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Carrying A MESSAGE

STADIUM TRAYS AND CUPHOLDERS OFFER LATEST AD FAD

BY JENNIFER RICH

Cupholders and stadium trays plastered with sponsor messages, the latest trend in in-venue advertising, are being ordered by the hundreds of thousands across the country.

"It is the only ad space [inside venues] that provides a positive experience for the user," said Dan Kosth, CEO for Sports Media, Inc., a company that connects potential advertisers with concessionaires and venues.

Sports Media is just one of the many companies making money off the latest attempt by advertisers to attract the attention of sports fans. Sorting out who is profiting from the advertising and how is like peeling an onion. Each contract to advertise on seatback cupholders or on plastic trays used to hold food and beverages can be worth hundreds of thousands of dollars to professional sports teams, venue owners, concession stand operators, manufacturers, advertising agencies and middlemen like Kosth.

"It is not unusual to have two customers for the same order," said Peter Bergin, president of Caddy Products Inc., of Thousand Palms, Calif., the world's largest manufacturer of cupholders. He recently received an order from the Irwin Seating Co. to supply cupholders for the new FedEx Forum, home of the Memphis Grizzlies National Basketball Association team. The team had sold advertising to FedEx and First Tennessee Bank who then turned around and placed an order with Caddy Products for their advertising labels to be placed on the cupholders. "Of course, Caddy Products gets no credit but that's OK," Bergin chuckled.

The advertising medium got its start, according to Bergin, in 1992 when the Georgia Dome was built for the 1996 Olympics and as the new home of the Atlanta Falcons. "It was the first big stadium to buy cupholders with advertising," he said. His company received about \$380,000 for the holders and installation. Georgia Dome owners then sold three sponsors contracts for \$500,000 a year for 10 years allowing branding on the cupholders and throughout the venue.

Deals are structured in different ways and in lots of different combinations. A sponsor branding in a 40,000-seat stadium might cost \$300,000 to \$600,000 a year for a multiple-year contract, Kosth said. "But the contract usually includes a combination of things like PA announcements and autograph signing." The cost of products normally paid for by venues or concessionaires are now absorbed by

sponsors. Trays, for example, are often given free to the venue by corporate sponsors who pay the 11 cents to 17 cents per tray. That saves concessionaires or the venue from \$30,000 to \$60,000 a year, said George Poston, president and CEO of Spectator Advertising Solutions, maker of StadiumTRAYS. The venue or team, whichever has marketing rights, gets a percentage of the advertising revenue in a system Poston calls revenue sharing. That can range from 4 cents to 10 cents per tray, based on attendance and the size of the venue.

Poston's company shipped more than a million trays last year to 50 major venues. This year he expects to ship to nearly 100. And he has expanded his offerings to places like the National Aquarium in Baltimore, the Detroit Zoo and Greyhound bus stations across the country.

But how successful is the advertising? Some might think the scoreboard or stadium walls might be better avenues for sponsors. But marketing studies have shown a cupholder or tray offers a positive advertising experience for the consumer who remembers the message long after leaving the venue, Poston said. Exit polling and interviews at venues show that each consumer gets 18.5 impressions for each tray they use and 90 percent recall who the sponsor is even after leaving the stadium. "That's much higher than any other placement there, even the scoreboard," he said. "The sponsor has a chance to place its brand directly in the lap of its target audience," he said.

Big corporate companies like Pepsi, Best Buy and Trump Casinos and Resorts advertise on his product, many offering a coupon or discount on the advertising to test its effectiveness. "We encourage them to do measurable advertising," Poston said, although he didn't have any results to report.

Many consumers have become fed up in the past few years with what Poston and Bergin call intrusive and annoying advertising like loose cards inside magazines and shrill TV commercials. Advertisers have been searching for other mediums to get their message across but in a way that isn't a nuisance for the consumer. "Advertisers have been constantly looking for new ad mediums," Bergin agreed. "If you give the consumer something that is useful for them, that they appreciate, they have no problem if you put your name all over it," he said.

Layton Dodson says sponsors are also snatching up even less-appreciated forms of advertising space. He is vice president of sales and marketing for United Receptacle located in Pottsville, Pa., a manufacturer of waste receptacles for public spaces. "I've seen more and more of a move to put advertising on our product," he said. Dodson sells what he calls "high-end decorative receptacles" for \$300 to \$1,200 apiece to venues or outdoor advertising companies who then sell advertising to sponsors. "Some are even asking for specific sizes because of the size of the ad that will be on it," Dodson said. He isn't sure how effective the waste bins are as an advertising medium, but with space at a premium, he knows it is another place to give sponsors visibility in a venue with sometimes hundreds of thousands of attendees. With the emphasis on recycling growing, Dodson thinks waste bins actually offer sponsors a better image. "They look like someone with community spirit," he said.

Consultants developing concessions for venues say this type of advertising trend is great for venue owners who don't want to spend money on necessary items like cupholders and trays "We remind venue owners that they need a cupholder on the back of a seat. It's a necessity not a luxury these days," said Richard Eisenbarth, director of operations for Cini-Little International, hospitality consultants. He predicts, as venue space becomes a rare commodity, you'll see new advertising avenues continue to pop up like mini CDs or microchips on cup lids that provide a team's statistics or the latest release of a performing artist. "Nothing surprises me anymore," he said.

Some of the newest products Kosth's firm is working on include video e-mail that allows patrons to record a video at a specially equipped venue kiosk for family and friends. The video also will carry a sponsor's branding. A new product coming out this summer is the 3-D cup that looks clear but once filled with fluid, condensation "locks in" the ad image,

Kosth said. The concession company or the company with pouring rights like Miller or Budweiser will purchase the cups. He said surveys show a consumer will be exposed to an ad impression 28 times per beverage. A whopping 96 percent of consumers leaving the venue could remember the name of the sponsor, Kosth said.

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