

Maximising Sponsorship ROI in an Omni-Channel World



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is Vice President of Analytics & Insights for the National Association for Stock Car Auto Racing (NASCAR), leading the league's Analytics & Insights team. As a valued resource for the NASCAR industry, the A&I team manages the measurement and analytics of data across broad and varied verticals including: social and digital media, broadcast, traditional consumer and category research, fan engagement, and sponsorship valuation. The A&I team cultivates insights and then provides strategic guidance across a range of different business channels. Specifically, cross-platform data analysis helps the entire NASCAR ecosystem glean more meaningful insights related to fan consumption patterns, social and digital engagement, sponsorship activation efficacy, and ROI best practices. NASCAR effectively uses data to drive, measure, and prove ROI for teams, tracks, official partners, and media partners. Prior to this role, Scott managed the NASCAR Partnership Marketing Department (including the relationships with the league's most prominent sponsors for 11 years) and the NASCAR Commercial team (a cross-functional strategic group focusing on optimizing Official Partner sponsorships). Before joining NASCAR in 2005, Scott was Senior Director, Sports Management at ESPN/ABC Customer Marketing and Sales, where he developed and managed the integrated sponsorship sales of several marquee properties, including the National Football League, College Football and the Bowl Championship Series. He previously served in the Corporate Sponsorship group at the NFL, as well as managing ABC Sports' marketing rights for the first-ever College Football BCS and sponsorship sales for ABC's Triple Crown TV. He holds a BS in Corporate Communications from Ithaca College.

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Abstract Many big brands use sports marketing as an important ingredient in their overall marketing mix. As today's sports marketing landscape is constantly evolving, rights holders need to adapt to meet the new demands of clients. Conversely, big brands need to adapt to stay current with consumers and fans. This paper showcases NASCAR's progressive approach to meeting these changes through relationship management that focuses on social and digital initiatives. Omni Channel strategies using data are a focal point for NASCAR in their effort to drive value to partners.

KEYWORDS: sports, sponsorship sales, analytics, omni-channel marketing, social media, digital, relationship management, mobile, fan engagement

INTRODUCTION

In the 2000 action-adventure *Gladiator*, Proximo tells Maximus that a great gladiator is one who wins the crowd and, by doing so, he will also win his freedom. I have found Proximo's advice to be spot on throughout my career in sponsorship at NASCAR. One needs to focus on the consumer and the fan first in order to win in the sports business.

In ancient Rome, winning the crowd was done in the arena. But in today's world of

entertainment, winning the crowd means winning the crowd in the arena, plus the crowd watching on television, plus the crowd engaging on mobile, plus the crowd on Twitter/Instagram/Facebook/Snapchat etc, plus the crowd wearing a virtual-reality headset, plus the crowd streaming via OTT, plus the crowd sending gifs . . . you get the idea. The new buzzword to describe this phenomenon is omni-channel marketing.

Omni-channel marketing is much more than just a buzzword for cross-channel marketing with finesse. It is about delivering a true, consistent, and continuous experience across all channels and devices. Put simply, it means delivering the right content to the right audience with the right message on the right platform at the right time. The onus is on properties and brands alike to meet the crowds on the channels they are choosing to consume. Consumers want this, they expect this, and they definitely notice when it does not happen—and aren't shy about expressing their feedback on social media.

According to a study by Adobe, 66 per cent of device owners get frustrated when content is not synchronized across devices.¹ Adobe also found that 90 per cent of millennials polled switch devices mid-activity, higher than Gen X (76 per cent) and those 55 and older (58 per cent). Altogether, 79 per cent of those polled by Adobe move from one device to another during an activity. Considering that consumers, on average, own 7 devices and

use 3 of those devices daily, winning the crowd can be challenging.

Another report by Adobe states that roughly 1 in 3 consumers watch live sports on something other than a traditional television. Adobe found that 50 per cent of millennials polled watch live sports on smart televisions, mobile devices, or gaming consoles. As a result, according to AOL's State of Video Advertising report, nine in 10 media buyers are shifting dollars from linear television to digital channels, reallocating an average of 10 per cent of their television budgets.² More specifically, since 2012 over 300 per cent more buyers have shifted 11–20 per cent of their company's or clients' broadcast or cable television budget to better support their digital efforts. Case in point is Under Armour which will turn to digital communication like it has never done before. In an interview with *Business Insider*³, Under Armour's SVP of Brand Marketing, Adrienne Lofton, said the brand is moving from a 70/30 split in its TV-to-digital advertising mix to an even 50/50 split. The move was based



Figure 1: Omni-Channel Marketing

on research into its target customer—an 18-year-old aspiring athlete who consumes media primarily on mobile devices, rather than television.

OMNI-CHANNEL MARKETING AND SPORTS

When it comes to live sports, property rights holders must think omni-channel in order to maximize viewership and value for their sponsor partners. We face that challenge every single day at NASCAR and work extremely hard to provide our sponsor partners with fully integrated solutions. In the past, NASCAR had been perceived as highly conventional when it came to sponsorship; we used to place the logo of our sponsor partner on the car, the driver, the pit crew, and the television broadcast, and then call that the end of the integration. However, as the media and league landscapes have changed, so too has NASCAR in delivering meaningful ways for sponsors to reach and connect with fans.

Today, sponsors seek partners that provide creative ideas that leverage their brand thematic and key attributes. Sponsors still want logos in relevant places, but the main value in a sponsorship is in offering immersive and additive experiences to fans.

Digital and social media have been huge focal points for NASCAR when it comes to incorporating our sponsor partners and offering fans increasingly important immersive and additive experiences. Providing fans with a consistent stream of engaging content and behind-the-scenes access has enabled our partners to authentically and effectively interact with our fans. Furthermore, these interactions and engagements drive real return. According to Wasserman's Social Media Scoreboard⁴ panel study of 10,000 sports fans, 18 per cent of NASCAR fans have purchased a product or a service from a sponsor as a direct result of a social media post. Furthermore, NASCAR

fans purchase at a higher rate than the NFL (14 per cent), NHL (14 per cent), NBA (13 per cent) and MLB (11 per cent). This adds up to real revenue for our brand partners.

MAXIMIZING SPONSORSHIP WITH DIGITAL AND SOCIAL MEDIA

Brands focusing on digital and social media activation around their NASCAR sponsorship enjoy equally large volumes of active fans who engage with them as part of the NASCAR experience. Sunoco, for example, would likely have far fewer Sunoco Racing Facebook fans than its current 1.7 million without the extensive content opportunities NASCAR generates. Sunoco Racing's engagements are highest during NASCAR events, thereby providing insight into the strong connection fans make between Sunoco and the sport they love.

When it comes to petrol, it is hard to get consumers engaged and sharing on social media about higher octane and cleaning solvents—which, besides price, is what most fuel companies have at a product level to differentiate themselves from competitors. Brand building becomes paramount for those in the business of commodity sales. Research indicates Sunoco's efforts have been effective in generating brand affinity among NASCAR fans. In fact, Nielsen Social⁵ found that consumers who tweeted about NASCAR Racing are nearly four times more likely to tweet about Sunoco than US brands on average.

There are currently 2.31 billion active social media users with 1.97 billion using social media on mobile devices. Facebook and Snapchat both generate billions of video views each day (which is just a few more people than would watch Maximus' gladiatorial battles).

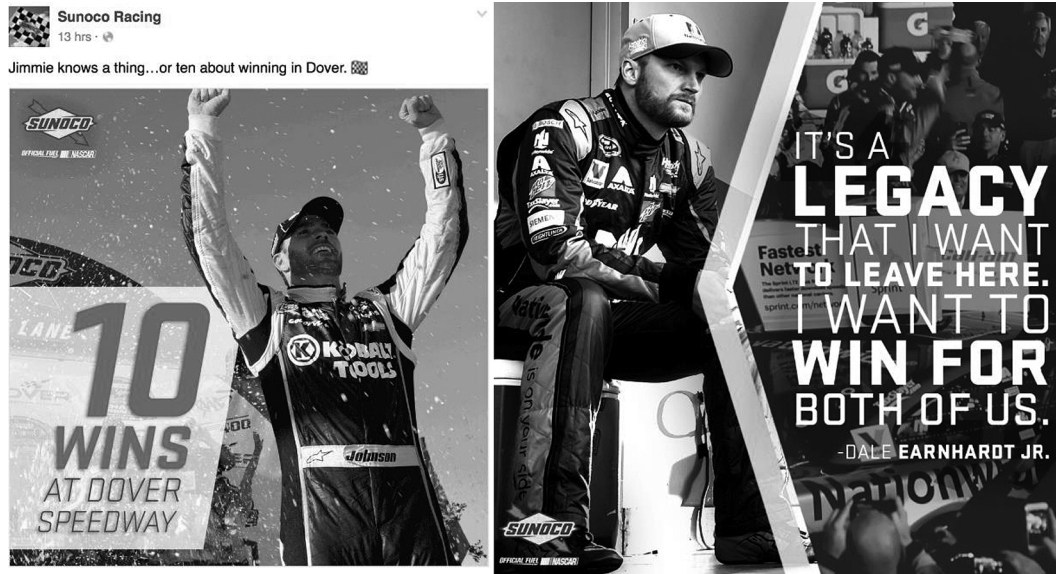


Figure 2: Sunoco Racing Social Media Posts

It quickly becomes clear that mobile is now truly competing with television and any other screen as America's 'First Screen' – we are becoming a 'mobile first' world. Approximately three-quarters of our entire digital audience is on mobile. Using this data, we made changes to our website design to be a 'mobile first' platform, which almost instantaneously resulted in increased user engagement. For both properties and sponsor partners, social media has the ability to unlock doors to new audiences and provide a truly unique way to engage with potential brand advocates 24/7, 365 days a year. Companies have always tried to reach younger demographics, and with 90 per cent of those between the ages of 18 and 29 on social media, it is the perfect place for brands to build deeper relationships.

Not surprisingly, in NASCAR and across all major sports leagues, partners want digital and social media benefits and services with their sponsorship package. According to the IEG/ESP Properties 2015 & 2016 Sponsorship Decisions-Maker Survey,⁶ a presence in digital, social, and mobile media ranked in the top four as a valuable benefit in a sponsorship package, along with

on-site signage and category exclusivity. Content integration across digital, social, and mobile notably ranked ahead of more historical value drivers such as usage rights to property marks and logos, as well as tickets and hospitality. The same survey also found that social media are the top channels sponsor partners use to leverage their sponsorship investment.

OMNI-CHANNEL TEAMS

At NASCAR, one solution that we have created to support our sponsorship efforts in this omni-channel world is a Partnership Marketing Commercial Team of experts across key areas: social, digital, events, research, partner analytics, brand, etc. This team takes an enterprise approach with leaders in certain departments 'embedded' into the sponsorship business to maximize sponsorship dollars and return for our sponsor partners. There are so many opportunities for sponsors due to the ever-evolving media landscape. We have found that mixing and matching ideas and opinions from leaders and problem solvers across our organisation leads to the best and

most creative business-building sponsorship solutions for our partners. In addition to collaboration and joint brainstorming, we share actionable data and insights with each other. We use data available from various parts of our business to constantly optimise our sponsorship strategy and improve results for our sponsor partners.

NASCAR also created an Analytics & Insights department to inform multi-channel marketing strategies. This group signals our League's commitment to elevating the role of data in our sport. From ROI analysis to developing a new enterprise CRM to developing advanced social listening capabilities, we are looking to build a culture with more proactive analytical thinking.

Specifically, we merged four disparate analytic groups into one team: social, digital, traditional research, and sponsorship valuation are now under the same umbrella. From a high level, this change might seem cosmetic or operational. However, it was a strategic move that will reap benefits for the entire industry. Our goal through this restructuring was to completely redefine our enterprise relationship with research and data, and to elevate it from essentially a support function into a key collaborative revenue driver.

This new structure will allow for traditionally silo-ed areas of data to be layered over each other and analysed in a more holistic way. Integrated, cross-platform data analysis will allow us to glean more meaningful insights related to fan consumption patterns, social and digital engagement, sponsorship activation efficacy, and best practices. Our ultimate goal is to use data to drive, measure, and prove ROI for teams, tracks, official partners, and media partners, and this approach supports each channel to make better decisions to engage fans.

DRIVEN BY DATA

This data-driven approach has enabled us to hone in on our commitment to content

and storytelling so that we can provide our fans (ie 'the crowd') with a constant calendar of new experiences. World class brands tell captivating stories in their marketing programmes, and properties should as well because people connect to narratives. That is why it is crucial to first identify a sponsor partner's brand attributes and objectives. Once we identify the thematic and key attributes, we can start to develop a customised sponsorship package that maximizes the value of the opportunity across all channels. To put together an omni-channel sponsorship package, properties and brands must understand the roles of each platform to maximize success.

We know that fans in the crowd interact with the various platforms for different reasons. It follows that a single piece of sponsored content or a certain experience should not necessarily be used across all channels. While content access is key to a successful sponsor partnership, there are a few questions we have learned to ask ourselves in developing an omni-channel strategy:

- Who are we developing this content for? What are the fan personas?
- Why are we producing the content? What goal will it achieve? Why would our fan want to watch, read, engage, click, and/or share this content?
- Which platform will help us reach the fan and our goals?

Sponsored content is most likely to be successful if it contains these attributes:

- Authenticity: To the crowd, the platform, the property and the brand
- Story: A beginning, middle and end
- Context: The crowd should never have to ask why they are seeing something
- Creativity: Concepts must be exciting, imaginative and emotive—something that inspires curiosity and interest, which leads to action

No longer can we take a one-size-fits-all approach for the masses; instead, we need to focus more on a singularly customized experience that comes in a wealth of unique ways. The increasingly fragmented landscape is difficult to navigate and can quickly drain resources. However, when it is done right, it can have a major positive impact on business objectives.

At NASCAR, we recognise there is much more to do with our sponsorship and marketing initiatives. We have evolved our approach to place a much greater emphasis on fan engagement and delivering a more immersive, connected, multi-screen experience—at home, in person, online and on the go. We have invested significant resources to make NASCAR races available on more platforms than ever before, enabling fans to experience the sport in ways that complement the television broadcast.

On race day, we have our own ‘command center’ for live digital coverage similar to that of a live TV production. Between our live video race coverage and competition coverage across all three NASCAR series, we cover more than 100 live events per year, on average, and work across more than 20 vendors and partners to manage our experiences among 25 different browser and operating system combinations. No other sport comes close to NASCAR in garnering such a dependable and durable audience for 10 months a year, and NASCAR fans have an insatiable appetite for content.

Just by the nature of our sport, we are able to capture amazing content, and we are committed to delivering that content in fun, innovative, and unique ways, straight to our fans. NASCAR has the most success when we behave like the crowd on each platform in an authentic manner, and with better and more engaging, more valuable content. Otherwise, we risk being intrusive and causing frustration among the crowd rather than engaging the crowd. The ultimate victory is to convert them into advocates.

Our omni-channel strategy development starts with segmentation, with specific content and distribution plans for each crowd:

- Platforms: Which channels should we focus on, including emerging and long-term opportunities?
- Data: What first-party data do we have access to (ie email, website visitors, app downloads, etc) and how can platform-specific data fill in the gaps?
- Content: What stories are we telling and how do they relate back to business objectives?
- Voice: How do we ensure that we have a distinct tone that is authentic to our consumers, each platform, and our brand?

We then execute our strategy to win the crowd using the specific voices and content planning for each channel.



Figure 3: NASCAR.com Digital Race Day Control Center

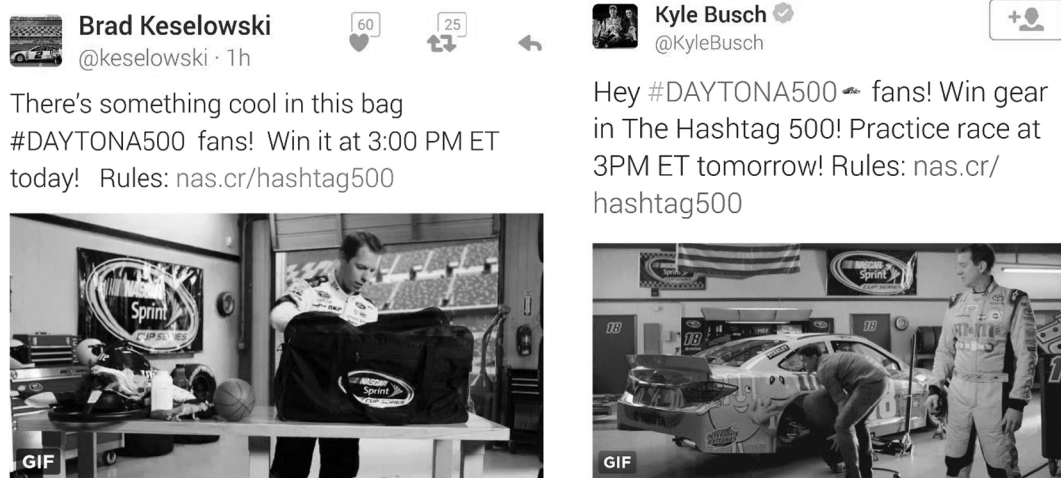


Figure 4: The Hashtag 500, aka #Daytona500

PICKING CHANNELS

For example, having NASCAR drivers interact directly with our fans on platforms like Facebook Live has been extremely successful. Facebook Live contributes to higher engagement and delivers a younger audience. We have seen 15 per cent more impressions and over 30 per cent higher engagement on our Facebook Live videos compared to our non-live videos. Live video connects a fan to our brand in real-time, which can be even more powerful than well-produced recorded content.

For the 2016 DAYTONA 500, NASCAR and Twitter partnered for a cross-promotional campaign to create and share fun, interactive content including The Hashtag 500 (aka #Daytona500)—the first-ever NASCAR fan race on Twitter. During the DAYTONA 500, the five-hundredth fan to tweet custom hashtags won actual memorabilia from the race, including NASCAR driver Dale Earnhardt Jr's fire suit and a piece of metal from Chase Elliott's racing car. Fans were also able to use DAYTONA 500-themed emojis. The DAYTONA 500 also featured a Snapchat live story through the partnership NASCAR has with the platform. It was one of our biggest days on social media.

We even put the content in the drivers' hands with our NASCAR Goes West campaign during the NASCAR West Coast swing to Las Vegas, Phoenix, and Fontana, including a Snapchat takeover featuring Monster Energy NASCAR Cup Series driver, Ryan Blaney, and NASCAR XFINITY Series driver, Darrell Wallace Jr. The resulting content not only engaged fans on that platform but also created significant conversation on Twitter, as well as media coverage and inclusion in the Fox/FS1 pre-race TV broadcasts that weekend.

Snapchat helps NASCAR create touchpoints with a massive audience mostly comprising millennials, which aligns with our growth strategy. Content on the platform tends to focus on what is happening off the track, including lifestyle and entertainment elements that are not usually featured during race broadcasts on television. Using takeovers with NASCAR drivers and celebrity selfies to doodles and behind-the-scenes tours, we look to create stories that show a unique side of our sport. Through a partnership with Snapchat, NASCAR has at least doubled the number of Live Stories that will occur this season. Through this, Snapchat users around the world have an inside look at our sport.



Figure 5: NASCAR & SnapChat

In addition to social media, the NASCAR Mobile App is a major part of our omni-channel strategy for partners like Toyota and XFINITY. We continue to add new enhancements and features for our fans including optimised news and media experiences with greater multimedia support. Content for each series is front and centre on the app homepage with race highlights and lifestyle content for all three national racing series of NASCAR accessible throughout the week.

THE DATA

Through digital and social media, we are able to engage our core fans while also reaching new audiences and introducing them to the sport. NASCAR social channels have

amassed 11 million followers, 1.9 billion social impressions, and 127 million total fan engagements in 2016.⁷ On Monster Energy NASCAR Cup Series race days, the NASCAR Facebook page reaches an average of 13 million users, while all tweets about a NASCAR race reach an average of 2.5 million users. During the 2016 DAYTONA 500, we had the most NASCAR-related social conversation that we have ever had in a single day, and conversation was up 44 per cent compared to the 2015 race.

The NASCAR website draws more avid fans than any other NASCAR news site, posting more than a hundred new pieces of content every week. Additionally, a dedicated section of the site provides key terms, educational videos, and a history of

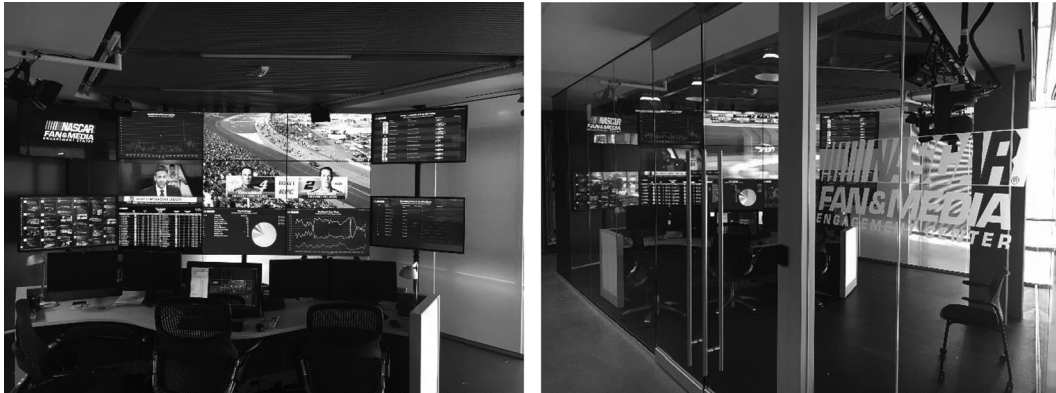


Figure 6: NASCAR's Fan Media Engagement Center monitoring social activity

NASCAR for new fans. During the 2016 race season, the NASCAR website's digital platforms received more than 56 million unique visitors, 325 million video views, and over 1 billion page views for the third consecutive season. In tracking usage patterns over the past year, the NASCAR.com website tops all other major league sites for user consumption—the amount of pages or videos a consumer engages with per visit to the site.

Critical to our success has been the ability to annually track the billions of engagements from fans and sponsors in the entire NASCAR ecosystem. The NASCAR Fan and Media Engagement Center (FMEC) is a state-of-the-art social listening and analytics platform that allows NASCAR to analyse the extensive social media conversation around the sport. The system ingests content from more than 700 social media accounts and more than 3,000 keywords related to the sport of NASCAR in real-time, enabling the sanctioning body to track and measure trends in the social space as well as provide business-impacting insights to NASCAR stakeholders. Through the FMEC, race teams, tracks, and sponsors have access to analytics custom-tailored to their specific business needs—we are making the data actionable. Located in NASCAR's offices in downtown Charlotte, the FMEC is staffed seven days a week and live for all 92 of NASCAR's national series races.

To win the crowd, our investment in omni-channel marketing has resulted in record levels of fan engagement and success for our official partners. According to brand affinity scores from Nielsen Social, 87 per cent of people who tweet about NASCAR also tweet about brands. This is nearly 20 per cent more than all people who tweet about TV. This speaks to how authentic and relevant NASCAR sponsors are to the overall NASCAR experience. From the logos on the cars to the promotions and giveaways to the behind-the-scenes experiences and content that each sponsor delivers for its target audiences, NASCAR sponsors are clearly part of the sport's DNA, and it is reflected in fan social content and commentary about the sport. NASCAR fans are just as passionate about the sponsors that participate in—and contribute to—the sport they love as they are about the racing on the track.

With this in mind, the results Mars Inc. has experienced in the sport offer great insight into the loyalty of NASCAR fans to sponsors in the sport. Mars generates substantial returns for its M&M's brand through a fully-integrated NASCAR platform. To date, using its M&M's characters for image building and promotional activation across channels, Mars has garnered millions in media impressions value and

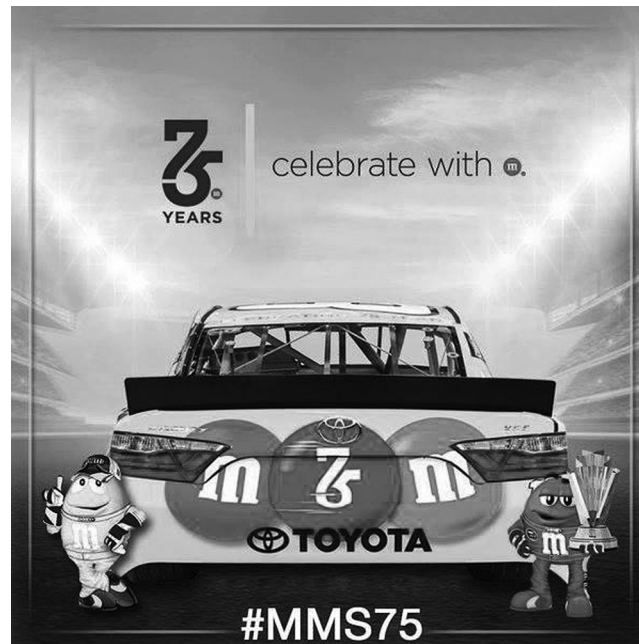


Figure 7: NASCAR Official Partner Mars Inc.

strong brand loyalty over similar products not activated with NASCAR.

NASCAR aims to integrate all sponsors throughout our omni-channel marketing executions. Rather than being shoehorned into available advertising signage, NASCAR takes the time to understand the needs of its sponsors and ensures that a sponsorship will enhance our already successful sport. With each sponsorship opportunity, the 'win-win' is for NASCAR to determine: how the potential sponsor will benefit the NASCAR fan experience and how the potential sponsor will benefit from the NASCAR sponsorship.

Thanks to data, we have extraordinary insight into how the crowd is engaging with the sport and how it is interacting with our sponsor partners. Every click, event, and transaction can be measured, attributed, aggregated, and optimised. The availability of useful data enables NASCAR to advance towards our partners' business goals. To that end, while it sounds obvious, having clear objectives and measurement models in place (for determining valuation and other ROI

metrics) prior to the start of a campaign helps ensure success.

CONCLUSION

Authenticity is paramount to an effective omni-channel strategy. Those who are most successful have learned how to be authentic to the sport, authentic to the fan, authentic to the channel, and authentic to the brand partner. Sponsors should establish their credibility within the sport; otherwise it is merely a paid opportunity. To become truly successful in leveraging NASCAR to achieve business objectives, it is important that a sponsor has something meaningful to contribute to the sport and the fans. The uniqueness comes from marrying the power of the fans with the value of the sponsors.

As mentioned earlier, NASCAR brand affinity scores from Nielsen Social state that 85 per cent of people who tweet about NASCAR on FOX also tweet about brands. The reason this is so high is because the sponsors play such an important role

the NASCAR ecosystem, and the fans not only recognise the role of sponsors, but they appreciate and support the sponsors who support their sport. This is why NASCAR fans are widely known as brand advocates. They are happy to talk about and support important initiatives of sponsors, as these initiatives often help grow the sport and provide additional value to the overall NASCAR experience across all channels.

While omni-channel marketing and sponsorship activation are the strategy kings of today, NASCAR is constantly looking for what is next. I will always keep in mind Proximo's advice as we continue to innovate and invest in new technology to grow our sport, elevate fan experiences, and increase the return on investment for our Official Sponsor Partners.

If Proximo were here today, he would probably tell you:

"Sponsorship and Marketing Gladiators, I salute you! Listen to me. Tweet at me. Send me a Snap. Learn from me. Make the crowd love you

wherever they may be. Win the crowd and you will win with your partners – together!"

Authors' note

Supporting contributors to this article include members of the NASCAR Partnership Marketing Commercial Team and Analytics & Insights Team.

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