Stadium sponsorship grows to new levels

Stephanie Clifford

Along with the usual signs from advertisers, the new Indianapolis Colts Stadium features a hallway filled with dishwashers, refrigerators and washing machines, brought to football fans by the retailer Hhgregg, which is based in Indianapolis.

The retailer Hhgregg has 26,000 square feet of space to display appliances in the new stadium for the Indianapolis Colts.

It is the latest frontier in stadium sponsorship, showing how far sports teams are willing to go to attract marketing dollars.

“We think we’ve kind of taken it to a new level,” said Pete Ward, the senior executive vice president for the Colts.

At the stadium, there are gasoline pumps in the north gate area, sponsored by Lucas Oil, airplane seats in the AirTran Airways food court in the northwest section and cars in the northeast corner, sponsored by Chevrolet. The Indiana law firm of Baker & Daniels sponsors the club lounges at the western end of the stadium, and Advantage Health Solutions, a medical plan, sponsors the club lounges at the eastern end. Sprint sponsors the east gate, Huntington Bank the west, and Hhgregg the south.

“In today’s world of a very crowded advertising marketplace, it’s very important for facilities to provide the brands and companies they’re associating with a lot more than just signs and tickets,” said David Abrutyn, the senior vice president for consulting at IMG Worldwide, a sports and media company with a stadium-marketing division.

But, Mr. Abrutyn said, sports teams must be careful. There is “a fine balance of not having it be so overcommercialized that it turns the consumer off from your brand,” he said.

That would seem to be a concern in the new Colts stadium, where Hhgregg has an “appliance zone” featuring televisions, dryers and ovens.

“It’s trying to showcase these appliances in a way that relates to football,” said Jeff Pearson, the vice president for marketing at Hhgregg. At about 26,000 square feet, Hhgregg’s space in the stadium “is almost the size of one of our stores,” he said.

He said fans had not complained about the presence of appliances in the dome. “I think the reception’s been very positive,” he said.

Brad Wells, a fan and author who writes under the name BigBlueShoe at the unofficial Colts blog StampedeBlue.com, had a slightly different opinion.

“It is odd,” he said. “I personally find that kind of stuff annoying: this entrance is sponsored by Union Federal Bank or whatever, these potato chips are sponsored by Doritos.”

“I understand the goal of the Colts is to make money, and they will make as much money out of this as possible. Where it will get really annoying is if you get to the point where you’re more bombarded by advertisements than by the actual game,” he said.

Though Mr. Abrutyn of IMG warned against too much marketing, he said he did not see a problem with appliances at a football game. “Are people going to a stadium to buy a washer and dryer?” he asked. “Probably not, but you’re reaching an audience.”

Teams are looking hard for sponsors to offset costs. The Colts stadium, for example, cost $719 million. All but $100 million of that was financed by food, beverage and other taxes from the Indianapolis area. And the $100 million paid by the Colts has already been covered by just the contract with Lucas Oil, which paid $121 million over 20 years to have the stadium named Lucas Oil Stadium. Teams are also eager to increase revenue through sponsorships because they are required to share some of their other revenue with other teams.

N.F.L. and Major League Baseball teams share revenue from television deals, merchandise and some ticket sales with other teams in the league. But stadium sponsorship money is not shared, so selling suites, naming rights and sections of a stadium to corporations is one of the ways a team can bolster its own revenues and stay competitive.

“You have some larger-market, high-revenue teams that are making or bringing in potentially $100 million more than other teams,” Mr. Ward of the Colts said. The new stadium in Indianapolis “will never make us one of the high-revenue teams in the N.F.L., but it’ll keep us competitive.”

The New York Yankees, New York Mets and Minnesota Twins are among teams offering high-profile sponsorship deals at their new stadiums.

A Mets sponsorship has drawn particular attention. The team sold the field’s naming rights to Citigroup for $400 million over 20 years — and Citigroup is currently getting $300 billion in backing and investments from the federal government. Two New York city council members pointedly suggested that Citi Field be renamed Citi/Taxpayer Field.

“Citi remains committed to this legally binding agreement signed with the N.Y. Mets over two years ago,” Luis Rosero, the vice president for public affairs at Citigroup, wrote in an e-mail message. “Citi Field continues to provide a very positive way for us to support our community and to connect with present and future customers.”

For the new Twins ballpark, set to open in 2010 in Minneapolis, the Target Corporation has already agreed to pay an estimated $5 million or more a year over 25 years to have the park be called Target Field.

“Advertising and sponsorship and signage are very synonymous with baseball,” said Dave St. Peter, the president of the Twins. “There have been outfield signs for 100 years. It’s nothing new.”

“Our fans are no different than fans everywhere, and they understand that advertising and sponsorship is now a significant part of sports,” he said.

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