



Exposure doesn't come more bold than that which Siemens gets by sponsoring Disney's Spaceship Earth attraction

Fairytale sponsorships

Among the headline speeches at next month's inaugural Motor Sport Business Forum North America is one which may seem unusual but is likely to be one of the most relevant and productive of the entire event...

By CHRISTIAN SYLT AND CAROLINE REID

It hardly needs saying that there has been a downturn in sponsorship over the past year. Speaking to The Paddock in August Formula 1 boss Bernie Ecclestone put it bluntly when he said "In every sport all I read about is what a bomb it's been this year." Clearly the sponsorship acquisition strategies of any company which has managed to gain partners over the past 12 months should be scrutinised by F1's bosses, particularly if those sponsors include financial

services firms and brands which F1 itself has lost. Then imagine if this company was operating in a sector F1 will be moving into over the next year.

Now for the big shock: this isn't a hypothetical company although it is famed for its magic. The business in question is Disney and Lawrence Aldridge, its Senior Vice President of Corporate Alliances, will be speaking at December's Motor Sport Business Forum North America. It

is reason enough to attend the US event rather than the show in Monaco which takes place at the same time.

Disney isn't renowned for its sponsorship portfolio and there is good reason for this. The company's partners, ranging from Hewlett-Packard and Siemens to Nestlé and Coca-Cola, get almost subliminal exposure across all of Disney's divisions. Some partners work with Disney to design and brand theme park attractions

while others opt for product placement in shows on its ABC television network or even branding at premières of movies made by its Miramax studio.

Although it may not be well known in the field, Disney has been involved with sponsorship longer than F1 itself. In 1955 Walt Disney himself enlisted Coca-Cola to help finance the then-gigantic \$17m construction cost of his first Disneyland theme park in California. An innovative marketing deal was struck where Coca-Cola was given rights to be the sole supplier of soft drinks within the park in return for its backing. It remains a partner to this day and the bonds Disney has built with blue chip businesses have blossomed.

Firstly, Aldridge isn't American but a Brit who gained his BSc at Portsmouth University followed by an MBA at the University of Hull. His background isn't even in marketing but instead, he has spent the majority of his career in the energy industry rising to become the chief procurement officer for oil company Atlantic Richfield. When BP bought the business in 2000 Aldridge was head-hunted by Disney and moved into its strategic sourcing department. It was a few years before he moved into corporate alliances. As he explains, "A couple of years ago Tom Staggs [Disney's Chief Financial Officer] wanted somebody without a traditional promotional marketing background to take a fresh perspective on what corporate alliances was about."

partnerships is the stuff of fairytales.

"Everyone else may be losing sponsorship dollars but we are gaining," says Aldridge. In the past 12 months alone Disney has renewed its deal with Visa in Asia until 2014 and has signed new alliances with the AARP, a US association of 40m senior citizens, and France's second largest retail bank, Crédit Mutuel.

The Crédit Mutuel deal was a huge coup given the weak health of the financial services sector which led to the Royal Bank of Scotland (RBS) and ING announcing earlier this year that they would cease their F1 sponsorships at the end of their current contracts.

"We get very positive feedback from customers and employees saying that they didn't know Siemens operates in all these areas"

Nine years after Disneyland opened Disney's imagineers, the wizards who design its theme park rides, built several landmark attractions for the 1964 New York World's Fair. The flagship was the Carousel of Progress, a show about technological 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 of what was then the world's largest construction project.

Disney now has around 20 global partners with around the same number of companies sponsoring attractions locally at its park complexes in the US, France, Hong Kong and Tokyo. The strength of the portfolio is down to Aldridge but he is far from a typical fairy godmother.

Aldridge's aim was to maximise the return for partners by ensuring that corporate alliance opportunities permeate the entire company. He shook up Disney's partnership structure to achieve this. "When I took the job 100 per cent of the partners were wedded in the park and there were other elements. What we have been doing is looking more broadly in terms of understanding what the partner wants and how Disney's assets can be used," he says.

"Sports sponsorships tend to be in straightforward packages. Each one of our deals is different," adds Aldridge. "We craft our deals based on what the partner wants so if you look at what HP wants, it's going to be pretty different to what Visa or Coca-Cola may want. It depends on how much of Disney they want."

Disney's sponsorships are comparable in value to the top deals in sports ranging from seven to eight figures per year. However, while sport is estimated to have contributed 69 per cent of the total \$16.8bn sponsorship revenues in the US last year, deals with entertainment, tours and attraction companies comprised just 10 per cent of the market (see box). The other big difference between the two is that while the sports sponsorship sector has been in decline recently, the success Disney has been having with signing new

Under the terms of the Disney deal Crédit Mutuel became the official banking partner of Disneyland Paris and is the only bank to have branding within the theme park. It is also the only bank to provide offers for Disneyland Paris including special deals on family resort packages. These are marketed to Crédit Mutuel's 15.3m clients which gives the bank a competitive advantage when trying to attract youth savers in particular. In turn this gives wide exposure to the Disney brand and attracts more guests to its park.

Disney's unique and uncluttered parks are key drivers behind the brands' decisions to sign with the company. They also hope that the magic of one of the world's most renowned and beloved brands will rub off on them and companies don't come much more squeaky-clean than Disney.

"With sports or celebrity sponsorships you have got issues," says Aldridge, explaining that "You had the Tibetan issue with the Chinese Olympics. Mickey doesn't do that and we protect the Disney brand so you're not going to get those issues." This has proved to be a silver lining for Disney during the cloud of a recession. Disney is not synonymous with excessive spending and so signing an alliance with the company isn't likely to be seen as frivolous even in a downturn. ♦♦



Fairy godmother: Lawrence Aldridge is Disney's senior vice president of corporate alliances

"We are seeing a number of partners pulling out of other sponsorships but staying with us," says Aldridge, and industry analysts expect that Disney's magic will propel it to become number one in the sponsorship sector.

"Ultimately they will have a global sponsorship profile much larger than the Olympics," says Steve Madincea, Managing Director of Prism, the leading sponsorship agency owned by advertising giant WPP. He attributes this to Disney's family focus, the strength of the Disney brand and its "full range of offerings." Indeed, the

option of picking and mixing parts of the company to sponsor is one of four core differences between a partnership with Disney and one with sports rights-holders.

For example, German technology firm Siemens has naming rights of Spaceship Earth, the flagship attraction in Epcot. A sign saying 'presented by Siemens' hangs outside the ride which takes visitors through model scenes explaining the history of communications. At the end of the attraction there are high-tech educational games themed to some of Siemens' products. "Epcot stood for 'Experimental Prototype Community

of Tomorrow' and that idea of the future and building and developing technologies fits nicely with Siemens," says Tom Haas, Chief Marketing Officer of Siemens Corp. But the theme park exposure is just the tip of the iceberg in the partnership.

"Siemens is a large conglomerate and their focus is medical devices and super cities of tomorrow. Telling that in a way that is entertaining is what our imagineers do," says Aldridge. Amongst the many areas of collaboration, Disney has written books for Siemens to help children with hearing difficulties get accustomed to its hearing aids. "Audiologists tell us that they chose to go with the Siemens paediatric hearing aid because of this programme," says Haas, adding "That one storybook has spawned another story which is talking about childhood allergies. We are even talking now about doing something on childhood obesity."

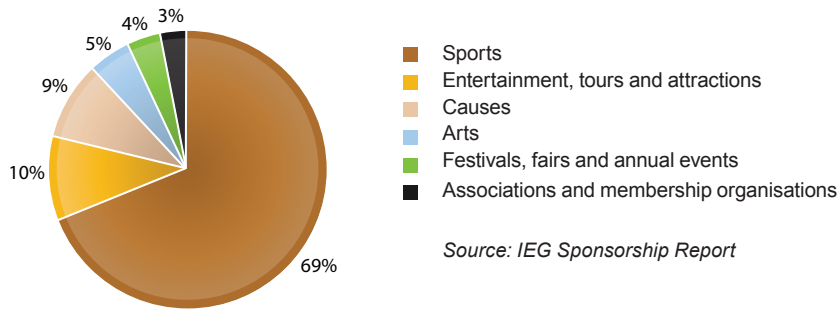
Haas says that under the partnership "the ABC Studio screen at Times Square is sponsored by Siemens so you will see the Siemens logo under the jumbotron. Very often when they are filming Good Morning America or Nightline they will often zero in on that screen so it is exposure for Siemens." Under its Disney deal Siemens has even managed to get its medical products placed in Grey's Anatomy, the ABC medical drama.

Reflecting this diverse range of opportunities Madincea says, "Where Disney outshines most other sponsorship options is in their collaboration and flexibility." Haas adds that even the negotiation process itself was not rigid.

"We kept coming back to Disney saying, 'This is good but we may need something else.' They had certain assets that they wanted to give us as part of the sponsorship and we would think about it some more and say 'we are not going to use this one but what do you have that might do this for us?' It is the idea of looking at it in terms of what is presented doesn't have to be accepted. It is flexibility." Indeed and it is very different to the limited number of opportunities for exposure offered in sports.

Coincidentally, Siemens' deal with Disney began in October 2005, around the time that it ceased its estimated \$20m annual partnership with McLaren. Haas says that Disney approached Siemens ➡

2008 North American sponsorship spending by property type



TOM HAAS - Chief marketing officer, Siemens corp

1. How long has Siemens been a partner of Disney?

"It goes back to June or July of 2004 when we had some initial discussions and then we signed our agreement with Disney in October 2005."

2. Why did Siemens choose theme park sponsorship over other types of sponsorship?

"We were looking to find a way to showcase our technology but also help Americanise the brand and Disney would help do that of course."

3. How does Siemens monitor the return on investment from the deal?

"We do an annual evaluation of what the brand exposure has been in terms of advertising equivalence. All of Disney's alliance partners get a certain allotment of tickets and they get the discounts on food and beverage. Then there's other assets in the relationship. One of them, which was included in this agreement, was that the ABC Studio sign at Times Square is sponsored by Siemens so it is exposure. We tally all those things up and we are pleased to say that we are at a break-even point."

4. What are Siemens' targets for the sponsorship?

"We are looking to get increased brand awareness and increased familiarity for Siemens. We have already seen that because we do an entrance and exit survey each year. We are seeing a lift in the awareness but, more importantly, familiarity with all that Siemens is capable of doing."

5. Does Siemens provide anything to Disney other than finance e.g. Products?

"We provide some water filtration systems for the Disney pools, the parks and hotels. The lighting in the parks is provided by Sylvania lighting, one of our companies. They buy ride controls from Siemens

Energy and we do fire safety and security systems. Likewise we have done some things with their Cruise Lines."

6. What are the biggest challenges with being a theme park sponsor?

"The challenges are always coming up with new ideas and keeping it fresh."

7. What are the biggest benefits to being a theme park sponsor?

"The very positive feedback from customers and employees that they didn't know what Siemens did. We also see there is a benefit in what it is doing to encourage that next generation of scientists to get into technical careers. It does a great job in brand awareness and helping to remind people how strong Siemens is here in the US and there is a business opportunity as well."

8. What advice would you give to a prospective theme park sponsor?

"Do your homework and analysis. It has got to fit your needs but at the same time you've got to be open to some ideas. You've got to be creative at how you look at telling that story. You have to challenge your own marketing team to be more creative."

9. How did Siemens come to hear about the opportunity of becoming a Disney partner?

"Disney approached us with the idea that it was looking for a technology partner. My understanding was that it had been dealing a lot with General Electric a lot over the years and when General Electric acquired Universal Studios as well as the theme parks at the time, Michael Eisner, who was chairman of Disney, had said that it was one thing when it had television stations, now it also competes with us in theme parks and it competes with us in film. It's more of a competitor than anything and we need to separate that relationship so it was looking for a technology partner."

BRAD TAYLOR - Global Director of strategic partnership marketing, Coca-Cola north America

1. How long has Coke been a partner of Disney?

"Ever since Disneyland opened back in 1955."

2. Why did Coke choose theme park sponsorship over other types of sponsorship?

"Because theme parks are one of the key places consumers go to have fun... and they get really thirsty doing so."

3. How does Coke monitor the return on investment from the deal?

"We measure the volume of beverages we sell and the quality of consumer impressions we get inside the parks."

4. What are Coke's targets for the sponsorship?

"For our product sales to offset as much sponsorship costs as possible and unique opportunities to engage consumers with our brands."

5. Does Coke provide anything to Disney other than finance e.g. Products?

"We provide unique beverage products and packages to better meet the needs of Disney's guests and to enhance the guest experience."

6. What are the biggest challenges with being a theme park sponsor?

"Identifying the right opportunities to sell all of our beverages in different theme park environments."

7. What are the biggest benefits to being a theme park sponsor?

"Being able to sell all of our beverages to theme park visitors and doing so in unique ways that help enhance the consumer experience."

8. What advice would you give to a prospective theme park sponsor?

"If you don't have money to activate the sponsorship both in-park and in-market, then you probably won't get a reasonable return on your investment."

9. How did Coke come to hear about the opportunity of becoming a Disney partner?

"We were the exclusive advertiser on Walt's first TV show 'One Hour in Wonderland' on Christmas Day in 1950."



Siemens sponsors this spectacular son-et-lumière show in Florida

about becoming its technology partner after its previous sponsor General Electric (GE) acquired Universal Studios. Haas explains that “Michael Eisner, who was then the chairman of Disney said that it was one thing when GE only had television stations but now it also competes with us in theme parks and it competes with us in film. It’s more of a competitor than anything and so we need to separate that relationship.”

Haas adds that Siemens contacted a marketing agency to compare the Disney opportunity with others “in terms of the brand exposure, advertising equivalence and assets you get, it might be tickets, it might be a hospitality suite at a stadium.”

And he explains that, “In every case there

is always some kind of marketing gap and then the question becomes what do you do to make up that gap? In other words, what can you do to leverage the relationship so that in effect you come out whole? I seem to recall that an NFL sponsorship might have a 50 per cent marketing leverage gap. The Olympics might have 100 per cent because you pay all the money for the sponsorship and then you’ve got to spend that much more to execute and implement. By this analysis we saw the Disney sponsorship in terms of an opportunity gap of about 17 per cent and that was not taking into account any of the sales that we might realise through the relationship.”

The value for money is matched by the quality of exposure which is the second

differentiator of a Disney deal.

“When people think of sponsorship they think of sport and that’s limiting because for one it’s getting very congested,” says Aldridge. “In the park you’re connecting with the consumer at a time of heightened emotional engagement. It’s a magical environment, an uncluttered environment and it offers product exclusivity,” he adds.

The number of eyeballs they attract is equivalent to the top sports events with Disney’s parks having over 100m visitors annually. Its parks occupy the top eight positions in the rankings of the world’s most visited theme parks and with 34,000 hotel rooms onsite at its parks, Disney is also able to get demographic data on its visitors that most rights-holders would dream of. It makes a tantalising package for sponsors.

“Over the last few years we have advised several companies moving from major sports programmes,” says Xander Heijnen, Chief Operating Officer of consultancy firm CNC which has worked with all of the car manufacturers participating in F1. He adds “In every case, the company was willing to exchange the quantity of eyeballs for the quality of the communication. A high share of voice in a small entity can be more valuable than a whisper in international football.”

But what makes visibility in Disney’s parks particularly effective is the subliminal way that the brands are incorporated. Innovation is Disney’s hallmark and it is the third contrast between its sponsorships and those in sport.

Testing stations offer free samples of new Coca-Cola flavours to guests who give feedback on the taste and with 3,000 brands globally the company is well-placed to make the most of this. Brad Taylor, Coca-Cola’s Global Director of Strategic Partnership Marketing, says that one of the biggest benefits of being a theme park sponsor is “being able to sell all of our beverages to theme park visitors and doing so in unique ways that help enhance the consumer experience.”

At the most exotic end of the spectrum HP, another former F1 sponsor, collaborated with Disney and NASA to create Mission Space, a ride in a giant centrifuge which simulates space travel. As with all

Disney's partners, HP doesn't sell products in the theme parks but the opportunity to bond with its target audience doesn't come much better.

Disney guests perfectly fit HP-buyer profiles. They generally have middle and upper-level incomes and most are married with children, which allows HP to build early relationships. Disney even has Mission Space-themed merchandise to take the message home.

Aldridge won't state the level of return on investment (ROI) achieved on the partnerships and he simply says "The ROI depends on what they are trying to do." For example, measuring the level of return based on the number of times the partner's logo is viewed in the park will produce a different result to measuring return according to sales driven by the sponsorship.

Disney also offers partners the opportunity to get a tangible return that they would struggle to get with any other sponsorship and this is the final difference with a Disney deal. Disney spends \$12bn a year on goods and services and its partners are often at the front of the queue when the company comes to place orders. "We've outsourced some of our print managed services to HP," says Aldridge but this is nothing compared to Disney's shopping list of products purchased from Siemens.

"We do some water filtration systems for the Disney pools, the parks and hotels," says Haas adding that, "Sylvania lighting is one of our companies which does the Disney parks' lighting. Disney buys ride controls from Siemens energy and automation and we do fire safety and security systems. Likewise we have done some things with its cruise lines so there is a lot we provide and we are continuing to find new opportunities." In just over four years Siemens has got involved with every division of Disney, even working with it on lighting its theatre productions.

Siemens' next task is to develop radio chips to track Disney products and it is also bidding on water filtration, building security and energy efficiency products for Disney's new vacation club in Hawaii. Bulk orders like these serve to keep partners happy, particularly during a downturn.

"Not only does Disney have an arsenal of sponsorship assets second to none, it con-



Testing stations in Disney's Florida theme park offer guests new formulations of Coca-Cola

trols and manage these valuable assets better than others with similar offerings," says Madincea. The best proof that Disney and its partners are having a positive effect comes from the punters themselves.

"We do an entrance and exit survey each year and we are seeing a lift in the awareness of Siemens but, more importantly, familiarity with all that Siemens is capable of doing," says Haas. He adds that the sponsorship is paying for itself.

"We do an annual evaluation of what the brand exposure has been in terms of ad equivalence. All of Disney's alliance partners also get a certain allotment of tickets and they get the discounts on food and beverage. We then put a value on the assets and

the saving we get. We tally all those things up... and we are pleased to say that we are at a break-even point," says Haas.

Critics may also claim that the target audience is too focussed on children but Disney's studies show the benefit of this. "We know from our research that 80 per cent of the household budget is controlled by women and influenced by kids," says Aldridge, adding, "I had no idea how to use text messaging until it was taught to me by my kids. You see that with the plasma screen TV too - quite often it's the kid nag factor."

Disney has the kids' market pretty much sewn up but Aldridge also spotted a gap in the market for targeting sponsorships at female executives after research showed

that they are rapidly increasing in number. "Most business-to-business entertainment is geared to guys... they need to start looking to complement that in a way to tackle women," he says.

Disney's solution is hidden in the heart of each of its attractions where there is a corporate lounge exclusively for the partner's use. Top employees and clients are invited to the lounges which offer free refreshments and queue-cutting ride access 365 days a year. "A lot of the business-to-business entertainment at sports events is very similar. If you are targeting something differential how about a presence at the parks," says Aldridge.

ited. "We bring customers to Disney and we have a lot of events there," says Haas, adding that "In the evening every night Siemens sponsors the fireworks at Epcot. You do a customer event there, finish with dessert around the lagoon and watch the fireworks. When the Siemens name goes up in lights on the globe people are very impressed." It's an understatement.

The Reflections of Earth son-et-lumière display at Epcot is one of the most impressive shows of its kind in the world. Its highlight is a globe wrapped in an innovative LED screen which displays stirring images in time to dramatic music and fireworks. The show is believed to cost \$20,000 per

Theme Park planned but currently stagnant in Dubai could be cluttered with branding and so its organisers may need more than a sprinkling of pixie dust to attract the level of sponsorship enjoyed by Disney.

Ultimately, the diversity of the options available could be the biggest challenge for Disney's partners. Every different element of the deal needs effective promotion and Taylor cautions that "If you don't have money to activate the sponsorship both in-park and in-market, then you probably won't get a reasonable return on your investment."

Haas adds that prospective Disney partners need to "Do homework and analysis. It has

"Sports sponsorships tend to be in straightforward packages. Each one of our deals is different... we craft our deals based on what the partner wants"

The Siemens lounge inside Spaceship Earth commands sweeping views across the central plaza in Epcot. Its space age design was the brainchild of Siemens' skilled Director of Strategic Marketing Alliances Darren Sparks who also came up with the lounge's name: Base21. 'Base' refers to the lounge's use as a platform for exploring the parks whilst the '21' relates to Siemens producing a range of technology needed in the 21st century. The lounge showcases this latter point perfectly since the technology inside it is all provided by Siemens.

"We are a complex company with complex technologies... much of what we do is behind the wall, under the ground and in the back room making things work. This was a way to bring it to the forefront and give people a better appreciation of how Siemens is making the world work," says Haas. Surprisingly the sponsorship is aimed at both internal and external communication.

Siemens employees can log into an online system to book access to the lounge. When they arrive they are greeted by name since the online system stores it along with their geographic origin and even the Siemens department they work in.

Sparks says that the lounge has hosted over 34,000 employee visits and 334 events since it opened in June 2007. Siemens chief executive Peter Löscher has even vis-

ited. "We bring customers to Disney and we have a lot of events there," says Haas, adding that "In the evening every night Siemens sponsors the fireworks at Epcot. You do a customer event there, finish with dessert around the lagoon and watch the fireworks. When the Siemens name goes up in lights on the globe people are very impressed." It's an understatement.

"We get very positive feedback from customers and employees saying that they didn't know Siemens operates in all these areas," says Haas. It is common to see parents explaining to their children the science being showcased in the games after the Spaceship Earth ride so it clearly rubs off on the guests too. Haas has high hopes for this: "We also see there is a benefit in what it is doing and can potentially do to encourage that next generation of scientists to get into technical careers."

Time will tell how much of an impact Siemens' sponsorship can have on the careers of American youth but it isn't out of reach as the sky is the limit when it comes to a Disney sponsorship. "You're really limited by your imagination in terms of what we can do and, that's really unique," says Aldridge.

It remains to be seen whether F1 can make the most of the reciprocal sales benefits offered by a theme park since it lacks a cartoon, comic and kids' merchandise. And with the sport's teams already crammed full of sponsors a park such as the F1-X

got to fit your needs but at the same time you've got to be open to some ideas. You've got to be creative at how you look at telling that story. You have to challenge your own marketing team to be more creative."

Heijnen suggests that Disney's "Very American image and its lack of certain values such as competition," are the key points which may put off prospective sponsors. This may not always be an obstacle, though. Haas says that Siemens specifically chose to partner with Disney to "help Americanise the brand" and adds that "We feel that it is helping us in the long run build our business. It is adding positive values to the Siemens brand, it is gaining sales for Siemens, in many different areas, not just with Disney. There is certainly a positive effect with being associated with such a strong and wholesome brand as Disney." Nevertheless, those expecting results with the wave of a magic wand may be disappointed.

"These kind of things take time and you have to have patience," says Haas. Heijnen adds that prospective sponsors need to "Have a proper PR strategy to sell the partnership in a professional and effective manner." Disney doesn't even leave this to chance as Aldridge says that it has an account team on hand to manage and advise partners. It is this kind of magic touch which has turned Disney's corporate alliances into fairytale marriages. ■