sponsoring. Harvick owns Kevin Harvick Incorporated Management, which currently manages and represents UFC fighters. Between Harvick shoving Brad Kesolowski into the brawl at Texas Motor Speedway, his attendance at UFC fights, and his company managing UFC fighters, Harvick would be a great fit for Everlast.

## **Conclusion**

Overall, when reflecting on the different types of racetracks in this research, it is interesting to note the similarities among and between tracks. When tracks are looking for sponsorships, they typically offer the same basic tangible items to a company such as signage, naming rights, different types of race tickets, and the use of different items in the facility. There seems to be a couple of ways racetracks may differentiate themselves from others. Specifically, type of ticket sales, the type of race that occurs at the track (i.e., night racing, drafting, etc.), and location in reference to whom (target market) the company may be focusing its marketing efforts.

If every track keeps improving their facilities for fans, more followers of the sport will want to attend rather than watch the event at home on their television sets. This is significant for

racetracks to show a prospective partnering company that NASCAR fans strongly desire to attend their racetrack and races. Even more importantly, this may influence the fans' increased loyalty to the sponsors' brands and products. If a racetrack is able to attract a sellout crowd for a particular race, then sponsors will be more drawn to the event because it will place more consumers in front of their brands giving them wider exposure.

Finally, racetracks are primarily focused on what is best for them when it comes to sponsorships; however, the other divisions (Driver, Team, Foundation, and Series Sponsorships) have the same intentions. In other words, they are all battling for similar company relationships. Therefore, NASCAR needs to reevaluate its current sponsorship model and implement a more efficient, streamline process. This will allow for greater success among the divisions within the sport. More importantly, the proposed NASCAR Sponsorship Alignment Team model will allow a sponsor to be more successful in obtaining their goals and ultimately increase the amount of sponsorships they may have among the different divisions, which may allow the sport to grow substantially in the future.

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