

Industry Insider: Joyce Caron-Mercier



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This interview was conducted by Mark Nagel, professor in the Department of Sport and Entertainment Management at the University of South Carolina. Interview edited by Alan Morse, associate professor at the University of Northern Colorado and the Vice President of Industry Affairs of the Sport Marketing Association.

SMQ: Can you describe your career path?

Caron-Mercier: I graduated with a communications and broadcasting degree from Saint Joseph's College of Maine and began my motorsports career at a public relations firm that handled NASCAR's grassroots Busch North Series. The introduction to motorsports marketing later expanded as motorsports developed extensively in the 1990s. I was hired as one of the original staff members while New Hampshire International Speedway was built. I was later promoted to Vice President of Marketing, where I was partially responsible for all major events we hosted being sold out, including entitlements and hospitality programs.

I later joined Pennzoil Company in a position that oversaw all of its motorsports investments including NHRA, WoO, IndyCar, and NASCAR with the newly created Dale Earnhardt, Inc. race team.

I also worked for 12 years at Roush Fenway Racing, where I managed the execution of all partner contracts and non-competitive operations for up to 12 national-level race teams in NASCAR per season. I worked directly with corporate partners and their marketing agencies to create best practices with such companies as 3M, Coca-Cola/NOS, Eli Lilly (Diabetes), Ford Motor Company, Subway, and Valvoline/Ashland Chemical, among others.

These experiences with a racetrack, race team, and high-profile sponsors provided a unique perspective of the motorsports business. I recently joined The Specialized Marketing Group, Inc. (TSMGI) to create a business unit focusing on driver career management. Much of my current role is evaluating sponsor fit for a strategic marketing platform. Currently, much of my focus is with young drivers, including Austin Theriault, a Maine native who is driving full time in the NASCAR K & N Pro Series East for Hattori Racing Enterprises

(HRE) as well as a few Camping World Series races for Brad Keselowski Racing.

SMQ: From a marketing perspective, why would companies, particularly those that might not sell "auto-related" products, want to be involved in motorsports?

Caron-Mercier: Motorsports marketing is the perfect avenue to reach a wide audience, or a defined-targeted demographic through branding, customer engagement, or B2B opportunities. NASCAR and the other motorsport properties such as NHRA, ARCA, and IndyCar offer solid marketing platforms with diverse assets that cast a wide net reaching several age brackets, a good mix of males and females and varied socio-economic levels.

NASCAR in particular is sponsor centric, through race vehicle branding/signage, sampling, licensing, promotions, and hospitality. Currently, 79% of NASCAR fans state that they are aware of team, driver, and stadium sponsorships and 70% note they will consider purchasing sponsors' brands. This is more than in any other sport industry, including the NFL.

Those in the advertising industry may recall prominent auto racing sponsors throughout the years including Budweiser, NAPA, GM Goodwrench, and manufacturers Chevy and Ford, among others. But now the new normal is any consumer product works well in motorsports marketing. With weekend attendance figures surpassing all other sport events and live TV audience numbers that rank as the top viewership each weekend among live event programming, motorsports is affordable and relevant among consumers and decision-makers alike.

Many non-automotive related companies have attained sponsorship success, including Lowe's Home Improvement, M & M/Mars, Jimmy John's, Office Depot, Nationwide Insurance, Target, DeWALT Tools,

and Smithfield Foods. Success is not just measured on the track with race wins, but also in the boardroom. Nationwide Insurance sponsors a prominent Sprint Cup driver in a dozen races each season, for branding and media impressions. The real win for the company is the increase in insurance premiums when avid and casual fans convert from other insurance carriers. Nationwide Insurance has a national spokesman who is relatable to the 75 million race fans.

Office Depot's (OD) corporate platform was built upon its solutions for small businesses. OD had Carl Edwards and later Tony Stewart as its corporate spokesperson. Each touted that they were a small business owner and visited several store locations for employee engagement (pictures and awards) and fan autograph sessions. OD also featured a third-party small business name onto its racecar, showcasing how the office supply retailer works with business owners.

NASCAR corporate marketing works from an understanding (and following) from three pillars: Wall Street, Main Street, and Madison Avenue.

SMQ: With this level of success, is there still a stigma attached to auto racing from potential sponsors?

Caron-Mercier: Sadly, yes! There are so many stories to potentially share but here is a recent conversation that I had with a sport marketing director of a major multi-billion dollar company based in Boston. He explained that their primary marketing initiative for the upcoming year is to focus on adults aged 54+ who have a strong interest in their retirement practices. He explained that he wanted a national platform. I mentioned a PSA with a prominent, mature NASCAR driver and he immediately cut me off stating that if he even mentioned an opportunity in motorsports marketing to the executive suite he would be fired! I am sure he was exaggerating, but this is a company that has used several forms of sport marketing for years and that would have found success in utilizing an untapped market for its services. The stigma still exists. And I can guarantee that none of the decision makers have actually been to a race event to experience the caliber of attendees or to see how sponsors are perceived and their products are received and utilized.

SMQ: In this type of situation, how do you respond?

Caron-Mercier: That is where education is important. If we could host the CMO of each Fortune 1000 company not already in NASCAR or IndyCar, and give them a tour of the activation programs, B2B integration, and consumer interaction, each guest "would get it."

Most Fortune 1000 company executives have heard of partnerships utilizing NASCAR and IndyCar, specifically the Daytona 500 and Indy 500. But understanding how to position their brand in unique ways seems to be a hard sell. If the company doesn't have an advo-

cate in-house to champion the program, it is a long road to haul.

Once the education process is in play, and we have an understanding regarding how to position a multi-faceted program in motorsports and have learned the company's objectives, the work begins: deliver on the assets, measure the impressions, and show the return on investment.

SMQ: Is there an example when your education activities led to a successful, long-term agreement?

Caron-Mercier: A success story is with Cargill Meat Solutions Group (Wichita, Kansas), which is one of the largest privately held companies in the US. An innovative sales person wanted a new avenue to promote its private label beef brand at specific retailers in certain markets, that is, Member's Mark brand at Sam's Clubs. Cargill learned how to offer third-party pass-through rights and tested the concept at one race as a primary sponsor on an Xfinity car. Cargill paid for the sponsorship with the majority of the branding going to Sam's Club colors and logos. Cargill's senior sales and marketing executives attended from a key learning standpoint and to engage several Sam's Club meat buyer guests for additional product offerings. The event was successful with a significant increase in products purchased (a fresh commodity) the following week. The team sponsorship has increased over time and expanded to multiple retailers. Cargill continues to be in the sport six years later.

SMQ: Why are marketing agencies needed for corporate partners? Is it a situation that most sponsors do not have the experience or expertise?

Caron-Mercier: Corporate sponsors who secure a motorsports marketing program to enhance their overall marketing strategy will need experts in the field to negotiate the contract with the property to achieve best-in-class assets for the right price. The agency would also ensure that corporate strategy is achieved through proper tactics such as corporate branding and messaging on stadium signage, experiential displays, fan interaction, team assets, media engagement, social media campaigns, and in-race TV broadcasts.

Experiential marketing and fan engagement programs are labor intensive from concept, build-out, and on-site staffing to pull together a successful program. Most corporate sponsors don't have extra staff to stage, organize, and work an event. Experienced agencies are geared for that sort of program management. They have knowledgeable supervisors who have worked on various programs who know how to work through facility requirements, weather, traffic factors, or even city permits for events.

Sport marketing agencies know the business of motorsports marketing, and its stakeholders, which

assets are available, and how best to package a program to deliver on contract terms and measure ROI.

Many motorsport sponsors have come into the sport and tried to run their program without a knowledgeable agency representative, thus keeping the program management in-house. If the sponsoring company doesn't have someone thinking about its program 100% of the time and how to make it better, that is when the race program becomes costly with no success metrics.

A rule of thumb: The sponsor knows its business/industry completely, but it can't make it its sole business to know motorsports marketing. A hired expert will learn about the sponsoring business and ensure metrics are met to achieve success.

SMQ: Where has sponsorship in the motorsports industry been and how has it evolved?

Caron-Mercier: Race team sponsorship has been part of the motorsports landscape for years; in 1936 Babe Stapp promoted 7UP on his Indy 500 entry. Coors even sponsored an Indycar in 1937. Over-the-top partnership branding was noted back in 1964 at the Indy 500 as Andy Granatelli wore a fully logoed custom-made STP business suit on raceday.

The sport has changed exponentially over the past 25+ years. When I attended my first big auto race, the team dynamic looked much different from what it looks like today. Tracks and race teams usually had one solid big-brand company as a partner, from beer and cigarettes to banking and oil companies. Big beer brands Miller, Budweiser, and Coors each had full team sponsorship along with track entitlements. North America's top race series were sponsored by cigarette manufacturers RJ Reynolds/Winston brand in NASCAR and Philip Morris/Malboro brand in IndyCar, with its Camel brand on AMA Superbikes.

The level of sponsorship has grown from the 1990s when \$3-5 million would get full-time team partnership (e.g., Skoal/US Tobacco with Harry Gant). In the early 2000s with the growth of the sport and its personalities, multiple team owners were asking and receiving \$18 million per season.

When the economy hit an all-time low in the late 2000s, many sponsors needed to cut back and reduce spending. That is when the teams got innovative and starting packaging two to five partners on each team, hoping for synergy, and the B2B play came into fruition. The No. 17 DeWALT Tools, USG Sheetrock, TREX, Carhartt Ford was born.

Now in 2016, corporations can choose assets based on targeted markets, personalities, and seasonality. Race organizations are usually flexible and willing to bring in new partners for a lower cost in the hopes of renewing them at a higher rate for longer term.

Agencies are more knowledgeable concerning tactics, pricing/RFPs, and services, becoming the face of respective partners at the weekly venues.

Facilities are offering enhanced experiences and better amenities; "Daytona Rising" has set the bar at an all-time high for all other motorsports complexes.

SMQ: Do motorsports sponsorships tend to have similar benefits as other major professional sports?

Caron-Mercier: NASCAR's marketing mantra back in the 1990s was "win on Sunday, sell on Monday." That understanding still stands today but it has broadened with on-site displays and social media. Fans now can engage actively by visiting displays, sampling food and electronic devices, and even test-driving cars on temporary tracks with dirt hills and skid pads. Since most race facilities are situated on large-scale properties, there is more space for fan interaction, as compared to a baseball or football stadium that is tucked into a downtown location.

Racetracks offer all the same amenities that other sport venues offer including corporate suites with upscale catering, gifting, and special VIP access pre-race. Motorsports sponsorships deliver various benefits, and it depends on what was negotiated with the property rights owner. If XYZ company contracts with a racetrack for a Sprint Cup Series entitlement partnership, it is looking for a targeted brand and PR exposure within a 150+ mile radius for short-term. A season-long race team partnership is much more expensive but delivers 10 months of national TV exposure, hopefully with some spikes of increased awareness due to wins or special campaigns.

The decision concerning which benefits are a priority should come directly from the sponsoring company. Is licensed merchandise important, employee retention, or is it solely brand awareness among the 75 million NASCAR fans through a more active advertising platform? Although motorsports has some differences in structure compared to other sporting events, the sponsorship questions tend to be similar.

SMQ: How do you measure the effectiveness of sponsorship activities?

Caron-Mercier: Measurement criteria need to be established prior to signing any motorsports marketing agreement. Corporate partners may weight deliverables differently; for instance, consumer products need shelf space for purchase and desirability, a new brand in an already crowded marketplace would feel that positive brand identity is its priority, while tech companies more than likely will be pushing for social media engagement to promote and validate purchase.

Many NASCAR companies such as FedEx and Anheuser-Busch will use corporate hospitality options to convert shipping and restaurant decision-makers,

respectively, to their service or product lines. The measurement may have concrete metrics such as products sold prior to the event versus the growth of sales based on the number of qualitative guests attending the event.

SMQ: Where do you see sponsorship in general and/or in motorsports evolving in the future?

Caron-Mercier: Sponsorship opportunities continue to grow, regardless of the sport. Social and digital media engagement is the “want” from corporate sponsors and “need to provide content” from properties, teams, leagues, and even broadcast platforms. Properties will need to provide behind-the-scenes content, once a corporate sponsor pays for the access rights through event entitlement, or some sort of long-term partnership. Sport facilities are beginning to provide mobile apps for fans to get supplemental information to make their experiences more pleasant from parking and ticket purchases to locations for charging stations and restrooms.

Motorsports sponsorship is going beyond branding or the paint/decals on the racecar. Team owners need to assist in positioning sponsor brands within targeted retailer space, social engagement, or even creatively packaging assets through larger advertising opportunities. For instance, one NASCAR Truck Series team that has a connection with Allegiant Airlines provides advertising pages and editorial in Allegiant’s in-flight magazines with the truck series team’s primary sponsorship. Other teams may utilize tie-ins with owner personalities or their other businesses, as Richard Childress Racing (RCR) will provide event days at his winery for sponsor events.

B2B introductions have become important in any sport marketing program as it clearly delivers ROI, such as new business opportunities and sales from direct contact from the race team or racetrack.

Regardless of the sponsorship platform, properties need to over-deliver on the key contractual elements and be creative to retain their current sponsorship base.

