

The Sponsorship REPORT

VOLUME 35

Number 9

May 15, 2020



Naming rights: the domino effect

With a second naming rights sale in the Ontario Municipality

In This Issue

MLS&E and partners pivot to feed Toronto's best and its neediest

of Leamington, Performance Sponsorship Group (PSG) Senior Partner Judy Haber has demonstrated that closing a naming deal in the midst of a global pandemic isn't a fluke.

In the April 1, 2020 issue, TSR reported on PSG's sale of naming rights to Leamington's newly-constructed outdoor amphitheatre, a 10-year, high-six-figure deal. That alone would be a coup for a town of 28,000 in the best of times. But on May 13, Leamington and PSG announced a second sale, with the Leamington Kinsmen Recreation Complex being renamed the Nature Fresh Farms Recreation Centre. The local Kinsmen Club willingly surrendered their naming rights to benefit the municipality.

This one's a low-seven-figure, 15-year deal, says Haber, and she expects there to be more.

The Nature Fresh Farms Recreation Centre is a multi-use complex with two named ice rinks, a pool, a gymnasium, racquetball and squash courts, an indoor track and various other fitness studios. The pool and fitness facilities went up in 1985, and the rinks were added in 2000.

What's happening in Leamington suggests that naming rights may be pandemic-proof. That the venues are dark and are likely to remain dark for at least the short while is not relevant. Naming rights are strategic assets acquired with an eye on a distant horizon - years and often a decade or more away. For a brand seeking to make an impact on its local community, a venue naming makes an immediate statement of support when times are at their worst and expresses confidence that things will get better.

There's also a domino effect that follows the first sale. Like Mastronardi Produce, the company whose Sunset brand now names Leamington's amphitheatre, Nature Fresh Farms is a large, locally-owned agribusiness. Haber says that when selling naming rights to municipal assets, the most important sale is the first. Immediately, all other local brands will know that the inventory of prime assets has been reduced by one, and the list of prime assets is always short. There's also a bit of FOMO - fear of missing out. Leamington is at the heart of Ontario greenhouse country. Agribusiness is big business, and much of it is privately held. Companies may not necessarily compete with each other for share of market, but they do for share of local heart.

"These agricultural producers are not buying naming rights to sell more cucumbers," says Haber.

Consumers eager to return to live events

Naming rights: the domino effect

Dispatches from the trenches

To a hockey-starved nation, Hockey 24 will be a feast

Boston Pizza helps Kids Help Phone meet spike in demand

Food brands ramp up support for hunger relief efforts

Women's pro hockey makes plans for 2020-21

Pandemic halves global sport calendar: Two Circles

NHL launches esports competition

Whether or not it's the dominoes or FOMO, it's not just a small town phenomenon, Haber says. She has used the same approach in larger municipalities, for instance where leading real estate developers have tripped over each other to secure naming rights to community hubs.

"Everyone's looking over their shoulder to see what their competitors are doing," she says. "And not just from a brand point-of-view, but bragging rights, because they want to be seen as good corporate citizens." In an environment like that, the second sale is always easier than the first.