
connecting people, opportunities and ideas

Entertainment Industry Overview

When Las Vegas dropped their “family” campaign and captured the essence of Las Vegas with their “Only in Vegas” campaign, they tapped into innate, core passions of their targeted audience - pursuit of the opportunity to win and escape. People wanted to escape from their lives of responsibility to the fantasy of opportunity. The brilliant campaign tapped the imagery and earned equity in the stated ideals from the Declaration of Independence - the desire for liberty in the pursuit of happiness.

This honest, subliminal and bold representation helped fuel increased visitation and growth for the developers and rights-holders of properties – both real and intellectual. This growth spurred capital infusion and private equity participation to speculate on new opportunities. Those opportunities are being realized through explosive global development growth due to a “flattening of the earth”, opening of new markets, a dramatic increase in worldwide wealth and travel; all leveraging the innate desire by people for the opportunity to escape and win.

Sports and Sponsorship Overview

While sports sponsorships have dominated the sponsorship landscape for the past twenty years and have rendered the space relatively saturated; gaming-related partnerships are an untapped resource to reach a targeted demographic in a dynamic, passionate environment. The sponsorship and advertising industry has documented the importance of creating an emotional connection with their targeted audience. Traditional advertising is harder to measure and falls short of establishing that connection. The growth of sponsorship in the past twenty years has far outpaced advertising and is now established as a more effective medium when valuing “interactions” vs. “impressions”.

Sports sponsorships leverage several key assets for their partners:

1. Passion for the product
2. Hospitality (tickets, private events, suites, parking etc)
3. Asset naming rights (stadium, field, floor, section)
4. Media multiplier through media impressions of paid media and coverage
5. A defined season and market

They have proven effective, but have their limitations. As with all businesses, there is a law of diminishing returns. Most professional sports ratings and attendance are down and costs of sponsorship are up. Pro sports leagues were designed to be competitive and therefore the sponsored team or leagues relative value is volatile and subject to its’ success. Of course, there are some anomalies like Chicago Cubs. However, the success and demand for sponsorship is largely and inextricably tied the performance of the product.

Gaming has intelligently tied their marketing to the *thrill of the **opportunity for success***. This is very different than sports demand for one thing - success. Therefore, the passion for the gaming experience remains strong and the volatility for sponsors' success is mitigated. **Your promise will always be delivered and sponsor satisfaction virtually guaranteed. This further enhances your sponsorship value, retention, and long-term revenue.**

By extension and comparison, the Olympic Torch Relay was sponsored by many companies as way to tie-in with, and borrows the equity from, The Olympics, their history and ideals. The purchase of that sponsorship seemed unimpeachable and quite an effective way to reach global audiences. The problem is that the Relay, and by extension, their sponsors; became a target of protest and the sponsors were sullied diminished through their association. Here is a case where sponsorship did not enhance but actually diminished the brand.

With any gaming associated sponsorship, the alignment is based not on success or even higher ideals, but relevant, honest, business motives to align with a highly-desirable, captive audience of open-minded consumers in a spending mode. The borrowed equity of the association, by its very nature, is authentic and not claiming a moral high ground that is almost invariably diminished by human weaknesses of the individual and its' association.

Situational Analysis

A confluence of market forces are the drivers for this significant incremental opportunity for entertainment companies:

1. Traditional advertising is less effective and efficient due to high cost, media fragmentation and diminished viewer attention/engagement
2. Advertisers are seeking cost effectiveness and efficient ways to engage target customers
3. Savvy marketers are choosing sponsorships to achieve those results
4. Consumers are seeking authentic, integrated and interactive experiences
- 5. Sponsorship offers an unparalleled engagement for *audiences and marketers***
6. Sports sponsorships currently dominate sponsorship spending representing over 80% of the market
7. Sports sponsorships are becoming saturated and effectiveness is diminishing
8. Entertainment companies offer many of the same benefits as sports but provide greater impact due to critical mass, retail extensions, a highly targeted audience, consumer receptivity, engagement opportunities, touch points and more
9. Entertainment companies offer all unexploited assets with vertical, horizontal, emotional and experiential extensions with the exception of major media coverage through sports programming.
10. The time is ripe to launch efforts to monetize assets.

Opportunity

Capitalize on this opportunity and leverage assets to generate new revenue streams. This will be achieved through in-depth asset analysis targeted prospecting of relevant partners and integrated, comprehensive package development and sales. This program could also grow relationships with key vendors, business partners, brand marketers, manufacturers and retailers.

Conceptual Assets of Entertainment Companies

1. Critical Mass of consumers in a buying/spending mindset
2. An emotional, brand connection with their core customers
3. Evolved, data-heavy information on their audience
4. Proven capability at audience engagement and retention
5. Multiple consumer touch points both vertically (time) and horizontally (space)
6. Built-in hospitality opportunities through events, VIP programs, accommodations and other perks
7. Cache – the exciting, dynamic environment where people seek and get thrills
8. Opportunity to integrate relevant brands authentically into the consumer interaction and through retail locations
9. An audience pre-disposed to risk/reward and is therefore subconsciously more susceptible to brand integration – either transparent or overt
10. A relatively commercial-free environment for brands to reach audiences in a non-competitive, uncluttered environment achieving maximum exclusivity

Big Opportunities

Name entertainment hosted nightly – theater, stage, performance sponsorships

Extension of vendor partnerships – Beverage category through Alcohol and non-alcohol, financial services etcetera

Loyalty Program – enhance partnerships with retailers and reward partners

Consumer Touch points – check-in, direct mail, reservations, concierge, spa, valet, etcetera

Hospitality locations – VIP rooms, special events etcetera

Contact information:

Dan Beeman, Founder - Sponsorship Insights Group

818.433.4239 – Office/Mobile

Skype: danbeeman1

dan@sponsorshipinsights.com

www.sponsorshipinsights.com

Blog: www.sponsorshipinsights.com/blog

Join/Connect and/or follow me on:

[LinkedIn](#) [Facebook](#) [Twitter](#)