



# Naming Rights Report 2011

March 2011

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## Preface: The success story of naming rights

### Starting in 2001

The issue of naming rights to stadia gained a foothold on the market almost a decade ago when the former Volksparkstadion in Hamburg was renamed AOL Arena (2001). For the first time in Europe, the acquisition of naming rights for an important venue was viewed as an integral component of corporate communication and received the appropriate attention.

As documentation of the success was rapidly possible, it was only a matter of time until other companies and clubs followed. Although the AOL Arena has since changed its name on two occasions, the club was able to increase sponsorship fees for the following contract periods thanks to the establishment of this sponsorship tool.

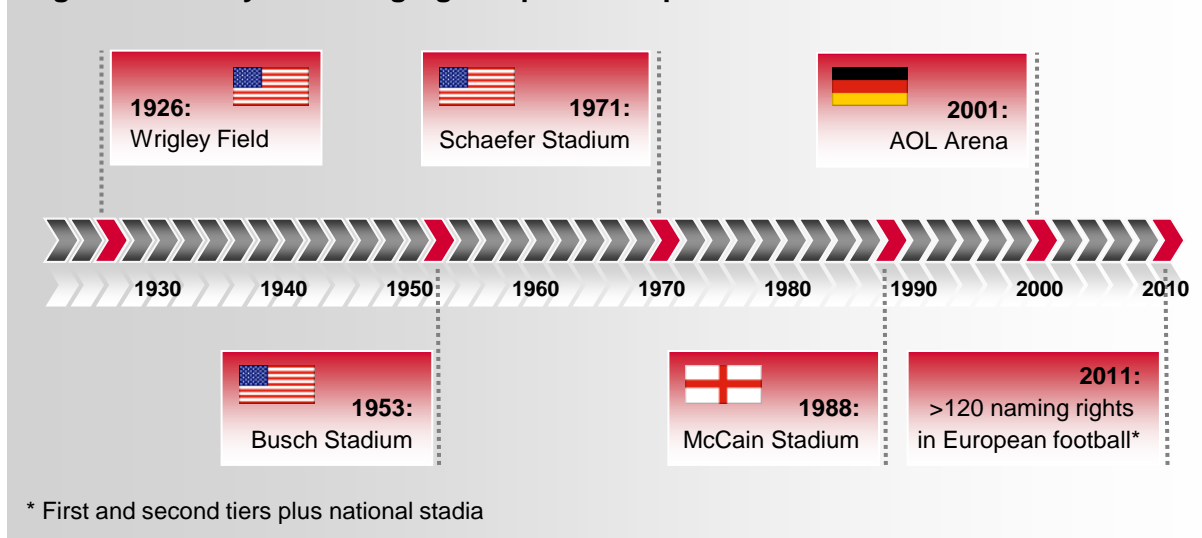
### Innovation from the USA

The origins of awarding naming rights to sporting venues date back to 1926 in the USA. Chewing gum magnate William Wrigley heralded the era of commercial naming rights for sporting venues with the renaming of the stadium of his baseball club, the Chicago Cubs. "Wrigley Field" commenced the global conquest of the new advertising tool.

August Busch Jr., president of Anheuser-Busch Companies and owner of the baseball club St. Louis Cardinals, took one further step and tried to integrate the name of the company's beer brand Budweiser into the club's stadium name in 1953. As the utilisation of the naming rights as product advertisement was prohibited by the MLB Commissioner, Busch Jr. instead named the ballpark after one of the company's founders.

However, the format of today's naming rights is characterised by external companies acquiring the commercial rights to the name of an arena rather than the club owner. This concept originated in 1971, when the stadium of the NFL club New England Patriots was renamed "Schaefer Stadium" following an offer from the Schaefer Brewing Company.

**Figure 1: History of naming rights sponsorship since 1926**



## Development in Europe

The award of naming rights in Europe primarily concerns football, with its development originating considerably later than in the USA, as the economic potential of the advertising format had been recognised much earlier across the Atlantic.

However, in Europe, the naming of a football club's home ground after a company dates back to 1913, when the electronics corporation Philips built the Philips Stadium for its company football club, Eindhovense Voetbal Vereniging Philips' Sport Vereniging (PSV Eindhoven), the branding can not be viewed as a commercial naming rights engagement according to today's standards. As the football club was owned by the company and the home ground was located on company premises, no external company pays for the naming rights and uses them for marketing reasons.

An early example of original naming rights is constituted by the club Scarborough F.C. Its stadium was the first English venue to be renamed. It became the "McCain Stadium" in 1988 resulting from a sponsorship deal with food manufacturer McCain. Only a few European clubs followed the example of Scarborough until the end of the 1990s, and the level of revenue generated was greatly below that involved in American deals.

Based on experience gained from the US, English and German markets, naming rights for stadia have now become established as a lucrative sponsorship format in several European markets. In particular, the spread into smaller sporting markets / nations such as Eastern Europe is significant. As so often in the history of sponsorship, the most popular European sport, football, and its commercial environment, have assumed a leading role. More than 120 venues in the European first and second tiers (plus national stadia) bear the name of a company. The trend continues to increase strongly; however, the total number of naming rights deals compared to the home of the tool, the USA, is still relatively low.

Nevertheless, the limited number of naming rights in European football at present does not accurately demonstrate the current state of affairs. Nowadays, most investment plans for the construction or refurbishment of stadia include a refinancing model by means of awarding naming rights to a sponsor.

Besides the strong development of naming rights in football, other professional sports are gradually discovering the advantages of this marketing tool. Today, commercial branded arenas can be found for example in ski jumping, biathlon or equestrian sports. Furthermore, naming rights are currently undergoing significant development in non-professional sporting facilities (especially in lower league football), entertainment and show arenas (also featuring open air configuration) as well as university and youth sport venues.

It is vital for all parties implementing naming rights to learn from experiences and expertise derived from well-developed naming rights markets as well as other sports. Adapted to the certain requirements of the sport or market, if necessary, considering this knowledge is a major success factor for the development of new naming rights markets and generating additional revenue streams.

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