

*In the global automotive industry, General Motors is unique. The company is the worlds largest carmaker by unit sales but makes limited use of motorsport as a global promotional tool. It uses more innovative methods and the results are at least as impressive.*

## Driving the imagination

By Christian Sylt

Last year the Formula One Group (F1 Group) made what seemed to be a landmark announcement. It wasn't a new race or sponsorship signing; rather, it licensed its intellectual property to Dubai's Union Properties to develop a global chain of theme parks based on the brand. The firm allocated \$360m for the first park, which will open in Dubai in 2008, and is raising \$1.6bn for expansion. It is a crucial step since F1 is seen by some to have an ageing fan demographic while the youth of today are tomorrow's fans. Mixing motorsport and theme parks may seem like a bold new frontier, but US auto giant General Motors has been doing it for decades and has become the world's foremost expert in the field. It sets an example for the F1 Group to follow.

Disney has been pioneering partnerships between blue-chip businesses and themed attractions since the early 1960s. In 1964, nine years after its first Disneyland park opened in California, Disney built several landmark attractions for the New York World's Fair. The flagship was the 'Carousel of Progress', a show about historical developments in the American family home. Nearly as impressive as the show's centrepiece models, whose movement was synchronised with speech, was the fact that US conglomerate General Electric had its name emblazoned on the outside of the attraction. Even more revolutionary for the time, mentions of GE's products were woven into the storyline. It set

a precedent.

When Disney opened its science-based theme park, Epcot, in Florida in 1982, it took corporate partnerships to a new level. The park is split into pavilions dedicated to subjects such as space, energy and the seas, and almost every one had a sponsor. This helped ease the gigantic overheads (see box) of what was then the world's largest construction project. GM was the first sponsor to sign on the dotted line, and is still there today.

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The heart of GM's deal is its sponsorship of Test Track, a high-tech rollercoaster themed to an auto proving ground. The ride opened in 1999, but GM had signed its first contract 20 years earlier "before there even was an Epcot", says GM's Test Track manager, Mike Romeo, sitting in what must be one of the company's most unusual offices, hidden in the heart of the attraction.





Before Test Track, GM sponsored Epcot's World of Motion, a tour through animated exhibits themed to the history of transportation. When it closed to make way for Test Track, GM extended its deal, which currently runs until 2009 and is believed to be worth \$30m. Test Track, says Romeo, offered GM the opportunity to "be a little more specific in communicating our message".

The process started with close communication between GM and Disney's imagineers – the wizards who create its theme park attractions. "We got together with our Disney partners and started showing them our different areas of business, showing them what we do," explains Romeo. The imagineers were most inspired by GM's hydraulically-controlled gas-energised sled, which is used in place of actual cars for high-speed crash testing. It became the centre of the attraction.

The ride uses six-seater 250bhp vehicles, which operate like giant slot-cars, accelerating to a top speed of 65mph in around eight seconds. The cars carry guests up hillclimbs indoors, over rough road surfaces, around traffic cones and finally on a high-speed banked oval outdoors. Test Track is no slouch – when it launched, it was the longest and fastest ride in Disney

**"IT'S COMMON TO SEE PARENTS EXPLAINING DRIVER SAFETY CONCEPTS ON THE RIDE TO THEIR CHILDREN."**

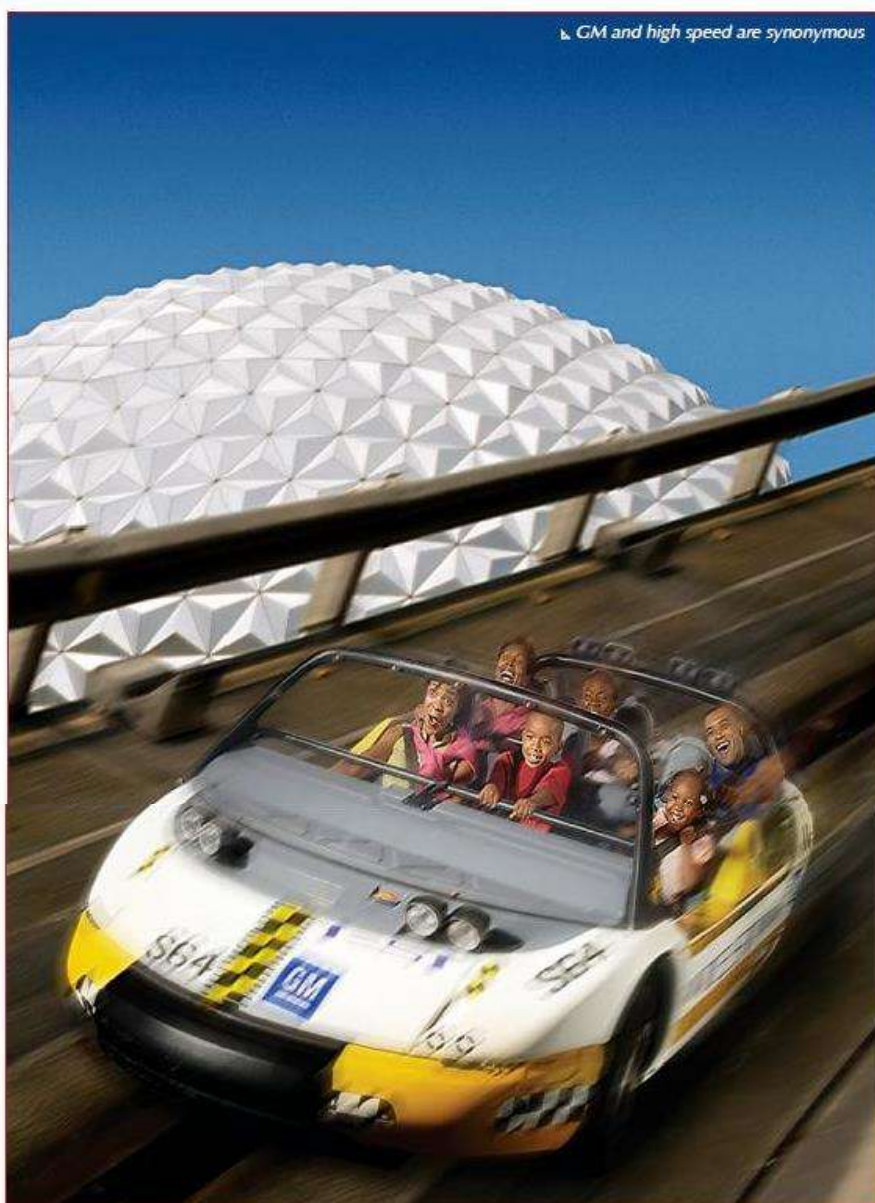
theme park history. Crucially, the theme of auto performance pervades the entire ride and, thanks to the imagineers, GM's branding is woven so seamlessly into the entire experience that it is almost subliminal.

"Test Track really tells a complete message of who we are and what we do, and I think it tells it in an educational, yet at the same time entertaining, manner," says Romeo. Visitors to the five-minute ride regularly queue around 90 minutes – a captive audience for GM.

The line winds around a mock-up of a GM assembly plant, complete with working exhibits. "That's where we start telling our message," points out Romeo. The first thing guests see is a 1927 Chevrolet with period safety equipment; this is no accident. "The message we're starting with is that not only do we feel that we're the best at what we do but we've been doing it longer than any other manufacturer in terms of the type of safety testing and quality testing," says Romeo. The following exhibits all focus on quality and safety tests – "those are the messages we're trying to convey", explains Romeo.

It is due to Disney's expertise in this area that BMW's F1 team approached the media giant last year when designing its mobile attraction, the Pit Lane Park. This incorporates a stretch of track for demonstration runs as well as a mock-up of a garage with stripped-down cars and a driving simulator.

The attraction locates to several Grands Prix throughout the season,



and with up to 16,000 visitors per day, effective crowd control was essential. "Our agency spoke with Disney regarding the visitors of the Pit Lane Park and how to manage such a capacity," says Joerg Kottmeier, BMW's head of motorsport communication.

The product placement in Test Track is equally blunt. Whizzing round the high-banked oval, astute observers can spot an arrangement of GM vehicles in the centre – and for those who miss it, every guest is funnelled through a GM gift shop and glitzy showroom area on the way to the attraction's exit.

The showroom – evoking the atmosphere of a motor show with 20 vehicles on turntables, dramatic lighting and interactive exhibits showcasing future GM technology – is the closest the company gets to a hard sell, although it can never clinch a deal. "We keep each vehicle on the floor for about four to six weeks. In that time they'll go through seven to ten years on the interiors from so many thousands of people getting in and out of them," says Romeo. The throughflow is clear, but since Disney prohibits GM from actually selling cars inside Epcot, it raises the question ▶





Jimmie Johnson taking GM's Chevrolet to victory

of how the carmaker benefits from the deal.

"Exposure is absolutely key," says Romeo. GM has its logo on all Test Track marketing materials and signage. And, according to Economics Research Associates, Epcot was the world's sixth best attended theme park last year with 10.46 million visitors, so the numbers certainly make sense. But the "key draw", Romeo adds, was not just the exposure but the target market's suitability.

"The opportunity to help promote our products in a magical stress-free environment was a key draw, and what an opportunity for a company to have access to that number and that demographic to showcase our products and our technologies and our services."

Disney's guest profiles perfectly fit GM-buyer profiles. They are mostly middle- and upper-income people and almost all have high-school diplomas. Most are married with children, which allows GM to build early relationships. It's common to see parents explaining driver safety concepts on the ride to their children, and Disney even has plush Test Track toys to drive the message home.

The brand fit with Disney, Romeo says, is particularly strong since Epcot gets a large number of international guests and GM has an international portfolio of 12 brands. "So much of our potential audience doesn't even know that some of these vehicles are produced by General Motors," he points out, adding that both brands share the hallmark of high quality which is mutually enhancing. It has been crucial to GM improving its image.

"If you look through the eighties, although our sales were great, from

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a product perspective, that probably wasn't our crowning moment," notes Romeo. Test Track has given GM "an opportunity to re-engage some consumers that perhaps we may have put off in the past".

But of course sponsors still have to accept the rough with the smooth, should park attendance fall or financial performance falter. GM makes the most of its partnership by having a VIP lounge in Test Track that's free to access for current and retired GM employees and their families. Even GM chief executive Rick Wagoner and his son have visited.

All Epcot attractions have corporate lounges of varying sizes but GM's is the grandest. Romeo's office and the lounge itself have

panoramic floor-to-ceiling windows overlooking the park and the indoors section of the ride. Each year, around 30,000 guests enjoy free refreshments in its air-conditioned facilities with a GM staff of 14 on hand.

"This is not B2B orientated but more for our family, our employees, our retirees... It's a small way to say thank you," sums up Romeo. Nonetheless, its unusual location, free facilities and satellite link-up to GM's world headquarters in Detroit have filled its meeting rooms with everything from executive management sessions to dealer meetings.

The principal B2B element of the deal? GM is allowed to supply fleet vehicles to Disney World's 50,000 employees. In fact, beyond the ride, GM gets equally invaluable Disney-linked coverage. Photo opportunities with historic Cadillacs litter the Grand Floridian, Disney's Victorian themed hotel, and its European Opel brand is used in Disney's movie park's stunt show.

GM cars even feature in resort-wide activities such as the motorcade of Pontiacs through Disney World arranged for the Miami Heat after they won the NBA championships last year. This is exposure GM's rivals cannot match – under the terms of the deal, they are prevented from being simultaneous park sponsors.

An obvious question that arises is how GM measures its return. "Monitoring the success of the deal is always challenging," admits Romeo. He points to regularly scheduled surveys, sweepstakes and promotions where GM gives away new vehicles to Epcot guests who must register for the contests while at the Test Track pavilion.

"We were able to cross-reference with vehicle delivery data and find out how many people have purchased a General Motors vehicle," he says. However, even this cannot prove that the customers bought the GM vehicle directly as a result of its ride sponsorship. "It's not unlike airing a commercial on TV – I don't think you'll ever be able to put a true value on the deal."

Not being able to clinch deals on-site makes activation even more important for this theme park sponsorship than for sports sponsorships – something Romeo is well aware of. "A lot of the success we have here is because we have got such an active resource team for General Motors here on-site and at our headquarters in Detroit who recognise the value of this relationship and are always looking for ways to expand and leverage it," he says.

Accordingly, Romeo's advice to potential theme park attraction partners is this: to get the most out, "you have to approach it as a



lot more than simply putting your name outside a building". The environment makes this easier to do than in sports.

"The quality of the exposure to the product is a key difference between theme park and sports sponsorships," says Romeo. "With a sports sponsorship, for example, if you go to a stadium you might see a car parked in front of it and you walk by it as you get your tickets, so it's just a fleeting glimpse. Here it's part of the entertainment and it's hands-on. People are getting in and kicking the tyres and sitting in the seats." In 2006, 9.1m GM cars and trucks were sold globally, making it a true worldwide giant. It could be argued that with such a huge footprint, exposure-generating sponsorship is almost superfluous. However, it has been reported that this year GM's status as the world's largest carmaker by unit sales could be overtaken by Toyota. Hence all its sponsorships are more essential than ever to building its brand. Compared to Toyota's under-performance in F1, GM's success in NASCAR demonstrates how great a force it is to be reckoned with.

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GM's Chevrolet brand is the most successful manufacturer in NASCAR with 600 wins and 26 manufacturer's championships under its belt. Its team of drivers has clocked up eight championships, including Jimmie Johnson's victory last year. And although this success wasn't achieved through the company's GM masterbrand, Chevrolet is America's top-selling make.

Being seen in the lights of these victories at race weekends is one thing but, Romeo notes, one of the benefits of theme park sponsorship is that "we're a 365 day a year operation". However, this is a challenge in

#### FINANCING FANTASYLAND

Building a theme park isn't for the faint-hearted, and even the considerable cash thrown off by the F1 Group every year would only fund a few rides. Top attractions cost around \$100m each, propelling park-construction costs into billions of dollars. But that's just the start. Running these storytelling structures equally costs billions, with eye-watering energy costs and thousands of staff required for operation and maintenance. Finding increasingly innovative methods of financing has put theme park owners' creativity to the test.

Profits are thin in the theme park industry. Admission sales generally bring in about 55% of a park's revenues with food and beverage comprising around 20%, games and merchandise 15% and other sources close to 10%. But the business model is overhead-heavy, so admission revenues bring little to the bottom line.

Merchandise and costly food and beverage comprise the bulk of a park's profit, but for this the turnstiles must keep turning. It's also the start of what seems to be a vicious circle at the heart of the business. Building new rides ensures that visitors keep coming to parks, but the bulk of the capital to fund construction comes from profits brought in by visitor spending.

Parks have had to look to other profit sources to sustain this cycle – this is where attraction sponsorship comes in. The deals have negligible overheads and so the revenue is almost pure profit. Finding the most suitable sponsor is a win-win, as Disney and GM demonstrate.

itself. "There's no downtime for us," he adds. "When we need to make upgrades, how do you schedule that in without impacting operation?" It is a dilemma that many sports sponsorship managers would love to face, and for GM it's a walk in the park.



GM's cars are even used in Disney's celebrity motorcades.