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SBJ/May 28-June 3, 2012/Opinion

## Merchandise a powerful activation tool for teams, sponsors

Published May 28, 2012, Page 15



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**T**he value of sports sponsorships is rooted in the strong emotional attachments fans develop with their favorite leagues, teams and athletes. It's our job as marketers to create lasting promotional ties that inspire the consumer to transfer some of that loyalty over to the sponsor.

The influx of sponsorship dollars isn't expected to slow in the foreseeable future. In its December 2011 forecast "Changing the Game," PricewaterhouseCoopers projected global revenue from sponsorships will account for the largest share of the sports market's \$146 billion estimated revenue in 2014. Sponsorship is the fastest-growing sector in the sports market, with an expected global compound annual growth rate of 5.3 percent from 2011 to 2015.

Nowhere is this growth more evident than with branded merchandise, an advertising medium that's steadily gaining traction among sports entities and the world's most iconic corporate brands. While network television, radio, magazine and newspaper ad spending all decreased last year, according to Kantar Media, the Advertising Specialty Institute reported sales growth of 6.2 percent in 2011 to more than \$18.5 billion. That's on the heels of a 9 percent increase.

Merchandise provides both teams and sponsors a powerful activation vehicle because it brings their brands to life. It works in concert with a sponsor's stadium signage, TV spots and print campaigns. It lets people see, touch, feel, own and interact with a brand in a way no other medium permits. Gifted campaign strategists realize that with



Branded merchandise giveaways are three-dimensional ads that go home with the fan.

Photo by: MLB NETWORK



Photo by: OAKLAND  
ATHLETICS

merchandise, the brand messaging doesn't turn off — and it can drive fan behavior and activation.

Of course, there are critics of merchandise because it's so pervasive in our society. The easy label is tchotchke, trinket or trash. But smart teams and sponsors understand product placement doesn't get more personal than branded merchandise. It's three-dimensional advertising that goes home with the fan.

You'll see it play out all summer long in MLB ballparks. Looking at the promotional schedules of 29 of the 30 MLB teams (the Boston Red Sox don't release one), there are more than 700 merchandise giveaways slated for the 2012 season. The Pittsburgh Pirates lead the way, with merchandise activations attached to 43 of their 81 home games, while another 13 teams have 25 or more giveaways on tap. Only three clubs (Toronto Blue Jays, Atlanta Braves and San Diego Padres) show fewer than 12 giveaways on their published schedules.

It's widely accepted around the league that teams should expect a jolt in ticket sales from a well-executed giveaway of high-perceived value. More importantly, these fans are taking home a souvenir with a sponsor's logo they'll either wear, display or put to use in their daily lives — driving additional brand impressions and loyalty.

We heard firsthand accounts of the impact a merchandise activation can have on attendance and the overall game-day experience from team officials during our 17th annual Baseball Think Tank this past offseason. BDA brings together the top marketing minds from MLB each November to share best practices; discuss product trends for in-stadium giveaways and ticket renewal premiums; review the latest importing, safety testing and compliance standards; and strategize ways to continually improve fan experiences.

Gregg Greene, the Seattle Mariners' director of marketing, put it best.

"A great giveaway can create lines at the ballpark as well as added value and affinity with the Mariners brand," he said. "It doesn't matter if it's a Little Leaguer or a CEO. The right collectible or gear creates that moment at the ballpark when the fan thinks, 'Wow, this is really cool. I want to put this in my office. I want to wear this.' That's something that no other form of advertising can offer. Sports is about creating moments, and I think giveaways help fans celebrate those moments well beyond the event they attended."

The San Francisco Giants are a team that sees how a merchandise activation can help bridge the gap between a casual fan and an avid fan. With every person who comes out to AT&T Park as part of a community group or due to a specific promotion, there's an opportunity to make a lasting impression. Handing out Gigantes T-shirts during Hispanic Heritage Month or neon orange snap watches to the younger set is a simple first step in building a connection between the fan, team and sponsor — not to mention the brand exposure generated every time those fans wear their new favorite shirt or wristwatch.

MLB Network also recognizes there's considerable ROI to gain from merchandise. The 3-year-old network is giving away 685,000 drawstring sports bags featuring its logo in 27 ballparks this season.

Mary Beck, senior vice president of marketing and promotion for MLB Network, lobbied for a leaguewide merchandise activation from the early days of the network.

“Merchandise is an important component of MLB Network’s marketing efforts as it makes our brand tangible and promotes awareness to baseball fans — the largest push this year being an MLB Network Giveaway Day,” she said. “We view this as a great way to increase recognition of the network among avid baseball fans.”

For good reason.

Today’s consumer pays close attention to who’s behind a giveaway. In a survey commissioned by ASI, 83 percent of U.S. respondents indicated they could identify the advertiser on a promotional item they owned, and 41 percent said their opinion of the advertiser was more favorable after receiving a promotional product.

Add in the fact that avid sports fans are supportive to brands associated with their favorite leagues and teams. Advertisers capitalize on this loyalty by giving fans merchandise that lets them show off their team pride, and sponsors are part of this equation in a very visible, tangible way. When branding is done well, it is seamless and well-received by fans of all demographics.

Whether it’s custom earrings for every mom on Mother’s Day, kid-friendly collectibles, or 40,000 rally towels waving like crazy down to the final out of the playoffs, merchandise activations help expand the fan experience. The right piece of merchandise turns spectators into lifelong brand ambassadors. It extends brand messaging beyond any single game, event or venue — directly into people’s hearts and homes.

*Jay Deutsch is co-founder and CEO of Bensussen Deutsch & Associates. BDA is the preferred premium supplier of MLB Properties and holds licensing agreements with the NCAA, NFL, NHL, NASCAR and U.S. Olympic Committee.*

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