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## ABSTRACT

This study explored how motor sports sponsorships complement and amplify the brewers' media campaigns by joining masculinity, risk, excitement, and beer in the actual "lived" experiences of potential consumers. To document industry expenditures and justifications for motor sports sponsorship, trade journals and newsletters (N=25) and other public documents were examined. A research team attended 14 motor sports events sponsored by the beer industry in Northern California over a 6-month period during 1989 to gather evidence of how the events forge a link between fast cars and beer. Finally, using standard focus group methods, more than 60 students from a nearby high school were interviewed about their attendance at motor sports events, and their attitudes toward motor sports, cars in general, and drinking and driving. Findings showed that of all industry sponsors, brewers were second only to the tobacco industry in amount spent; sports received the largest share of sponsorship dollars; motor sports received the most sponsorship money of all types of sports; the brewing industry spent more than \$180 million during 1987 on sports sponsorship; and the annual growth of sponsorship was expected to be triple that of advertising. (A number of specific guidelines for advertising and responsible beverage service at such events are enumerated.) (BHK)

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# Beer and Fast Cars:

## How Brewers Target Blue-collar Youth through Motor Sport Sponsorships

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# **Beer and Fast Cars:**

## **How Brewers Target Blue-collar Youth through Motor Sport Sponsorships**



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## **Fast Car<sup>1</sup>**

*You got a fast car  
I want a ticket to anywhere  
Maybe we make a deal  
Maybe together we can get somewhere  
Anyplace is better  
Starting from zero got nothing to lose  
Maybe we'll make something  
But me myself I got nothing to prove  
You got a fast car  
And I got a plan to get us out of here  
I been working at the convenience store  
Managed to save just a little bit of money  
We won't have to drive too far  
Just 'cross the border and into the city  
You and I can both get jobs  
And finally see what it means to be living  
You see my old man's got a problem  
He live with the bottle that's the way it is  
He says his body's too old for working  
I say his body's too young to look like his  
My mama went off and left him  
She wanted more from life than he could give  
I said somebody's got to take care of him  
So I quit school and that's what I did  
You got a fast car  
But is it fast enough so we can fly away  
We gotta make a decision  
We leave tonight or live and die this way*

*I remember we were driving driving in your car  
The speed so fast I felt like I was drunk  
City lights lay out before us  
And your arm felt nice wrapped 'round my shoulder  
And I had a feeling that I belonged  
And I had feeling I could be someone, be someone,  
be someone*

*You got a fast car  
And we go cruising to entertain ourselves  
You still ain't got a job  
And I work in a market as a checkout girl  
I know things will get better  
You'll find work and I'll get promoted  
We'll move out of the shelter  
Buy a big house and live in the suburbs*

*You got a fast car  
And i got a job that pays all our bills  
You stay out drinking late at the bar  
See more of your friends than you do of your kids  
I'd always hoped for better  
Thought maybe together you and me would find it  
I got no plans I ain't going nowhere  
So take your fast car and keep on driving*

*You got a fast car  
But is it fast enough so you can fly away  
You gotta ma'ke a decision  
You leave tonight or live and die this way*

*—Tracy Chapman*

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## **I. EXECUTIVE SUMMARY**

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### **Blue-Collar Teens and Drinking-Driving**

Traffic crashes are the leading cause of death for teenagers, taking 4,000 lives annually. Inexperience with driving combines with high alcohol consumption among teenage males to cause years of potential life lost, and devastating losses for families and society.

Young males from blue-collar backgrounds are particularly likely to die in alcohol-related crashes. They tend to drink beer and drink to the point of intoxication more often than peers in other demographic groups. They are more likely to drive after drinking, and more frequently arrested for doing so. The majority of those arrested for Driving Under the Influence (DUI) were men (95 percent) between 18-24 years old. Three quarters reported usually working in blue-collar jobs when employed (a third were unemployed when arrested).

### **The Role of Motor Sports Sponsorships**

This report finds that beer manufacturers are spending up to \$50 million per year on motor sports sponsorships. Integral to this industry marketing practice is targeting the very population at greatest risk of drinking and driving. Faced with decreasing consumption of alcohol by health-conscious, white-collar Americans, the beer industry has turned its attention to blue-collar youth. This target group is accurately perceived by the industry to include the largest number of heavy beer drinkers. This report documents how American beer companies are linking beer and fast cars in a carefully crafted effort to promote beer, especially among working class youth and young adults who are part of the "car culture".

### **Research Methods**

The purpose of the research was to extend earlier work on "passive" forms of beer advertising—television commercials,

billboards and the like. This study explores how motor sports sponsorships complement and amplify the brewers' media campaigns by joining masculinity, risk, excitement, and beer in the actual "lived" experiences of potential consumers. Advertising executives have described event sponsorship as at "the top of the intimacy and involvement scale," enabling companies to insert their product into the lifestyles of their target audiences.

To document industry expenditures and justifications for motor sports sponsorships, researchers combed trade journals and other public documents. A research team attended 14 motor sports events sponsored by the beer industry in Northern California over a six-month period during 1989 to gather evidence of how the events forge a link between fast cars and beer. Finally, using standard focus group methods, researchers interviewed more than 60 students from nearby high schools about their attendance at motor sports events, and their attitudes toward motor sports, cars in general, and drinking and driving.

## **Findings**

The automobile is a symbol in America of freedom and coming of age. For those whose social mobility is limited, the car has an even greater significance. To youth in the car culture, street racing offers thrills based on daring and defiance. Through motor sports sponsorships, beer marketers condition the psyches of their young targets, reshaping their social environments to actively but unobtrusively associate beer, cars and speed.

Philip Morris' 1970 takeover of Miller Brewing Company revolutionized beer marketing, incorporating for the first time the "total marketing" techniques perfected during the cigarette brand wars. Beer marketers learned to divide the market into segments, and to develop promotional messages designed for the lifestyle of each segment. According to a spokesman from Molson's Breweries, the brewers' brand and segmentation research shows that motor sports fans drink more beer than fans of any other sport. Marketing at motor sports events has thus become a high priority for the brewers.

In sponsorships, corporations support a sport in return for agreements on product promotions. Among the findings of the brewing industry's involvement with sports sponsorship are the following facts:





- Of all industry sponsors, brewers are second only to the tobacco industry in amount spent;
- Sports receives the largest share by far of sponsorship dollars;
- Motor sports receives the most sponsorship money of all types of sports;
- The brewing industry spent more than \$180 million during 1987 on sports sponsorship;
- The annual growth of sponsorship is expected to be triple that of advertising.

Brewing company executives and professional race car drivers alike are candid about the purpose of motor sports sponsorships: to sell beer.



## Field Work: The Events and Focus Groups

Observations of motor sports events reveal how the beer marketers expose audiences to multiple “impressions” of their products to condition patrons to associate the excitement and enjoyment of the event with their beer.

For example, television ads for the motorcycle and four-wheel All Terrain Vehicle racing competition at San Francisco’s Cow Palace feature live-action shots of the motorcyclists careening around the course. The whole picture is framed within a Budweiser label. At the event itself, in the center of the lobby area is a souvenir stand selling products adorned with the Budweiser logo; portable vending counters do the same at either end of the lobby. Additional counters with dual spigots allow faster service in filling 24-ounce cups. Budweiser is the only beer available.

Inside, the track crew have their official event staff T-shirts with the angular butterfly-shaped Bud logo covering their backs. Around the track, “Budweiser Welcomes Racing Fans” banners adorn the walls. Even the bunting marking off the VIP/an-

nouncer/judges' stand area reads "Budweiser." The motocross event has drivers ranging in age from 11 to 24; six of the fifteen are under 16. At intermission, the announcer encourages patrons to "go out and get yourself another Bud."

A visit to a local vocational education high school reveals that though less than half a class of 15 and 16 year olds own their own cars, many own several motorcycles. All but one or two had been to a motor sports show at some time in their lives. One student wears a Spuds MacKenzie T-shirt.

Cruising, tailgate parties and late-night racing on Ocean Avenue are part of their lives. The loser pays for the keg. As for drinking and driving, "you got to know how to control it," says one youth. "Last time, I had eight beers and wasn't even messed up."

Another, who is 16, says he has quit drinking. "I just laugh," he says of his friends who drink and race. "I think it's funny, people having a good time."

## Conclusion

The evidence presented in this report indicates that beer companies spend approximately \$50 million a year in a sophisticated campaign to strengthen associations between beer, cars and speed in a demographic group at elevated risk of drinking and driving.

As one of his last acts as Surgeon General, Dr. C. Everett Koop called for a ban on sponsorship of sports by alcohol beverage companies. The findings of this report lend strong support to such public policy efforts. Putting an end to an inherently dangerous marketing practice is a reasonable and practical policy goal. However, achieving such a federal ban may require time and the concerted work of informed and concerned citizens. Therefore, a number of specific guidelines for advertising and responsible beverage service at such events are enumerated. It is recommended that community action at a local and state level be undertaken to insist on appropriate regulation of the events themselves. Grass roots efforts to regulate the events themselves will also be valuable in building the constituency for legislative action. Ultimately, an outright ban is needed to convey the vital message: alcohol and automobiles do not mix.

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## II. BOOZE BY THE NUMBERS

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### Drinking, Driving, and Working Class Youth

After cigarettes, alcohol is the greatest killer in our society. The government estimates that alcohol is *responsible* for 100,000 deaths annually.<sup>2</sup> The Surgeon General estimates that alcohol is *associated* with more than 200,000 deaths annually. Ten percent of all deaths, half of all homicides, and one-quarter of all suicides in the United States are related to alcohol use. The costs of medical care and lost productivity due to alcohol now exceed \$130 billion per year.<sup>3</sup>

Alcohol is involved in approximately half of all traffic fatalities too, accounting for some 25,000 lives lost last year.<sup>4</sup> Drinking and driving takes an even greater toll on youth. The leading cause of death for teenagers is the traffic crash, more than 4,000 deaths annually.<sup>5</sup> In addition to their inexperience with driving, the higher rates of drinking-driving deaths are due to the higher rates of drinking among youth, particularly young men. When tests for blood alcohol have been administered in cases of fatal crashes, more than three-quarters of male drivers between the ages of 20 and 24 have been found to have blood alcohol levels in excess of legal limits.<sup>6</sup> When thought of in terms of the number of years of potential life lost, compounded by the higher incidence rates, the consequences of drinking-driving by young people are devastating.

Alcohol use—and the problems associated with its use—is not evenly distributed throughout the U.S. population. We know that certain segments of the population drink more than other groups. In general, young men between the ages of 18 and 34 drink the most. And beer is their beverage of choice. But even within this group of young beer-drinking men, drinking is further concentrated within a core group of heavy consumers. The Miller Brewing Company in fact dedicated its 1984 book, *Lite Reading: The Lite Beer from Miller Commercial Scrapbook*,<sup>7</sup> to this core group: “To that twenty percent of beer drinkers who drink eighty percent of the beer.”

Beer drinkers are not like other alcohol consumers. According to a recent study, when compared to people who prefer wine or

spirits, beer drinkers 1) typically drink to higher levels of intoxication; 2) are more likely to drive after drinking; and, 3) consider driving while intoxicated to be less serious. Researchers Berger and Snortum (1985) found that 28 percent of beer drinkers, versus eight percent of wine drinkers, report that they typically consume enough drinks per occasion to put them over the legal limit.<sup>8</sup> Approximately half (52 percent) of the beer drinkers also reported that they had driven in the past year when they thought they were "slightly intoxicated," compared to only 23 percent of the wine drinkers.

Berger and Snortum's findings about beer drinkers are supported by other studies. Roadside surveys, for example, have consistently found that, among drivers with high blood alcohol levels, beer is the most common type of alcohol consumed. It has also been found to be the alcoholic beverage most commonly consumed by fatally injured drivers who had been drinking.<sup>9</sup>

Berger and Snortum also found that, in addition to being the preferred drink of young men, in general, beer is preferred by drivers with low incomes and less education. Supporting the common cultural assumption, they found that wine was more often the preferred drink among wealthier people with more advanced educations.

Data on drinking-driving arrests compiled by the U.S. Department of Justice yield similar conclusions. The highest rates of arrests for DUI were among 18 to 24 year olds. The majority (95 percent) of those were men, with 74 percent (in 1983) stating that they usually worked in traditional blue-collar occupations (laborer, construction, machine operator, farm worker, mechanic, transportation/heavy equipment, or food services), although 33 percent were unemployed at the time of their arrest. Nearly half (49 percent) of those arrested had never finished high school.<sup>10</sup>

Finally, the 1988 edition of the liquor industry's premier trade journal's annual report, *The Impact American Beer Market Review and Forecast*<sup>11</sup> confirms that among occupations (professional/manager, clerical/sales, craftsmen/foremen, etc.), the largest category of beer drinkers comes from the ranks of the "Unemployed" across all different brands of beer (regular, light, malt liquor, etc.). Almost thirty percent of all beer drinkers in the U.S. is made up of those who do not have a job.<sup>11</sup>

The picture we have here, then, is of a group of young men primarily from blue-collar backgrounds who like to drink beer and drink a lot of it. Compared to their more well-to-do counterparts,

when they drink, they drink to the point of intoxication more often. They are less concerned about driving under these conditions, do so more often, and are more frequently arrested for doing so.

Furthermore, this picture is one that is acknowledged and accepted by beer industry executives. In interviews with sociologist Larry Ross (1986), management personnel from the largest U.S. and Canadian brewing companies said that the reason they think "beer" is so frequently involved in drinking-driving cases is because beer just happens to be the beverage of choice of young males and the working classes.<sup>12</sup> Their affirmation raises disturbing questions about the industry's knowledge of risk involved in the type of promotions scrutinized here—motor sports sponsorships.

Recognizing that this group of young blue-collar men are over-represented in problems associated with drinking and driving and that the problem of drinking and driving is creating an ugly stain on the reputation of the industry and its product, one might expect that brewing companies would do everything in their power to break the link between drinking and driving by these young male workers. As we shall see, this is far from the case. This report examines motor sports sponsorships and the associated marketing techniques that beer manufacturers have developed to target this group and bolster the eighty percent share of beer they consume. It reaches a disturbing conclusion: The beer industry is employing highly questionable marketing practices which exploit working class youth. For members of this group, all too frequently, heavy drinking occurs in association with driving. To sell more beer, the beer industry is actively strengthening associations between drinking and driving. Forging the link between fast cars and alcohol may be considered undesirable in general. Targeting a group at pre-existing risk for the intersection of dangerous driving and drinking can only be called irresponsible.

## **Methods of Research**

The information contained in this report comes from two primary sources. Information on industry expenditures and the industry's intents in pursuing motor sports sponsorships was collected through a review and analysis of trade journals and documents. To estimate overall industry expenditures on motor sports sponsorships, we reviewed public documents, culling information from reports published in trade journals for the alcohol, advertising, business, and autosports industries and their affiliates.

Other important sources of information included a number of specialized business newsletters that have sprung up to service the rapidly growing world of event sponsorships, and the annual marketing reports put out by the beer and advertising industries. Interviews and case histories of successful marketing campaigns appearing in the trade journals and newsletters provided particularly valuable insights into the industry's intentions with respect to their motor sports sponsorship programs. A representative list of the journals and newsletters reviewed in this research is contained in Appendix A.

Sponsorship agreements are often made with state or county agencies, and these were another form of documentation consulted. In California, for example, virtually all of the oval and dirt tracks are located on county fairgrounds. Contracts between local beer distributors and fairground management are finalized in detailed, highly specific terms. These documents are publicly available. An example of one these contracts is included in Appendix B.

Estimates of industry expenditures reported here are based on convergences in the figures published in materials from the above sources.

The second component of the research consisted of field research at motor sports events sponsored by the beer industry in Northern California in 1989. The principal research strategy was



participant observation, augmented by recorded interviews. Over the course of a six-month period, a team of investigators attended a total of 14 events in Northern California. The events were selected to represent the diversity of arenas and locations in which motor sports events are held, the range of motor sports events that have sponsorships, and the types of sponsorship arrangements now in practice. The events attended are listed in Appendix C.

As part of the field research, we interviewed students from nearby high schools about their attendance and observations at the events. The purpose of the interviews was to determine the extent to which these high school students saw beer-drinking as an integral part of the racing environment and their perceptions of the role of the alcohol industry at the events.

The format of the interviews was based on standard focus group techniques. Students were interviewed in groups ranging from two to 23. Six different groups of students were convened, involving a total of over 60 students who participated in the interviews. Topics included: the extent of their involvement in the "car culture"; how they got involved; other family members' participation; descriptions of typical activities revolving around cars (e.g. clubs, cruising, customizing, going to events or races, etc.); perceptions of the class-based nature of the car culture; uses of leisure time; the kinds of music, movies and TV programs they enjoy; questions focusing on the motor sports event themselves; their perceptions of the beer industry's presence at the events; and finally, the extent to which beer-drinking was part of their life and the activities they were "into" as part of this subculture. The questions were open-ended and semi-structured to allow for follow-up questions on issues generated during the course of the discussion.



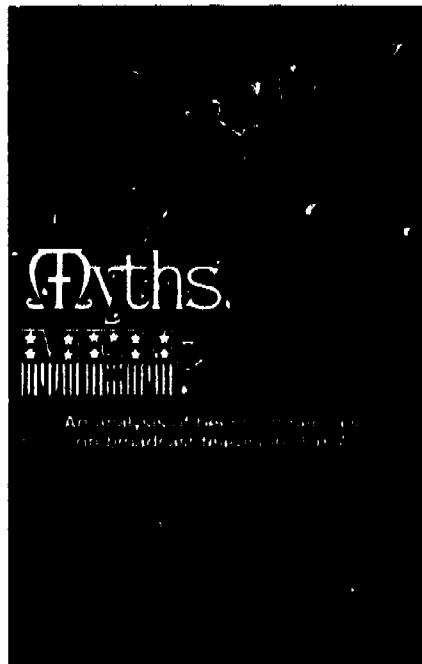
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### III. GROWING UP

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Whether we drink alcohol, or how much we drink, is powerfully shaped by our sense of who we are. On some level, people consciously weigh the risks and dangers of drinking against the pleasures and presumed benefits, but on a much deeper level, before any conscious deliberation takes place, drinking is understood either to be a part of a way of life or not. How we think about alcohol is largely given to us, framed by whether or not the people with whom we identify already incorporate drinking into their social mores and habits—the ways their social life is organized. Thus, to understand why drinking-driving problems are more highly concentrated in an identifiable social group, we need to examine the processes of socialization and acculturation that support and encourage this behavior more in certain groups of young people than in others.

Many of these processes were discussed in a previous monograph, Dr. Neil Postman and his colleagues' examination of the effects of television advertising, *Myths, Men, & Beer*.<sup>13</sup> In this report,



we extend their account by examining the effects of a new marketing technique—motor sports sponsorships. We will trace the beer companies' attempts through sports sponsorships to move the mythical images of television commercials offscreen and embody them in living people and real experiences. In tracing the effects of this radical extension of marketing techniques, we would like to call attention to two further points: 1) the social processes that establish and reinforce cultural diversity, and 2) the effectiveness of more active involvement in the learning process when compared to the more passive absorption of images projected on the television screen

## **Symbols, Practices, Identity**

A large part of who we are comes through learning the norms and behaviors of our family, community and cultural group. Parts of our identity are ascribed—given by the fortunes of birth that make us male or female, white, black, or brown, American or Chinese, English- or Spanish-speaking. Parts we feel we can adopt, choose, change or achieve—for example, whether to be a middle class professional, business entrepreneur or working class trade laborer. Some parts lie in the middle, such as religious preference, partly determined by birth and partly by later choices. Other parts are individually unique—one's name, physical appearance, and temperament. Our sense of comfort with, or alienation from, different aspects of our identity depends on how successfully we are socialized into a sense of pride and appreciation for the value of each of these aspects and a sense of how they fit together to lend our lives coherence and integrity.

Articulating the value of a way of life is rarely made explicit. Kindred bonds are rooted in a subconscious level of memory and feelings. They grow out of a feeling of belonging, of membership, a sense of being a part of a cherished way of life. We learn—that is, we come to *know* and to *be* who we are—through participating in the daily activities, rituals and life events of our family, church, and other community groups. These social practices, these ways of doing things, are the media for the transmission of cultural heritage. We go to church, celebrate holidays, take off our shoes before entering the house, play cricket, drink wine with dinner or beer at the ballpark, work on the car, say grace before meals, and on and on, in the process of reproducing different cultural traditions.

It is through engaging in these social practices that we learn to make sense of our world: about what is valued and what is for-

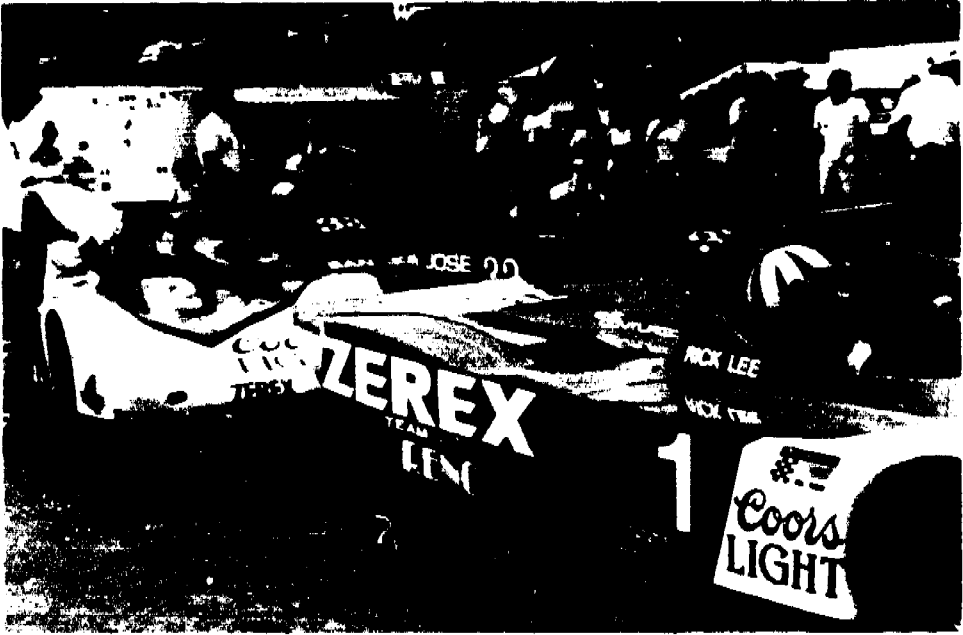
bidden, and about how we are like and how we are different from others. In a much more profound way than watching or hearing people talk about values, practices imprint upon us what is socially acceptable and normative, what we can and cannot do because of who we are. A sense of pride grows with the knowledge that this is the way our people—the people we admire, respect, and want to be like—this is the way we do things. And doing things in this way rather than that tells the world who we are and how we are unique.

Different cultural practices are captured, crystallized and conveyed in different symbols. The Stars and Stripes are a symbol of the American people. A crucifix symbolizes Christianity, the star of David, Judaism. A wedding ring symbolizes married life, long hair in men (at least in some cultural contexts), dissent. White-collars are a symbol of mental labor, blue-collars a symbol of manual, physical labor. These symbols are powerful. They evoke strong emotional reactions because they stand for a whole way of life and present a constellation of all of its values. Think of the visceral revulsion a swastika still evokes in most people forty-five years after the end of World War II. Or think of public reaction to the recent Supreme Court decision decriminalizing flag-burning. The hue and cry for redress reminds us that these symbols tap into levels of human reaction lying deep beneath the rational.

## **The Car Culture in Symbol and Practice**

The automobile has become a symbol in American life. It is much more than means of transport. Even Bruce Springsteen sings odes to it. Cars are a symbol of freedom, the freedom to go wherever we want whenever we choose: "You got a fast car—I want a ticket to anywhere" sings Tracy Chapman.<sup>1</sup> Cars are also a symbol of our democratic spirit: They are the great technological leveller, available to virtually everyone in the U.S., a symbol of our equality. Even the most expensive Cadillac gets stuck in traffic just like everyone else's Chevy. And no matter which model the rich man drives, the common man can build a faster, more powerful machine.

Cars are more important to some groups in our society than others. Entire story lines revolve around cars in the television series *Dream Street*; in its yuppie counterpart *thirtysomething*, cars are in the background, barely perceptible. For those whose social mobility is limited, the value of a car, through symbolically conveying images of freedom and equality, takes on even greater significance. Trapped by life? A car offers a means of escape from a dull life



of routine submission. Feeling low down? A joy-ride's just the answer. Tired of having people tell you what to do? Street racing offers the thrill and excitement that comes from the daring defiance of those in positions of authority. Cars symbolize power and freedom—a potent sign for those whose sense of control over their own destiny is constantly being threatened. As the lyrics from a recent hit song “Fast Car” by Tracy Chapman put it:

*... I remember we were driving driving in your car  
The speed so fast I felt like I was drunk  
City lights lay out before us  
And your arm felt nice wrapped 'round my shoulder  
And I had a feeling that I belonged  
And I had the feeling I could be someone, be someone,  
Be someone. . .*

The symbolic significance of the car is further heightened for one particular group by its intimate association with the passage to adult status. Getting one's driver's license is one of the few remaining rituals demarcating the coming of age, the transition from youth to adulthood. It is a symbol of conferring on young people the rights and privileges of adult life. Thus, the conjunction of many layers of meaning makes owning and driving a car one of the most prominent cultural icons for expressing the hopes and dreams of working class youth.

Working class youth are more likely to grow up in a car culture. Their fathers and older brothers work on their cars, both to save money and to develop their own skills. Modifying and customizing cars have their own standards of excellence and doing a job well builds character. These activities teach perseverance, fortitude and mastery, yielding the pride and satisfaction of realizing the intrinsic good of this given socio-cultural practice. Cars are a part of a way of life, of working with your hands, molding materials, of being proud of the sweat and grime that comes with a hard day's work. Whether cruising downtown or racing on the outskirts, cars are where the time, energy and attention of these growing teenagers are focused.

There is an axiom of education that runs, "People remember ten percent of what they hear, thirty percent of what they read, and ninety percent of what they do." The beer industry knows this. It knows that "only about one-third of those commercials a person is exposed to makes any active impression in memory. Of those which are attended to, only about half are correctly comprehended and fewer than five per cent are actively recalled after twenty-four hours."<sup>14</sup> The beer companies also understand the power of the automobile to tap into the deeper levels of human response, the emotional, pre-rational substratum of symbolic consciousness.



Through sponsorships, the beer companies are now exploring new ways of overcoming the limitations of televised commercials and new ways of making a more lasting impression. They are starting to weave a seamless web between fantasy and reality that begins with TV commercials, moves to placing beer commercials on sports shows, continues with ads for the sponsored sports events themselves, followed by televised images of the sponsored sports, until finally, we come to the real thing, actual lived experiences—live action happening now in your local arena. Through motor sports sponsorships, beer companies are doing everything in their power to embed their product in the social practices of the working class youth's car culture. They are doing everything they can to associate their product with the symbolic wealth of the American dream machine. They are making beer-drinking a part of working class youth's understanding of who they are and what sets them apart from others. Their efforts are warping the social environment of these young people. The beer companies are actively and with conscious intent fostering the juxtaposition of drinking and driving.

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## **IV. BEER COMPANIES AND SPORTS SPONSORSHIPS**

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### **Historical Roots**

One root of the breweries' involvement in sports sponsorships stems from the tradition of corporate philanthropy. Historically, corporations have supported organizations and projects unrelated to their business enterprise. Traditionally, philanthropic efforts went into uplifting enterprises, like education, the arts and worthy humanitarian causes. Duke University, for example, was founded and paid for by James Buchanan "Buck" Duke, manufacturer of the best-selling Durham cigarettes before the turn of the century.

The motivations behind such philanthropic efforts were undoubtedly more complex, but most often were presented in terms of obligation to serve the common good. Corporations felt they had a responsibility to give back to the community some of the good fortune they had received from it. This same spirit may still be evident today, for example, in corporate support of public television.

Other factors besides altruism were certainly involved in making donations. They were given—at least in part—to gain the good will of the community. As we would say today, they make "good public relations." But over time, the balance between community- and self-serving considerations has tipped dramatically toward the latter.

The other major root of modern sponsorships goes back to the long association of baseball and the breweries. As far back as the 1870s, when the saloon keeper Chris Von der Ahe purchased a stake in the St. Louis Brown Stockings in order to sell his beer inside the ball park, beer makers have noticed a propensity for sports fans to drink large quantities of beer. The mutual association continued when Jacob Ruppert (of Ruppert Brewery) purchased the then-struggling New York Yankees in 1915. Shortly thereafter, he brought Babe Ruth from Boston to the Yankees. The rest is baseball history—10 American League pennants and seven World Series during the 24 years of his ownership.<sup>14</sup>

The relationship between beer and baseball was ushered into the modern era through the resources of August A. Busch, Jr., president of the Anheuser-Busch brewery. In 1953, when faced with the potential flight of the St. Louis Cardinals (direct descendants of the Brown Stockings), he purchased the team for \$3.75 million to keep them in the brewery's hometown. Their partnership continues to this day. Many would say for good reason. As a recent article in *Sports Illustrated* notes, "every Cardinals home game has been a nearly non-stop Budweiser commercial."<sup>16</sup>

Other brewers arrived at the same conclusion: Sports sells beer. Frederick Miller, namesake grandson of the Miller brewery founder, initiated a campaign to bring the Boston Braves to Milwaukee in the early '50s. The Braves moved, and Miller became the team's radio sponsor. Because owner Lou Perini prohibited television coverage of his team, the Miller Brewery was in position to speak to a captive radio audience listening to one of baseball's most popular teams during the Eisenhower era.

But until quite recently, the association between beer makers and sports was relatively unsophisticated. Then, in the early 1970s, the simple indulgence of owners' whims was supplanted by more carefully calculated machinations. In 1970, the cigarette conglomerate Philip Morris took over the Miller Brewing Company and brought with it a revolution in beer marketing sales techniques.

Philip Morris injected into the staid beer market the high-powered sales techniques that it had perfected in the cigarette brand wars. In short order, it introduced the highly influential concepts of: 1) market segmentation and target marketing; 2) image-oriented, lifestyle marketing; and, 3) total marketing—an integrated, comprehensive approach to the optimal mix of different types of promotions for each brand.<sup>17</sup> Business Week summarized Philip Morris' strategy as follows:

The approach calls for dividing up the US beer market into demand segments, producing new products and packages specifically for those segments, and then spending with abandon to promote them.<sup>18</sup>

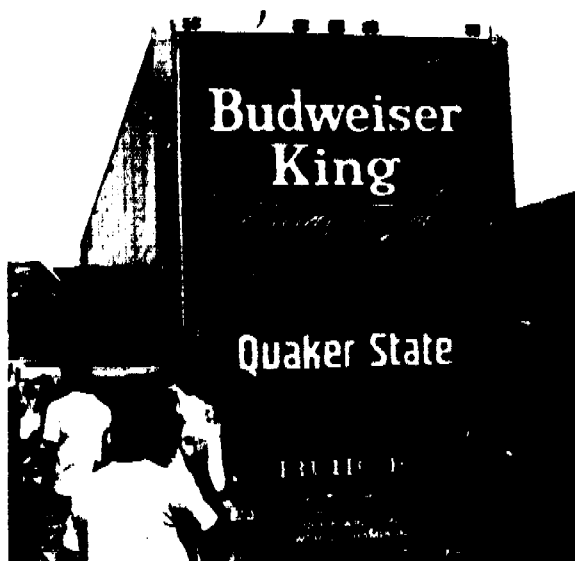
Under Philip Morris' direction, Miller led the way in developing new brands targeted for particular market segments, beginning with the introduction of Miller Lite in 1973. The breweries' previous involvement in sports sponsorships came to be viewed in a new light too.



In 1970, faced with restrictions on cigarette advertising on television, Philip Morris began one of the most notorious sponsorships in sports history, the Virginia Slims Tennis Tournament. In 1971, rival R. J. Reynolds followed suit with its sports promotion program. In 1974, R. J. Reynolds initiated one of the longest, most expensive and comprehensive sports sponsorship programs in history: the National Association of Stock Car Racers (NASCAR) Winston Racing Series. Led by the cigarette industry, sponsorships would no longer be regarded as mere public relations tools or guileless community service. From this point on, sports sponsorships became tied directly to the bottom line, a new and powerful addition to the total marketing mix.

After the Philip Morris takeover, Miller's advertising budget soared from \$11 million in 1972 to \$75 million in 1979.<sup>19</sup> Armed with new advertising techniques and massive infusions of funds, Miller moved from its position as the seventh largest selling brewery in 1973 to its current second place standing.<sup>20</sup> The phenomenal growth at Miller shook the giant Anheuser-Busch out of its complacency.

Michael Roarty took over as executive vice-president in charge of marketing at Anheuser-Busch in 1977. In response to the challenge presented by Miller, he unleashed the largest sports marketing campaign in advertising history. In 1976, Anheuser-Busch had sponsorship agreements with 12 professional and seven college teams. By 1982, it was sponsoring 98 professional and 380 college teams.



Currently, Roarty estimates that Anheuser-Busch now spends "about two-thirds" of its \$644 million advertising budget on sports programs. Catapulted by the big push into sports marketing, Roarty has presided over Anheuser-Busch's unprecedented climb in market share from twenty-three percent of all of the beer sold in the U.S. in 1977 to forty percent last year.<sup>21</sup>

In the escalating cycle of new forays into sports marketing, Miller soon set up a separate sports marketing department independent of its advertising department in 1978. Shortly thereafter, Miller became the leader in auto sports racing sponsorships.<sup>22</sup>

Coors, currently the third largest brewer in the U.S., was only a short step behind in getting into sports marketing. It developed a separate sports and special events program in 1980. With the decision to expand distribution into the southeastern United States, it inaugurated a motor sports sponsorship program in 1983. Its team, built around the renowned driver Bill Elliott, was racing in the NASCAR Winston Cup circuit in the deep south for two years before Coors was even available in that part of the country. According to Steve Shafer, of Coors' Sports and Special Events department, Coors now handles 18 major national sponsorships and over 4,300 smaller local sponsorships each year.<sup>23</sup>

Corporate motivations for sponsorship contributions have diametrically changed in recent years. What was initially undertaken in the spirit of public benefit has been displaced by the dogged pursuit of private gain over the past twenty years. Sponsorships are the hot, new marketing trend of the '80s. In 1982, only ten corporations had "event marketing" departments. In 1987, over 400



companies had created independent sponsorship departments. The money spent on sponsorships grew from \$300 million in 1983 to \$850 million in 1984. Spending was \$1.8 billion in 1988, and estimated to be \$2.1 billion in 1989, representing a seven hundred percent increase in seven years.<sup>24</sup> The annual growth of sponsorship is expected to be triple that of measured media advertising.<sup>25</sup>

## The Current Scope of Sponsorships

The modern concept of sports sponsorships is simple: Driven by the desire for commercial gain, corporations extend financial support to a sport in return for agreements on different types of product promotions. Based on information gained during the course of this research, we can make the following categorical statements about the current dimensions of sports sponsorships and the brewing industry's involvement with them:

- Of all industry sponsors, the brewing industry is second only to the tobacco industry in the amount of money it spends on sponsorships;
- Of all of the different types of programs that could benefit from sponsorship support, sports now receive by far the largest share of sponsorship dollars; and,
- Of all of the different types of sports, motor sports now receives more sponsorship money than any other sport.

**I. Beer versus Other Industries:** The revolution in marketing through sports has been led by the cigarette and alcohol industries and their conglomerates. Anheuser-Busch proclaims itself to be the largest sports promoter in the U.S. and boasts that it devotes about two-thirds of its advertising to sports programs. But in 1987, the latest year for which there are complete figures, the top five sports sponsors and their estimated dollar investments in sponsorships fees ranked as follows:

### *Top Five Sports Sponsors with Money Spent in 1987<sup>26</sup>*

1. Philip Morris (including Miller's)	\$85 million
2. RJR Nabisco (including Heublein*)	\$58
3. Anheuser-Busch	\$50
4. Adolph Coors	\$12
5. Coca-Cola	\$10

\*Heublein is no longer held by RJR Nabisco.

in the world of sponsorships, three of the top four leading corporate sponsors produce alcohol. Last year, according to *Special Events Report's* estimates, the combined total spent on sponsorships by the brewing industry amounted to more than \$180 million. The tobacco industry as a whole added another \$230 million.<sup>27</sup> Together, by conservative estimates, they accounted for one out of every four dollars put up in sponsorship fees. Other analysts put the figure as high as fifty percent of all sponsorship dollars.<sup>28</sup> In 1989, Anheuser-Busch sponsorship spending topped \$60 million, and additionally, three other brewers sponsorship expenses exceeded \$15 million—G. Heilman Brewing Co., Adolph Coors Co., and Stroh Brewery.<sup>29</sup> Clearly, sponsorship is catching on. Even these figures, however, do not convey the full scope of the brewing industry's spending on sponsorships. There are many additional expenses entailed if a company plans to fully exploit the opportunities a sponsorship offers once they have successfully secured the sponsorship rights.

Sponsorship specialists suggest budgeting additionally from one to four times the amount paid for title rights to make the investment pay off. Thus, some estimates place the cost figures at about double the figures cited in the chart above.<sup>29</sup> Jim Andrews, senior editor of *Special Events Report*, estimates that through this extraordinary financial commitment, the beer industry now has a hand in about eighty percent of all sponsored events.<sup>30</sup>

Corporations in general invest an average of less than three-quarters of one percent of their marketing expenditures in sponsorships. Breweries say they invest between six and eight percent of their marketing budget in sponsorships.<sup>31</sup> In other words, they put about ten times as much of their own money into sponsorships as other companies allocate. *Advertising Age* summarizes the current significance of sponsorships for the brewing industry as follows: "event sponsorship has joined advertising and merchandising as the third and equal element in the beer marketing triangle."<sup>32</sup>

Very sizable sums of money are involved in sponsorships. According to *Business Week* magazine, "Along with ads and promotions directly tied to sponsorships, the amount [spent on sports sponsorships] may top \$3.5 billion [in 1987], or more than double the \$1.4 billion in revenues the networks receive from selling ads for sports shows."<sup>33</sup> A marketing executive puts the recent upsurge in sponsorships into perspective:

"As clutter and costs increase, we marketers have been moving away from measured media

towards the less measurable—but highly powerful and cheaper—areas of promotion and sponsorship. So we ourselves are helping to put in place *an imminent revolution in the way we market products, services, and even ideas*” [emphasis added].<sup>34</sup>

**II. Sports versus Other Events:** The surge in investments in sponsorships by the alcohol and tobacco industries has skewed the traditional distribution of sponsorship contributions. There was a time when the arts, education, and humanitarian causes were the greatest recipients of corporate support. Now, a little more than seventy percent of all sponsorship money goes into sporting events, twenty percent into popular music, with only about ten percent invested in the arts, education and humanitarian causes.<sup>35</sup>

The reason for the departure from traditional priorities is plain. With the shift away from community service towards private gain, corporations that sell popular male-oriented products, like beer, invest more heavily in sports than in other types of sponsorships. Comments from industry executives leave little doubt that sports now receive more money because that is where they see their target market. As Michael Roarty says, “We know from our research that the average beer drinker is a consummate sports fan.”<sup>36</sup> Put somewhat more obliquely, John O’Toole, president of the American Association of Advertising Agencies, remarks, “It so happens that those that form the audience for sporting events are usually that part of the segment of the market that are beer enthusiasts for the most part.”<sup>37</sup> Steve Shafer of Coors clarifies the point: “Coors is sold on sports because sports sells Coors.”<sup>38</sup>

**III. Motor Sports versus Other Sports:** Within the world of sports sponsorship, a wide range of sporting events are supported. Coors alone has sponsorship involvements in 108 categories of sporting events, running the gamut from fishing, skydiving, and water skiing, to all types of road racing events. Likewise, Budweiser is involved with a tremendous number of different sports. As a case in point, A-B almost singlehandedly put triathalons on the sporting world map.

In spite of the broad range of alternatives, the sport that receives the most sponsorship money is auto racing. According to *Business Week* magazine estimates, auto racing was second only to the 1988 Winter and Summer Olympics in sponsorship income last year. Where the Olympics garnered a hefty \$350 million in sponsorship

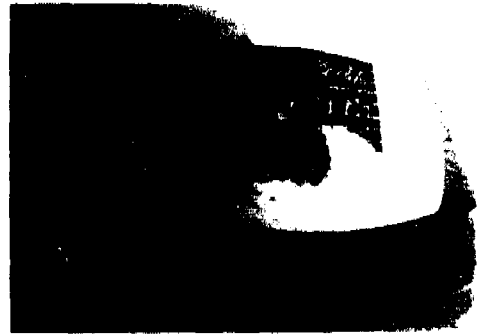
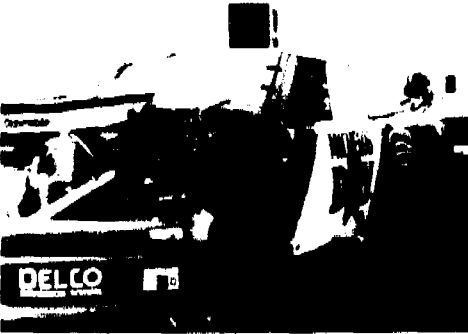
fees, motor sports brought in \$276 million.<sup>40</sup> Considering that the Olympics are staged only every four years, the sums poured into motor sports are impressive. Aside from the Olympic Games, motor sports consistently receives the largest share of sponsorship income, accounting for twenty-five percent of all sponsorship dollars.<sup>41</sup> The \$276 million that went into auto racing in 1987 was distributed among the various branches as follows:

*Division of Sponsorship Resources in Motor Sports in 1987<sup>42</sup>*

1. NASCAR	\$85 million
National Association of Stock Car Racers	
2. CART	\$75
Championship Auto Racing Teams	
3. IMSA	\$50
International Motor Sports Association	
4. NHRA	\$35
National Hot Rod Association	
5. IHRA	\$18
International Hot Rod Association	
6. SCCA	\$13
Sports Car Club of America	

Auto racing receives the largest piece of the sponsorship pie for two primary reasons. First, auto racing is the second largest spectator sport in America, just behind football. (The Indianapolis 500 attracts the largest single-day attendance of any sporting event in the world. With over 400,000 people at the annual Memorial day race, the Indy 500 draws a bigger crowd than the population of the entire state of Alaska!) Based on audience size, one might guess that football would command a larger share of the sponsorship pool of funds. But the professional sports of football, basketball, and baseball do not permit *title* rights.<sup>43</sup> The Budweiser Braves do not battle the Coors Broncos in the Miller World Series. . . . at least not yet. In auto sports, on the other hand, there is no question whose uniforms each team wears.

Motor sports sponsorships are attractive to the beer and tobacco industries not only because they attract a lot of people, but also because they attract the right kind of people,—young, heavy beer-drinking men. With that kind of crowd, auto racing has become “largest area of commitment” for Miller Beer.<sup>44</sup> Conversely, as



Sport and Special Events Manager Shafer explains, Coors does not like to sponsor fairs or festivals because they draw too broad a cross-section of the population.<sup>45</sup> Coors prefers auto races because of the "density" of their "target" audience.

## Types of Motor Sports Sponsorships

In motor sports, sponsorship fees are used to pay for the equipment and staff necessary to keep a race car running for the season. To offset escalating expenses, serious contenders then agree to transform their modern racing machines into 200-mph billboards.

In professional racing, sponsorship agreements range from putting decals on dragsters (starting as low as \$5,000), to under-



writing the costs of building a monster truck (reportedly \$150,000 for trucks like the Coors "Brewser"<sup>46</sup>), all the way up to supporting an entire team for an entire season (costing as much as \$10 million for Indianapolis 500-type racers). In years past, the cigarette, beer, and auto industries dominated the world of motor sports sponsorships. But in recent years, auto sports have begun to break out of the "macho ghetto" of beer, cigarette and auto sponsors and are beginning to attract a large number of new sponsors. The surge of new entrants has led the beer and tobacco industries to seek new options for maintaining and boosting their visibility on the race tracks.

Rather than watching their trademarks get lost in a barrage of new decals, beer and tobacco industries have come up with sole sponsorship agreements. Despite the hefty costs entailed in such arrangements, it is becoming increasingly common these days to see someone like drag racer Greg Carillo—whose entire rig has been turned into an ad for one product, Coors Extra-Gold.

Likewise, breweries are also no longer willing to settle for sponsoring cars in only one or two different classes of racing. Anheuser-Busch, in fact, now fields five different racing teams, including a NASCAR (stock car) team, a CART (Indy-type) team, a Drag Racing team, an Off-Road truck team, and a hydroplane team.<sup>47</sup>

In addition to exclusive sponsorships and multiple entries, the beer and tobacco industries have expanded the scope and types of sponsorship arrangements to encompass whole new dimensions. With unprecedented levels of investments, the breweries now not only sponsor individual cars, drivers, and whole teams, but they have also moved onto sponsoring tracks, and racing events, such as the Budweiser "Big Bud" Shootout invitation-only Funny Car competition, and entire series of races such as the Budweiser Spring Nationals and Budweiser Summer Nationals. As a sponsorship spokesman remarks, the new levels of investments "allow us to cut through the clutter."<sup>48</sup>

## **The Attractions of Sponsorships**

Investments in sponsorships have not grown because of any new found love of community service. Increasingly, corporations are looking to sponsorships now to boost sales. A number of corporate executives have commented on this fundamental transformation in their motivations for going into sponsorships in recent years.



In a May, 1989, interview in the trade magazine *Beverage Dynamics*, John Oliver, public relations director for The House of Seagram, unequivocally states that sales at the retail level must always be the sponsor's primary motive:

"When we're making a decision to sponsor an event, we know that making the consumer feel warm toward our product is great, but the vital question is: Will it move product?"

As a further example of increased emphasis on sales, Steve Shafer in another recent interview, wants to make sure that potential sponsors do not make "incorrect assumptions" as to their true motives. His remarks are worth citing at length:

"I have seen some horrible mistakes from some very good sponsors because their expectations were not defined. There are sponsors who say: 'We are in the entertainment business.' But they are not. They are really in the product marketing business. We sum up our intentions with the statement: 'Coors is sold on sports because sports sells Coors.' We hum that on our way to work...

"We are not ashamed to proclaim that we sponsor sports because sports sells beer, because by pushing our own products we can benefit the sports, events, competitors, fans and the communities at large...

"I would encourage you to write up your own charter and make sure it include [sic] the statement of common purpose. Do not forget you are in the sales or product marketing business, and a sentence needs to be included in your expectations that you are there to move product." [emphasis added]<sup>50</sup>

Many forces in the marketing environment have both pushed and pulled corporations towards sponsorships rather than some other marketing mechanism, the biggest push being the growing frustrations with television advertising.

A constellation of problems has sprung up in recent years which have raised marketers' doubts about the effectiveness of the standard TV commercial in moving product. These problems include:

a declining audience as more and more people switch to cable television and videotaped movies; constantly rising costs for commercials both in production and in air time; increased "clutter" driven by the combination of more time per hour for commercials and the increasing resort to fifteen-second spot commercials; and the rise of commercial "zapping" as the new electronic gadgetry of remote control silencers and VCR fast-forwards become omnipresent and habitual reflex reactions. As Tom Barton, manager of Bud Sports, laments, "Ten years ago, the three networks could deliver 95 percent of U.S. households. Today, I don't think they can guarantee 70 percent." The growing disillusionment with standard media marketing has pushed the major corporations to seek other avenues for getting their message across.

The world of sponsorships has exerted its own pull. Sponsorships have always been known for their positive PR value and as a relatively easy way to generate product exposure and visibility. More than two-and-a-half million people attend the CART series of races annually, in addition to millions more who will be exposed to well-placed corporate billboards while watching the events on TV. Sponsorships also have some novelty value that may inspire local distributors to do something new, different, and innovative in their drive to expand sales.

But sponsorships have come to be talked about more recently most commonly in terms of their cost-effectiveness. Many marketing executives now think that sponsorships are "the best bargain in town." They offer "more bang for the buck."<sup>12</sup> Granted the potential for product exposure, positive public relations, some novelty value, and the irresistible lure of free air time, corporations are now asking more pointed questions about the future of further investments in sponsorships. Their efforts to gauge the success of sponsorships offer some revealing insights into their perceptions of the effectiveness of sponsorships and what makes them work.

## **Does Sports Marketing Work? The Industry Debate**

On one measure, claims about the cost-effectiveness of sponsorships are based on extrapolations from a familiar yardstick. The standard measure of advertising is the cost per thousand consumers reached through a particular medium. When assessed on simple, cost-per-viewer comparative terms, many have concluded that "dollar for dollar, a sponsorship is impossible to match."<sup>13</sup> But equally, many feel that this simple measure is not sufficient. Spon-

sors want to know if their sponsorships are translating directly into increased sales. On this level, there is an on-going debate within the corporate world over the effectiveness of sponsorships.

In general, corporations have taken two basic stances with regards to sponsorship programs. On the one hand, many corporations feel the sponsorships cannot be realistically assessed to determine their independent contribution to sales revenues. Hence, they do not conduct any systematic evaluations of them. As Cathy Leiber, director of event promotions at Philip Morris, frankly admits, "To be honest, we don't market research our event promotions."<sup>54</sup>

In adopting this stance, marketing executives realize that it is difficult to pinpoint the effects of one part of their total marketing package in isolation from other pieces. As an article in the journal *Marketing Communications* explains,

It is virtually impossible to assign firm quantifiable values to a sports promotion—and for that matter any marketing program unless only one program at a time is implemented. For instance, if only magazine advertising is used, with no other marketing message reaching the consumers from other types of advertising such as brochures, point-of-purchase materials, sponsorships, etc., an attempt can be made to evaluate the short term effect on sales. But even this analysis would be subject to other variables—changes in economic conditions, product quality, political considerations, weather, etc.<sup>55</sup>

Considering the complexities,\* a large number of corporations have decided to gauge the success of their marketing programs on the overall cumulative effect of the different components. They count on increasing sales through having the same message repeated in many different ways on many different levels.

Other managers feel that the level of funding for sponsorships has reached the point where they can no longer justify the expen-

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\*The industry view that the effects of sponsorships are impossible to pin down is in certain respects a more sophisticated view than that taken in much social scientific research on the effects of advertising—or at least a more sophisticated view than that which is sometimes expected of social scientific research. What follows is that, if the industry with all its resources finds itself incapable of demonstrating conclusively the effects of their sponsorships, then such expectations may be all the more unrealistic of the much less well funded public interest research programs.

ditures without tangible results. So, according to a *Journal of Advertising* (JOA) survey, twenty-seven percent of respondents look to market share/sales revenue data to evaluate their sponsorship involvement.<sup>56</sup> Typical of the kinds of claims people taking this position make are the remarks by a Thompson Auto Parts supplier about its NASCAR sponsorship: "When Mark qualifies, we get orders of \$5,000 to \$7,000 in gross sales the next week."<sup>57</sup> Or those of Tom Hohensee, field publicist for Coors, "Certainly in particular areas where he [Bill Elliott] races, sales are up."<sup>58</sup>

Many sports marketing directors think it is unfair to expect that they will be able to attribute sales gains directly to a particular sponsorship. They rely instead on indirect measures. So, according to the JOA survey results, another seventeen percent of sponsoring agencies says evaluations are based on audience research, ranging from focus group interviews, to brand attitude studies, brand awareness surveys, attendance tracking and media exposure. Research results and formulas used for evaluating these programs are generally considered proprietary information and not made available.

While questions about the effectiveness of sponsorships remain open, efforts to improve the odds for "success" have led to the development of various criteria for evaluating the potential of one sponsorship over another. The Miller Brewery, for example, has developed a "relative value assessment form" that allows it to rank order different proposals. Miller's criteria include the ease of execution for local distributors, the potential for media exposure, how the event fits with its current advertising campaign, and whether it has the potential to move a particular brand. As the Miller's list suggests, the potential for on-site sales is becoming an increasingly common criterion for determining sponsorship support by the breweries.<sup>59</sup> Molson's, to add another, lists seven criteria for deciding its involvement. The third item is: "Beer sales: Among other measurements, this lets us evaluate anticipated volume share at the event based on exclusive or partial beer rights."<sup>60</sup> Heineken too clearly states that for their sponsorship "the event should have strong sampling opportunities."<sup>61</sup>

Yet more elaborate, the sports marketing director at Coors claims that his division has come up with 48 different criteria for calculating the expected pay-offs of a potential sponsorship involvement. While refusing to specify precisely the criteria they use, Mr. Shafer offers an example to illustrate the selection process at Coors. In addition to the usual measures of the demographic and

psychographic composition of the audience, he notes that Coors also incorporates a "fan consumption index." These factors are then weighted in some undisclosed fashion to arrive at a measure of the importance of a particular potential audience. In his example then, smart money would process the decision like so:

"First, assume that for the company in our example crowds from 1,000 to 5,000 are worth 20 points; crowds between 5,000 and 15,000 are worth 40, 15,000 to 35,000 are worth 60 and so on. Second, how important is spectatorship in the whole scheme of things? Here I have rated the importance at 60 on a scale from 100 to zero.

"In the example, if there is to be a crowd of 15 to 35,000 and an importance of 60, the value is 60 times 60, for a total value of 360 [sic] points on this particular criterion.

"Having assigned points for each of your 10 or 12 criteria, add them up. Find out what the event is going to cost and divide the cost by the points. That gives you a cost-per-point which can be called a relative gauge of merit."<sup>62</sup>

Beneath the high-sounding numerical dressing, what these secret proprietary formulas boil down to is a rating system that ranks sponsorships on a cost-per-drinker basis. Measures like these are used as a simple, powerful procedure for evaluating the bottom line potential of different sponsorship alternatives.

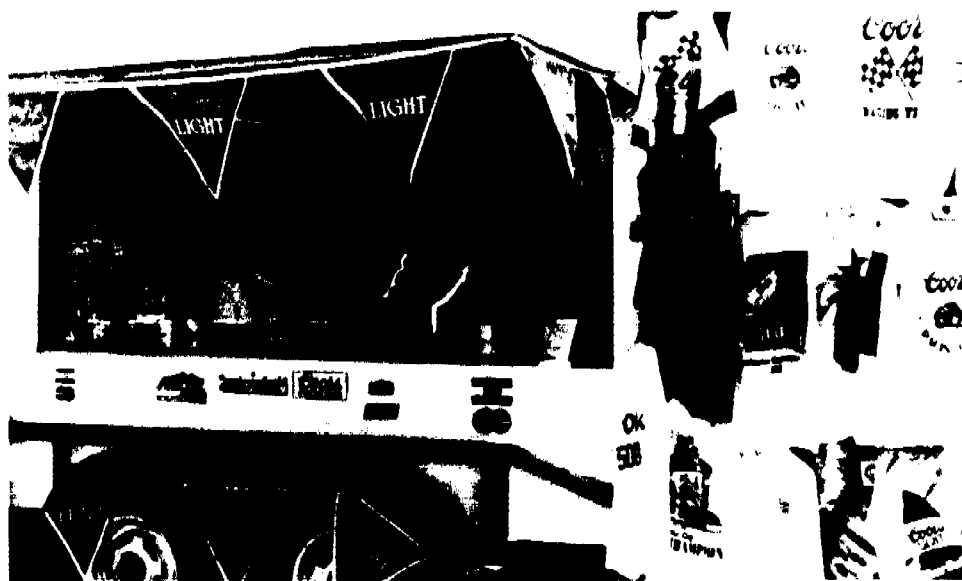
Spokesmen at the other breweries note the value of utilizing such explicit quantifiable measures. At Molson's, for example, the sports marketing director counsels "they give you the ammunition to tell a stubborn brand manager that monster truck and tractor pulls make sense for his brand even if he wouldn't be caught dead at the event."<sup>63</sup> And, as MacDonough over at Anheuser-Busch candidly muses, "If the cost-per-spectator goes above \$2, you might as well just pass out free six packs—where legal of course."<sup>64</sup>

## **What Makes Sponsorships Work: The Industry View**

Lingering doubts aside, the breweries are committed to taking maximum advantage of the opportunities sponsorships now offer.

Indicative of the growth and commitment to sponsorships, new independent sports marketing departments have been set up within the major breweries to service negotiations with promoters and to capitalize on the events to the fullest extent. Coors now has three separate departments to manage its event marketing portfolio: Coors Sports, the sports marketing program; Coors CO-OP, which offers financial and tactical support to their 700 distributors in sponsoring local events; and, Coors Special Events—a new program to oversee Coors involvement with other types of sponsorships (such as chili cook-offs and ethnic festivals). The three departments provide in-house, full-service capabilities to handle sponsorship selection, design, execution, public relations, sales promotions, merchandising, evaluation, and hospitality.<sup>65</sup>

There was a time when the brewers used to compete for events, but now it is the events that must compete for the brewers. Joe Castellano of Anheuser-Busch claims it receives twenty to thirty proposals every day.<sup>66</sup> At Coors, Steve Shafer says Coors Sports gets about 1,200 proposals every year.<sup>67</sup> The flood of applicants seeking support has made it easier for the breweries to be more selective about the events they choose to sponsor, but it has not left them passively awaiting promising-looking proposals. As Shafer points out, “we have an idea of what we want and rather than sit back and wait for them to come to us, we go out and search for them.”<sup>68</sup> He adds that ideas for sponsorship opportunities often come from within the organization, for example, from the Young Marketing person.



After identifying a promising prospect and negotiating a sponsorship agreement, the real challenge to making the most out of the company's investment comes in the execution of on-site follow-through activities. And here, as one sponsor advises, "it's the little things the count."<sup>69</sup> "Little things" like banners, billboards, bunting and posters (collectively known as "signage" in marketing parlance); merchandise in T-shirts, jackets, clothes patches, bumperstickers, and other knick-knacks like key chains, coloring books, bottle openers, etc.; coordinated point-of-purchase displays; sweepstakes contests and promotions; publicity; and, of course, sampling opportunities (at least for the tobacco companies). A representative from one of the agencies involved in creating sports marketing events explains the imperative for thorough planning and execution on site:

"On-site, you need to have a total package, not just banners. The package may include consumer-involving activities, sampling, concession offers and giveaways . . . [because] while sponsors are unable to control the outcome of an event, they can control the consumer experience surrounding the event . . ." [emphasis added]<sup>70</sup>

In designing a "total package," an interesting question then arises concerning the breweries' perceptions of what makes sponsorships work. How do they think sponsorships have their effect? What do they see are the critical elements that give sponsorships their motivating power? What is their understanding of how sponsorships enable them to move product?

One primary way in which sponsors think about the function of sponsorships—or at least the way they talk about it—reflects standard textbook advertising principles. "The advertiser and the advertising agency should never forget," Claude Bonnange, co-founder of the giant TBWA ad agency, admonishes, "that there are two ways of influencing customers and prospective customers: By seducing them and by conditioning them." One of the most common ways that marketing executives speak about how sponsorships produce their effect draws on the classic assumptions of Pavlovian conditioning.

**Making an Impression:** Ray Benton, describing the effectiveness of "Using Sports as a Marketing Tool" in the journal of *Marketing Communications*, writes: "It is a subliminal message rein-



forced through the direct association of the company name to the title of each event.””<sup>3</sup> A staff writer for *Business Week* observes that marketers like to do sponsorships “. . . because it’s a soft sell. Instead of trying to persuade a customer through a standard sales pitch, sports marketing associates the product with something the customer likes.””<sup>4</sup> Describing an interview with Steve Saunders of Coors Sports department, a reporter for *Sports Marketing News* recounts, “Saunders said the paint scheme of Elliott’s car is designed to reflect the packaging of Coors banquet beer—the brewery’s flagship beer. The purpose is to create an instant connection in the mind of the consumer when making a purchase decision.””<sup>4</sup> In like-minded fashion, Joe Castellano, senior manager of sports marketing at Anheuser-Busch notes, “Fifty years ago, Clydesdales were just horses. Now it is impossible for people to see them and not think of Budweiser and Anheuser-Busch.””<sup>5</sup>

Sponsorships enable the companies to reach prospective customers at their lifestyle level, in an environment they identify with, at a time when they are unguarded, open, and more receptive. They allow a sponsor to borrow on the credibility an event has with its audience. Like the bell and the food, sponsorships work because the constantly repeated pairings create an unconscious association between a company’s product and a community’s treasured symbols.

Further evidence of sports marketers’ resort to classic conditioning principles is implicit in the way companies evaluate their sponsorships. The most widely used and accepted measure of the effectiveness of a sponsorship is the process of “counting impressions.”

In the world of advertising, an “impression” is defined as one person seeing a product’s name one time. Based on this definition, a special supplement on the “monster truck” phenomenon in *Advertising Age* reports that “each truck generates 97 million gross impressions” for their sponsors each year.”<sup>6</sup> Chris Moore, manager of special markets for the Miller Brewing Company, reflects on the relative value of the \$100,000 to \$150,000 fee (on average) a truck and tractor-pull competition sponsorship might cost their popular brand Meister Brau: “If the cost of reaching 1,000 people through media advertising is between \$10,000 and \$20,000, the cost of promotion sponsorships is about \$1,000 per 1,000 impressions.””<sup>7</sup> Similarly, *Special Events Report* reports that the Budweiser/Ford Truck and Tractor Pull series generated the highest ratings on ESPN (except for the NFL), thus “delivering 39 million gross impressions”



for its sponsors.<sup>78</sup> As in any conditioned response, the mechanism through which "impressions" achieve their effect is basic arithmetic: the larger the number of impressions, the more powerful the association and the more difficult the extinction of the response.

In a variation on a theme, the Joyce Julius and Associates advertising agency has set up a subsidiary agency whose sole purpose is to document and measure the "amount of clear, in-focus national television exposure" sponsors receive as a result of their sponsorship. After videotaping events on both network and cable television, the agency reviews each event to count the number of seconds each corporate logo is on screen in clear focus, "mentions" by the broadcast announcers, and pre- or post-race interview time with sponsored drivers. The time each sponsor receives is then totalled and translated directly into dollar values based on the costs for a 30-second commercial on that station for that event. By such a calculation, Miller High Life was the chart topper in the 1988 (as well as 1987) Indianapolis time trials, accounting for 25.9% of the total exposure time for all sponsors. The air time was valued at \$406,665.<sup>79</sup>

The breweries take the air time that sponsorships generate seriously. After focus group research showed that consumers had trouble distinguishing the team's original red-and-white colors from other teams, Miller spent more than \$1 million just to give racers Bobby Allison and Danny Sullivan new gold-colored uniforms, emblems and cars.<sup>80</sup> At Coors, Shafer describes the internal deliberations over their racing team's colors:

"The reason we decided to go with red and white is because of how it photographs. We find no colors other than black and white that will register as well in print and on TV, and there are many tricks.

"Trying to figure out how to paint these race cars is a fairly sophisticated business. You have to determine where to put the logos and how to make them stand out. There are photo sessions done at standstill. There is photography done with TV cameras just to find out how the logo is going to come through. The artist will come back and put a little pinstriping here and a little shading there, and if there is a glare on the hood in the wrong place, then the logo gets moved. It is quite a process."<sup>81</sup>

As if these extraordinary efforts to control the factors affecting how their logos are captured on camera were not enough, the breweries have lately turned to broadening their control over factors affecting how these images are broadcast as well. In order to maximize brand exposure, the breweries have become involved in broadcast program equity in recent years—the upfront financial investment and ownership of programming. Tom Barton, manager of Bud Sports, explains the strategy at Anheuser-Busch:

“If you have the internal capability to provide program production, we see it as one of the major advantages of equity involvement. By production, I mean complete management of all elements necessary to bring the picture to the TV screen. This includes contracting for satellite systems, TV trucks, crews, camera operators, on-air talent and commercial formatting, and placing of on-site producers and directors.”<sup>82</sup>

He adds that the provision of such in-house production teams ensures that everyone has “a vested interest in promoting A-B.” He concludes his discussion of the advantages by noting that, with their new production capabilities, A-B “can provide programming as a straight barter for advertising time.” A-B thus provides its own production crew in exchange for concessions on advertising contracts. That is, if the station gives A-B a break on advertising, then A-B will give the station a program sure to make their product get even more unpaid-for air time.

One final example of confidence these corporations have in the conditioning process: They are also known to commission “unaided recall” surveys of racing fans before and after key events. For example, 300 people were interviewed at the CART (Indy-type) race held in Phoenix, Arizona this season. They were asked, “Which companies or products come to mind when you think of CART racing?” The product that most frequently came to mind was Budweiser, named by almost sixty percent of those interviewed. Miller beer placed third and was mentioned by fifty percent of the fans. At the Daytona 500, four out of the top five products that came to the minds of the 1,500 stock car fans interviewed there were beer and tobacco products.<sup>83</sup>

So it seems that with a sufficiently large number of “impressions,” carefully-controlled, quasi-scientific precision in designing color schemes, and now the addition of in-house television produc-

tion capabilities, the first thing that comes to mind when people think of fast cars nowadays is beer.

**“Hit Him Where He Lives:”** There is another, perhaps even more powerful, reason breweries like to use sponsorships. Sponsored events provide active learning experiences. People are not passively watching commercials, minds wandering over the broken shards of yesterday’s lives. They are engaged. They are participating. The *Journal of Advertising* identifies the essential ingredients: Sponsorships “create an experience that appeals to all the senses” and they allow you to reach target constituencies in environments “that induce suitable mind-sets.”<sup>84</sup>

Beer companies clearly appreciate the value of experiential learning that sponsorships have opened up. “Sports marketing has been an integral part of Miller’s success formula throughout the 1980s,” says Bob Toledo, vice-president of brand management. “We recognized some time ago that to reach our target beer drinker in the most penetrating way, we have to involve him as well as to advertise to him.”<sup>86</sup> Similarly, *Sports Marketing News* reports on Anheuser-Busch’s formula for success: “Under Roarty, Budweiser has built such a seamless marketing message that it is part of the warp and woof of sports. The name, the logo, the slogans are a living breathing part of the sports event.”<sup>86</sup>



The advertising agencies offer an even more explicit description of the potency of active involvement:

Events as a marketing and media vehicle are one of the most involving and intimate of all vehicles. They reach and touch people like no other media can because they allow a company and its products to spend quality time with its customers...

When compared with traditional marketing and media vehicles, events are at the top of the involvement and intimacy scale: when you reach prospects who are interested in or are attending an event, they are yours. They are there because they want to be. They're part of the event and in a receptive mood...

Events use the energy, excitement and emotion of traditional advertising vehicles while allowing consumers to touch, feel, and experience a product. They allow you to spend an hour, a day, or a weekend with your prospects.<sup>87</sup>

This informed (and informative) communication comes to us from the Long, Haymes, & Carr agency, based on years of experience in creating the largest event marketing program in the world for the R. J. Reynolds Tobacco Company. L, H, & C are responsible for coining the slogan: "Hit Him Where He Lives." The text of the advertisement promoting its services runs:

He's your target market, whether he's into racing, golf, sailing or soccer. And nothing hits him harder, longer, than Long, Haymes, & Carr lifestyle marketing. We're the full-service advertising agency with Special Events capability in-house. Our marketing partners are clients who sponsor dozens of nationally known events, from motor sports to professional golf. Our total involvement is what it takes to turn sponsorships into profitable marketing opportunities. For case histories on direct hits multiplied by millions, give us a call.<sup>88</sup>

The brochure continues that the company's "specialization" is "transforming sports, music, and arts sponsorships into targeted, strategically-correct lifestyle marketing opportunities."

Beer companies also know that young adults and teenagers are the lowest television-viewing segment of the population. Unlike older people who would rather stay home and watch events on TV, teenagers prefer the active involvement of attending the events themselves in person.<sup>99</sup> What better way to reach their prime target audience?

## **The Politics of Sponsorships: Brewers' vs. Public Health Views**

Brewers are not unaware of the criticism leveled at them because of motor sports sponsorships, but they take the confident albeit defensive stance that they hold the moral high ground based on their right to market freely a legal product. On the beer industry's role in sponsoring such events, Steve Shafer at Coors comments, "Special events always will be part of the beer marketing business—unless it is legislated out. . . . As a matter of fact, the more successful we are, the more scrutiny we draw."<sup>90</sup> Joe Castellano, director of sports marketing at A-B, rejoins, "Sure there are some negative images out there, but we've gotten good at controlling that."<sup>91</sup>

Whenever calls for restraining the marketing practices of the beer industry are raised, the alcohol industry lobby returns to two familiar arguments: the "only brand preference" argument and the "beer is no different from any other product" argument. Both, from



a public health perspective, require considerable suspension of rational thought.

**“Only Brand Preference:”** DeWitt Helm, president of the Association of National Advertisers, presents the brand preference argument in its entirety: “The reason so many millions are spent on advertising is to influence the consumer to switch brands. There is not one iota of evidence that anybody can provide showing that alcohol advertising affects consumption, or induces people to start drinking. It’s peer pressure. It’s parental example.”<sup>92</sup>

This public face of the marketing enterprise flies in the face of advertising practice. Even introductory textbooks on advertising are more candid about its purposes. The four fundamental objectives of advertising are:

- 1) to ensure repeat sales among an existing consumer base;
- 2) to create brand switching among extant consumers;
- 3) to promote increased sales among an existing consumer base; and,
- 4) to create new sales or convert nonconsumers into consumers.<sup>93</sup>

There are only two industries in the world that deny their intentions to increase the amount of sales to current consumers or bring in new customers. They are, of course, the cigarette and alcohol industries.<sup>71</sup> They would like the public to believe that, even though every company is separately doing everything within its power to get people to buy more of the products, the cumulative effect does not promote aggregate sales, something these industries are not trying to do and disapprove of. It is in fact true that alcohol consumption is decreasing in our society now, but it requires this suspension of disbelief to think the industry would not like—and is not now doing everything it possibly can—to slow or reverse this trend, which is attributed to increasing health consciousness on the part of consumers.

These industry assertions have proved to date to be serviceable counters to the public health advocate’s more complex propositions. Groups concerned with how environmental factors promote an association of drinking with driving argue that the sponsorships create a context that supports and encourages drinking, an environment in which children see drinking as an integral part of participating in a way of life. The industry calls foul: it is only trying to influence brand preference. Create an environment over which parents have little or no control?—No, the beer companies are promoting family entertainment. It is parental example that is to blame for problems.



It is widely acknowledged throughout the industry that brand loyalties are established at an early age and thereafter are difficult to change. But would companies target young people? Once again, their spokespeople have taken the stand that their marketing efforts in general and sponsorships in particular not only have no effect on anyone under the age of 21, but also are not intended to persuade youngsters that there are any benefits to be gained from drinking beer. In this case the argument that there is no intention, therefore why blame them, is supported by the marketers' attribution that the root cause of under age drinking is peer pressure. Missing, naturally, from this analysis is the public health advocate's conviction that the brewers' arsenal of marketing techniques—only one part of which is the focus of this report—actively shapes prevailing normative pressures among adolescents. Even though youngsters attending motor sports events are bombarded with hundreds of carefully crafted "impressions" conditioning them, like the rest of the audience, to associate beer with one of their most cherished cultural objects, beer marketers disclaim any responsibility for exerting such an influence on them.

**"Just like any other product:"** The other major argument put forward by the beer and alcohol industry in response to public health advocates' calls for more responsible regulatory policies to contain their marketing practices is that "beer is no different from any other product." In capsule summary, the industry argues that its product is just like any other commodity, and therefore, it is



entitled to the same protections and guarantees (the right to commercial free speech) as any other commercial producer. As one liquor store owner puts it, "instead of selling stocks, we sell wine and liquor. Alcohol is not inherently bad."<sup>94</sup> More explicitly, Michael Roarty at Anheuser-Busch states, "Beer is a legal product, and just like bread, soft drinks and automobiles, we are entitled to market and advertise our product through any medium."<sup>95</sup>

From a public health perspective, there is something deeply insidious about this argument. When beer manufacturers talk about "moving product," or being in the "product marketing business," distinctions are blurred. Speaking about beer as if it were a commodity no different than bread erodes our understanding of alcohol's singular effects on health and safety which distinguish it from foods.

The beer industry has moved well beyond questions about whether alcohol should be legally available, although some post-Prohibition skirmishes on the extent of availability continue. It is trying to normalize its "product" in public perceptions. Brewers want the public to treat beer just like any other beverage. Health educators argue that in making this claim, the industry undermines social norms that keep alcohol use within appropriate limits, guiding contexts, occasions, and circumstances of suitable use. The "product" is not "just like" other products, because of alcohol's capacity to intoxicate and create dependence. Beer is not like bread that you can eat whenever you are hungry. Beer is not like an automobile that you can jump into whenever you want to go somewhere. Health promotion professionals are very concerned because they recognize the power of the alcohol industry's sophisticated \$2 billion per year advertising campaign to inculcate messages that the "product" has no qualities that merit special consideration.



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## V. THE WORLD OF AUTO RACING

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### Background

Auto racing sounds simple, but the reality is more complex. There are many types of race cars—Indianapolis 500 race cars, stock cars, dragsters, sports cars, “modifieds,” sprint cars, midget cars, off-road cars, “stadium” vehicles, pick-up trucks, tractor-pull vehicles and more. For each type of vehicle, there are different classes of competitions and categories of racing. In drag racing, for example, there are top fuel dragsters, funny car dragsters, top alcohol dragsters, top alcohol funny cars, pro stocks and competition eliminators, super modifieds and super stock eliminators, stock, super comp, super gas, super street and drag bikes (motorcycles), each with their own set of rules, regulations, building and safety specifications and racing procedures. (The list goes on—the “super stock” category, for example, has sixty-seven (sub)classes.)

Auto racing is also a large sport. In 1988, the fifteen national races organized and authorized by CART (Championship Auto Racing Teams, Inc., Indy-type racing) drew 2.6 million people to the races and another 210 million television viewers. That same year, the 29 national NASCAR (National Association of Stock Car Racers) events attracted 3.1 million fans in attendance and another 155 million television viewers.<sup>96</sup> The National Speedway Directory (10th Edition) now lists more than 900 tracks, including 629 dirt ovals, 241 paved ovals and 68 road courses. From Watkins Glen to Laguna Seca, Daytona to Portland International, auto racing now criss-crosses the American landscape. More than 70 million people attended racing events last year.

Things have not always been this way. “I can remember the day when we would put the name of our hotel on the car to get our room for the night,” recalls veteran Junior Johnson.<sup>97</sup> Back in the early 1970s, auto racing nearly ran out of gas. Johnson, in fact, predicted then that racing would die out in a couple of years. The reason his prophecy did not come true, and the reason for the dramatic growth in racing since, is due to the willingness of businesses to pay, through sponsorships, for what is an increasing-

ly expensive sport. Racing recovered when a cigarette company injected cold cash into the sport. "R.J. Reynolds came in strong," team owner Robert Yates remembers, "and did a lot for the sport. That got a lot of companies interested in getting involved." With growing success, a group of businessmen then founded CART in 1978, their stated purpose "to establish a 'big event' in each major market." By 1988, CART had grown into a \$385 million "marketing machine," with 105 companies contributing \$75 million in direct support.<sup>98</sup>

The investment has paid off. Racing fans, they will tell you, are intensely loyal to their sponsors. "Local people have local heroes," explains Bill Patterson, business manager of the GM racing team. "They have an undying loyalty to certain products. If it's on the car and they like the driver, they will buy the product." The fans' loyalties are not hard to figure out. They are displayed on their hats, shirts, jackets and T-shirts. Long-time favorite, legendary Don "The Snake" Prudhomme projects the popular image, "I use Skoal. I also smoke and drink beer. I'm their guy."<sup>100</sup>

## Audience Composition

"To the average sports fan, stock-car racing evokes a clear set of images: Richard Petty in a pair of wraparound sunglasses, the roar of souped up engines, and beer-drinkin' good old boys milling around the track"—*Business Week*, August, 1987. Racing fans are a prime target for the breweries. As Roger Samson, vice president of sports marketing at Molson's Breweries, says, "By 1984, our brand and segmentation research showed us that drinkers who favored motor sports drank more beer than any other sports fans."<sup>101</sup> Likewise, in listing the benefits of event marketing, number two on the advertising agency Long, Haymes & Carr's program: "Lock-in Heavy Users: Anheuser-Busch's motor sports involvements for Budweiser target this key market, which has a high index of racing fans."<sup>102</sup> So who are these people? What else do we know about racing fans?

One of the most reliable and widely used sources of information regarding the composition of different audiences for different sports comes from the data compiled by the Simmons Market Research Bureau. The Simmons Report shows that drag racing, auto racing, bowling, boxing, rodeos, roller derby, weight lifting and professional wrestling are watched more by people without high school diplomas than by college graduates. The report goes into

greater detail in describing the demographic make-up and media preferences of fans of different sports. The report publishes a measure of the "penetration" of different media and programs into distinct market segments. Using an index of 100 as average, scores over 100 indicate a greater proportion of that market segment watches that program than the average for the whole population, while scores under 100 indicate that a group watches less than average. This source gives a pretty good picture of how drag racing fans appear to market analysts.

Compared to the population as a whole, drag racing is watched by more males (130) than females (73). The highest sub-group by age is the 18-24 year old group (173), the youngest age group they measure. For those over the age of 45, the index drops below 60. Among occupations, drag racing fans score an index of 183 in the trade/crafts versus a 70 among professionals. They also score a high 150 among the single marital status group. The typical drag racing fan is a young, single, male, working class consumer.

At most, drag racing fans are likely to subscribe to one newspaper. On the other hand, they are more likely to subscribe to several magazines. The magazines they like are *Car Craft* (a whopping 380 index score), *Hot Rod* (345), and *Cycle* (306). They are more likely to listen to rock music (137) than classical (75) on the radio. On television, drag racing fans are ardent followers of the A-Team, the CBS late night movie, Miami Vice, MacGyver, and professional wrestling.

Beer companies have singled out this group as their prime target market. Target defined, they have tailored their marketing campaigns to maximize sales and consumption in this group. Through calculated inducements, drag racing fans are being encouraged and reinforced to drink more beer than any other market segment.

Breweries use marketing reports like the Simmons data to devise their sports marketing strategies. In six months of field work, we did not see any ads for sponsored racing events in local newspapers. Their target market is not likely to subscribe. But there were ads for the events on television. For one of the first events we attended, the "Coors Motor Spectacular," the promoters in fact placed 192 commercials on local Bay Area stations in the two weeks preceding the show. The ads most frequently appeared on late night television after 11:00 p.m. They also placed ads on three hard rock stations (KOME, KRQR, and KITS). Although the featured event—mud racing—is allegedly an established sport in its own right, the name "Coors" was mentioned six times in each 30-second

spot. Commenting on the Coors Extra Gold Brand's push into motor sports, Kevin McDonough, a Coors Divisional Sales Manager, remarks, "We see this as an ideal way to market to our target customers."<sup>103</sup>

## **CASE STUDIES OF FIVE EVENTS**

### **Event One: Coors Extra Gold Motor Spectacular, The Cow Palace, San Francisco**

The Cow Palace is a multi-purpose sports arena and convention center located in the southern part of San Francisco. Seating capacity in the main auditorium is 14,000. We arrive at 7:30 for the 8 p.m. event and notice nothing out of the ordinary outside the hall. On our way in, we count a dozen empty beer cans; less than half are Coors.

Inside, there are short lines for tickets. Advance tickets were available through the local ticketing agencies and it appears most people have purchased their tickets that way. Tickets are \$14 apiece and seating is reserved. No video or 35mm cameras are allowed inside the arena.

In the lobby area, slick, glossy programs are being sold for \$4 each. The programs are generic for the tour and do not contain any information about this evening's program or participants. Ten of the forty pages are either full page ads for Coors or feature pictures of the Coors vehicles and events.

On both sides of the lobby, special, free-standing dispensing booths have been set up to sell Coors. They are also handing out free 24 × 36" color posters like the one featured on the cover of this pamphlet. At the lobby's regular kiosk, arena employees are selling event-related merchandise—mainly, T-shirts, caps, and videotapes. About half of the featured goods incorporate the Coors' logo into their design. The T-shirts sell for \$12 and come in all sizes.

The audience is a heterogeneous mix of families, young adult men, couples, and high school students. It is a largely white crowd and has the look of the kind of group one might see at the circus. The audience is more established, stable, and quiet than groups we saw at other events. The combination of steep ticket prices, reserved seats, and expensive programs all signal that this is more a night of entertainment than a serious racing event.



Inside the main auditorium, the versatile, multi-purpose basketball court/hockey rink area has been filled with dirt. The “mudracers” are lined up beside the raised, 100-foot straight mud track. For safety and aesthetic reasons (to avoid getting splattered with mud), there is no seating permitted in the first eight rows surrounding the enclosed court area. The seats are partitioned off with bunting displaying the Coors Extra Gold colors and logo. There are two 4 × 10 foot black-and-white banners on each side of the track announcing the “Coors Extra Gold Motor Spectacular.” Co-sponsor Chevy Trucks also has banners mounted on the sides of the auditorium. All track crew members are wearing red Coors polo shirts.

The event starts with a brief welcome from the announcer spotlighted standing next to the mud ramp track. He is from Oklahoma and has a thick southern drawl. In contrast to his worn and beaten cowboy hat and boots, he is wearing a flashy red satin Coors jacket. After a quick hello and welcome, he invites the audience to join him in prayer. The prayer closes with the petition “to let everyone arrive home safely” and a final “and thank God I am an American.” This draws a big roar of approval from the crowd and the program quickly segues into the national anthem. The stands are three-quarters full. The air is filled with smoke.

The program itself consists of three main attractions, 1) mud-racing, 2) the “globe of death,” and, 3) the grand finale, monster

trucks pitted in a car-crunching obstacle race course competition. After introducing the drivers of the seventeen mud-racers, three monster trucks are brought out into the arena in an ear-splitting display of what we can look forward to. They are quickly ushered off-stage and the mud-racing competition begins.

Mud-racing involves unusual racing vehicles (the announcer informs us that there are only twenty-five in the whole USA) making timed runs on a 100-foot downhill sloping mud trough/track. (The program lets us know that a major breakthrough in the sport came when the promoters came up with the technology to build these tracks indoors.) One-by-one, each of the competitors fires up his ferociously-loud racing machine, maneuvers the vehicle to the starting line, lines up, and, on his own mark, goes blasting down the track as fast as he can. There was one female driver participating in the event. The only female driver in the “macho world of brand-affiliated mutant vehicles” was quoted in *Advertising Age* as saying, “I just love knowing I’m at the mercy of 750 horsepower.”<sup>104</sup>

Timed to the ten-thousandth of a second, each run takes approximately two seconds. But due to their cumbersome handling, it takes a full two hours for all seventeen vehicles to make their first run. The top five fastest cars will return for the final eliminations after an intermission and the “globe of death” exhibition. The names of vehicles reflect the sentiments of the participants, “After Hours,” “Playing Hookie,” “Party Animal,” and “Master of Disaster.” During the lengthy intervals between runs, the announcer, when he can be heard, peppers the audience with antiquated, sexist, mother-in-law jokes. Meanwhile, two security guards confiscate a spiked orange juice bottle from a group of teenagers sitting in front of us.

At the intermission, the announcer encourages everyone to get “something cold” to drink, but there are no plugs specifying Coors or beer drinking. During the break, they wheel out a 14-foot in diameter steel mesh globe. There is also a long commercial for Chevy trucks, featuring six models rolling out the runway onto the track area. The commercial is not well-liked and elicits catcalls, groans, and hissing. A local radio station’s attempt at live-action advertising—tossing into the crowd dozens of frisbees engraved with their call letters and baited with a fifty dollar bill taped to one—fares better. The program then resumes with the “Globe of Death.”

In this portion of the program, two motorcyclists, first singly and then in tandem, enter into the inside of the globe and then start driving around until they build up sufficient momentum to ride

sideways and ultimately upside down as they circle the inside of the globe. The climax comes when the two drivers criss-cross paths as they circumnavigate the huge steel ball. Timing is crucial. They execute the feat without a slip.

The five finalist mudracers then return for the final round of eliminations. The winner will amass points towards their standings in the annual series. Finally, around 10:30, two-and-one-half hours into the show, the stage is set for the monster trucks. Five beaten-up, old cars from the local junkyard are lined up side-by-side. The three monster trucks re-enter the arena. The Coors' "Drewser" is not with us tonight; instead the Coors' "Top Dawg" is the featured attraction driving last. "Top Dawg" is painted in the Extra Gold colors. The "competition" consists of seeing which truck can make the fastest timed run. The run consists of driving over the five cars, once around the oval perimeter of the track, and back over the cars. The timer stops when the back wheels touch the ground.

The first two trucks break down, one blowing its engine before the start and the other losing its steering (both the front and rear tires turn to steer these enormous trucks—the rear axle went out and the truck was forced to limp lamely offstage.) The "Top Dawg" successfully completes the course, but the driver is holding something back, a safe run geared towards avoiding any further embarrassments. The "Top Dawg" is declared the winner and then it is all over.

According to the International Events Group, Coors paid an \$8,000,000 sponsorship fee this year to the same promoters—United Sports of America—for a comparable "Coors Light Motor Spectacular," a truck-and-tractor pull series touring 60 cities and appearing before an estimated audience of 260,000 people.

## **Event Two: Budweiser California Indoor Motocross Championships, Cow Palace, San Francisco**

We return to the Cow Palace to attend a motorcycle and four-wheel All Terrain Vehicle (ATVs) racing competition. The television ads for this event feature live-action shots of the motorcyclists careening around the course, the whole picture framed within the Budweiser label. When we arrive, one-third to one-half of the cars in the parking lot are pickup trucks. As I step out of the car, I knock over a Miller's bottle left beside the adjacent pickup.



Outside, two large 4 × 8 foot four-color, red-on-white, banners announcing “Budweiser Welcomes Racing Fans” hang over the main entrance. It is a generic sign, capable of being re-used at the many other racing events Budweiser sponsors. The production of generic signs exemplifies A-B’s long-term commitment to marketing at racing events.

Inside, there are long lines of people waiting to get tickets. It is a much younger and more homogeneous crowd than at the Coors event—teenagers and young men with long shag haircuts, spotty complexions, work boots and denim pants, young women with tight pants, braces, and hair-sprayed bouffant hairdos. At least half of the fellows are wearing baseball caps, most adorned with the 49ers or construction firm names but a few with Budweiser. In line, we stand next to two young men chugging their Budweisers before going inside. Two-thirds of the fans are male; there appear to be no women without male escorts. Vendors are hawking programs in the ticket sales area, “Get your Budweiser motocross programs heeeeyare!” The programs are only two dollars. They are printed on cheaper newsprint, but this time they contain some real information about the evening’s event.

The lobby area has again been set up with the regular permanent souvenir stand in the middle and portable vending counters at each end, only this time they are all selling Budweiser products and merchandise. No free posters—this is a visibly low-budget affair. Additional counters have also been set up outside each exit from the main auditorium. They are equipped with dual spigots allowing faster service in filling the 24-ounce cups. A Budweiser sales rep is on hand checking to make sure each booth does not run out of beer. Budweiser is the only beer available tonight. (The Cow Palace’s outcontracted concessionaire service normally sells Stroh’s.) Staffed mainly by older women they appear conscientious about checking IDs. Signs indicating that sales of alcohol to persons under the age of 21 are prohibited and warning pregnant women about the potential harmful effects of alcohol are clearly displayed. The distributor’s truck is parked backstage with the contestants’ transport trucks.

Tonight’s event is divided into two sections, racing in the main auditorium, and an exhibition of motorcycles, parts and equipment, with displays by local clubs and organizations in a side hall. The motocross event is sanctioned by the American Motorcycle Association, which has also set up a booth in the sidehall. Its motto is “To



protect your right to ride.” It is the most vociferous group fighting helmet laws. It is actively recruiting members tonight.

Inside the main auditorium, the playing area has once again been filled with dirt, only now the track snakes back and forth in hairpin turns marked with hay bales and punctuated by 10 foot high hills for jumping and flying through the air. The immediate, overpowering feature upon entering is the dizzying stench of the alcohol fuel burned in the motorcycles’ racing engines. Seating is unreserved and there are a lot of people in and out looking for better views and wandering over to the exhibition hall. There are constant lines at each of the beer counters outside each of the exits.

Around the track, four or five of the same “Budweiser Welcomes Racing Fans” banners adorn the sidewalls. The track crew have all been issued their “official” event staff T-shirts, with the angular butterfly-shaped Bud logo covering their backs. The bunting marking off the VIP/announcer/judges’ stand area now reads Budweiser.

The motocross program features heats of six drivers, alternating between packs of motorcycles and then ATVs in a series of elimination races, ten laps, first to the finish line wins. The drivers, decked out in gladiator-like protective gear, are young, ranging in ages from 11 to 24. Of the fifteen drivers listed in the program, four are over the age of 21 and six are under 16. The audience is excited, wildly cheering on their favorites. Fixing up one’s own motorcycle is a common topic of conversation. A puerile male locker room sense of humor fills the air: in a display of “wheelie” prowess, the emcee urges the driver to “Keep it up! Keep it up! Ooooh, he couldn’t keep it up” to peals of jeers and laughter. After a set of six races, the announcer calls over the public address system, “We’ll take a short ten-minute break now—time enough for you to go out and get yourself another Bud.”

At 10:30 p.m., we decide to leave before the event is over. Beer is still being sold in the main lobby. Outside, the parking lot is strewn with bottles and cans. We get nervous when a group of rowdy young carousers in the parking lot start roaming in our direction and we beat a hasty retreat to our car. I have to clear the bottles away before I can pull out. Despite the “low-budget” approach implied by low-cost programs and generic banners, overall, the thoroughness of the sponsors was impressive. From the TV commercials to the T-shirts, from the banners and bunting, to the additional dispensers and the public address reminders—the sponsors remembered the “little things.” They knew how to move product.

## High School Views

A short time later, we talk to students at a nearby vocational education high school about the above events. The class is made up of fifteen and sixteen year olds, with a healthy representation of the ethnic diversity of cosmopolitan San Francisco. Less than half own their own cars. More own motorcycles. Many own several. The "chollos" (Chicano toughs) like to cruise. Racing is more popular among the white students.

Eight (of eighteen) students had been to the Coors show, but many thought it was "too expensive." More had been to a bigger outdoor monster truck show last year, and all but one or two had been to a motor sports show at some point in their lives. One student is wearing his Spuds MacKenzie T-shirt.

For the Chicano students, cruising down Broadway (downtown SF's nightclub district) is a major pastime, every Friday and Saturday night, and then some. The best time to cruise, they say, is after midnight. They like to ride with six or seven people in the back of their "dropped trucks" and the biggest hassle is getting tickets for



having their boom box stereos too loud. Drinking beer is common, but "only when you want to." They have tailgate parties down at the pier, or at the cemetery, or before going to the shows at the Cow Palace. No big deal. "You got to know how to control it. Like last time, I had eight beers and I wasn't even messed up." Apparently he has learned you have to know when to say when (to paraphrase Anheuser-Busch's prevention message).

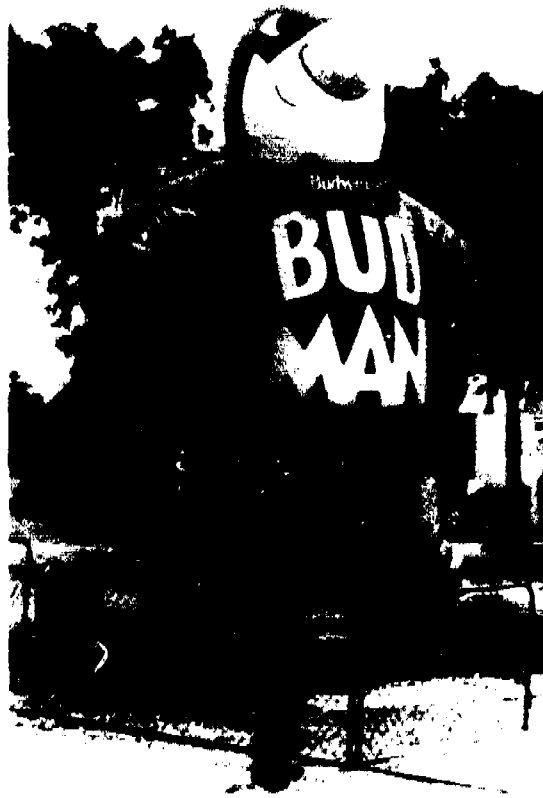
A 16 year old white student talks about racing. He and his friends like to race, usually down Ocean Avenue, but when they bet on the races, they go for the freeways down by the airport in the early morning hours. What do they bet? "Loser pays for the keg," although he adds that he himself has quit drinking. What does he think about his friends racing and drinking? "I just laugh. I think it's funny, people having a good time." After a late night, the students like to sleep in on Saturday mornings, watch TV, wrestling, the auto shows on ESPN, and rest up for the nighttime.

### **Event Three: "Budweiser 200", Madera Speedway**

Madera is a rural county located in the central valley of California. Agriculture is the main industry. The Madera Speedway, like most oval race tracks in California, is attached to the county fairgrounds. Like the other tracks, races are run weekly here, with a number of larger events scheduled throughout the racing season. The "Budweiser 200," as part of the NASCAR Winston West (Regional) Stock Car Racing Series, is one of the biggest events of the racing season in Madera. It also happens to be scheduled to coincide with the annual county fair (with carnival rides), the 10th annual "Great American Chili Cook-Off," and Madera's own Miss Chili Pepper Contest.

The "Budweiser 200" is scheduled to begin at 3 p.m. on a hot summer Sunday. We park next to a black van beckoning "Let's Race Em, Let's Show Em, Let's Party!!!" painted in bold relief across its side. The parking lot is an unmonitored and unmarked grassy field. A huge 15-foot inflatable rubber balloon painted and shaped like a Bud Light beer can towers over the entrance to the fairgrounds. The grounds are packed.

Inside, the local distributor has done his job. The fairgrounds are covered with Budweiser signs: around each of the exhibit areas, around the cars on display, in front of the music stage, over the



entrance to the track, crossing the walkways overhead, marking each of the many vending sites. Within the fairgrounds proper, interspersed between the hot dog and souvenir stands, 19 trucks have been set up to dispense cold beer. No one is ever more than 50 yards from the nearest beer wagon. The beer is sold in 16 and 32 ounce cups, one quart of beer per "cup." People are milling around shirtless or in bikini tops in sweltering Central Valley heat.

In addition to the giant beer can over the main entrance, the fairgrounds are graced with two other inflatables courtesy of Budweiser. "Inflatables" are the industry's version of (and term for) the air-filled dirigibles we see in the annual Macy's Thanksgiving Day parades. A thirty-foot tall Spuds MacKenzie guards the main gate. A twenty-foot "Bud Man" stands next to the main stage. "Bud Man" is a comic version of a cartoon super hero. There is no mistaking the sponsor's presence today.

We move over to the race track where the main event is about to begin. The sign on the chain-mesh fence at the gate to the track reads "No Alcoholic Beverages." Inside, a live model "Bud

Man"—dressed up like the Mickey Mouse characters who stroll theme parks—is greeting people as we enter. Another Budweiser concession stand straddles the walkway to the grandstands. The generic "Budweiser Welcomes Racing Fans" banner crosses overhead.

Trial heats are still going on at 3:00, the race's scheduled starting time. Trial heats consist of groups of seven cars taking part in short eight lap races to determine starting positions. During these runs around the small, one-third mile, paved track, spin-outs and crashes are common. The constant sense of risk and impending danger are a major part of the attraction and fascination with auto racing, drawing gasps and attention during the otherwise rather routine, repetitive, and monotonous ritual. After a particularly bad wreck in the second heat, while the action is stopped and tow trucks are clearing the track, a long continuous version of the jingle "You make America work, this Bud's for you," plays over the PA system.

The track has two 8 × 16 foot Budweiser billboards mounted on the perimeter facing the stands and a third in the grassy infield. The winner's circle has also been re-painted to resemble the Budweiser logo. Track officials wear zebra-striped referee's jerseys, personalized with their own name and the Budweiser insignia sewn over the pocket. Plastic holders containing their pit passes are imprinted with the Busch logo.

The 6,000 seat stands are not quite full. Cowboy hats and boots, T-shirts and tatoos, key chains with leather straps through belt loops

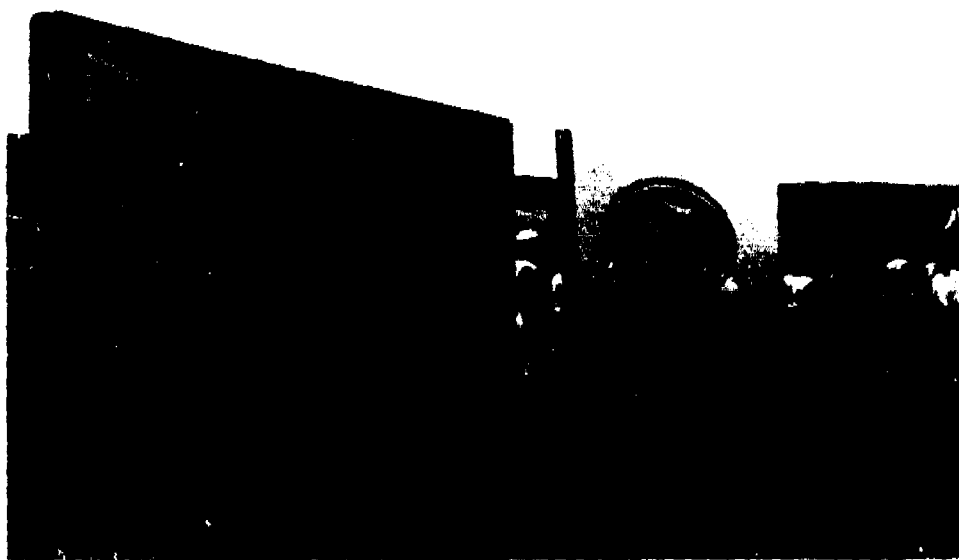


are everywhere. So is a sizable private security force. Many people know one another and call out greetings. A man in the next section is chided. He has to explain himself—he is drinking coca-cola because he is “on the wagon” now. The next section over is labelled “Family Section, No Alcoholic Beverages Allowed.” Finally, the cars line up and the race is set to begin.

After announcing the start of the race, the announcer (conspicuously overdressed in his Budweiser windbreaker) asks for a moment’s silence for a local boy who was killed in the battleship Iowa accident. The track’s flag is at half-mast. He then proceeds to recite a prayer for the safety of the drivers. The prayers are followed by the national anthem.

Next on the program, the contestants for the Miss Chili Pepper and male hardbody contests are driven onto the track riding in the backs of two pick-up trucks. The Bud Man character, face painted frozen in silly leering grin, rides with the seven bikini-clad young women. They step down, are introduced, and then throw some frisbees into the crowd. The frisbees turn out to have the Bud logo on them. After they pose for some publicity shots with one of the drivers, the local Budweiser distributor is invited out and delivers a short thank you speech, capping his oration with “and now folks, remember, this Bud’s for you.” Another sponsor, the Truck Toy Store (truckers’ supplies), gives a similar pitch and then both are thanked personally. The cars and drivers and their sponsors (Quaker State, Skoal, Coca-Cola, US Bank, etc.) are then introduced, with reminders to patronize the sponsors’ businesses. The Budweiser car is not entered in the main 200 lap event, but will compete in a 30 lap super stock event sandwiched in the middle of the main event during a scheduled break at the 100 lap point.

After the Miss Chili Pepper contestants, the male hardbodies, Bud Man and the sponsors clear the track, the start is delayed once more as we learn that the Budweiser skydiving team is about to make their descent onto the track at 4 p.m. A new female announcer from the Budweiser SkyDiving team takes over and the plane is spotted shortly thereafter. Four skydivers soon appear, smoke tracers trailing from their heels, sport chutes billowing Budweiser’s name. One of the chutists carries a radio hook-up with the track’s public address system, and while descending, tells the audience what they are doing (two team members are about to link up and come down in tandem piggyback). He signs off by reciting a Budweiser commercial. Back on the ground, the team announcer coaxes the audience. “If they land on their feet,” she tells us, “it’s time for a Bud.”



(In the event, none of them manages to do that. They all stumble, although they do manage to land on the Budweiser winner's circle.)

During the race, the announcer recommends that people check out the food stand (nachos, burgers, etc.) and finishes with a plug for Bud, "The king of beers." About half way through the race, they run out of cups for the wine coolers and so start serving them in the larger 16-oz Budweiser cups. A hand written sign posted at the concession stands declares "Ice Water—One Dollar."

The many marketing ploys described above are carefully detailed in a contract between a local Budweiser distributor and the Madera District Fair Board. The fair board is part of the district agricultural association, which in turn is housed within the Department of Agriculture for the State of California. County fair boards are appointed by and responsible to the governor of the state.

The sponsorship contract specifies the terms for both cash contributions and non-cash compensations. The local Budweiser distributor paid \$37,240 for sponsorship rights at the Madera Speedway. The distributor also agreed to provide another \$18,460 in non-cash compensations, which consist of materials for advertising and merchandizing, such as posters, radio spots, and printed schedules, and four appearances by the Budweiser sky diving team. In return for the \$37,000 cash contribution, the state agreed to a number of conditions spelled out in explicit detail. Included among these are:



1. All advertising for the season's scheduled racing events must include mention of Budweiser or Bud Light, specifically,
  - a. Budweiser/Bud Light will be placed prominently on all posters and flyers,
  - b. All television and radio commercials will advertise Budweiser or Bud Light.
2. Three 8 × 16 foot Budweiser billboards will be erected on the retaining wall facing the audience.
3. One 5 × 25 foot Budweiser billboard will be placed on the roof of the grandstand.
4. One Budweiser sign on the track for the Budweiser "Winner's Circle."
5. A Budweiser banner will be displayed at front of grandstands as you walk toward the track.
6. Budweiser/Bud Light will be mentioned weekly by the track announcer.
7. Sponsor's name will be engraved on all (otherwise non-sponsored) championship trophies.
8. All media copy must be approved by the local distributor.
9. All of the terms of the sponsorship are to be kept confidential.

The contract goes on to specify that "there shall be no advertising of any competitive beer/wine cooler brand in any form, visual or auditory, directly or indirectly, permanent or mobile, allowed at any time" during the period of the contract. (See Appendix B for complete details.) On an ironic note, the program informs us that the District Fair Board of Directors voted in 1981 to take over track operations from private sponsors "to minimize any negative impact auto racing might have on the community."

## **Event Four: NHRA Winston Points Pacific Division Seven Meet, Sears Point Raceway**

Nestled in the hills at the southern tip of California's wine country, the Sears Point Raceway combines a quarter-mile dragstrip with a twisting twelve-turn 2.52 mile Grand Prix type road racecourse. With the recent closure of the Riverside International Raceway, Sears Point has become one of the top three tracks in California. The NHRA, SCCA, NASCAR, and the AMA all now schedule stops at Sears Point in their major national event series.



Like all major racing events, the NHRA Winston Points Pacific Division Seven Meet takes place over a three-day period. Starting on a Friday morning, there are two days of testing, tune-ups, and time trials, culminating in the main event (combined with other smaller competitions) on Sunday. Serious racing fans buy three-day passes and camp out in their RVs at the track. We head out for Sears Point on Friday morning.

The layout of Sears Point reflects its national stature. There are dozens of huge billboards with the major sponsors' names located around the track. The big three—cigarettes, beer, and auto makers—are well represented, but their presence is not dominating. Banquet Foods, Champion Sparkplugs, Seven-Up and other sponsors are equally visible. Budweiser apparently has bought the right to be the sole sponsor of the track representing the beer industry. Bud is also a co-sponsor of the three-day meet. Coors and Miller have entered cars they sponsor in the race.

The crowd is sparse on Friday morning. Entrants are just arriving and unpacking their machines. The atmosphere is relaxed and informal. As a regional event, almost all of the teams are from California. Most have brought their wives and families along for the meet. Lots of children are running around the pits area.

The day's routine revolves around the time trials. After a team gets their dragster or funny car ready and running, they line up to make timed runs down the quarter-mile dragstrip. They are free to enter at any time they like and as often as they want during the first two days of tune-ups. The true skill and art of drag racing emerges during these trials.

Drag racing faced a major dilemma in the mid-1960s. The technology and the costs of drag racing had progressed to the point that the sport was in danger of losing its core supporters and participants—the grassroots garage mechanics and weekend warriors who all along have been the backbone of the sport. Organized drag racing was becoming simply a matter of whoever had the most money won. To keep the sport open to amateur competitors (the "sportsmen" category), the rules were changed to create a different style of racing and different categories of competition.

In "bracket racing," instead of racing head-to-head to see which car is fastest, whole categories of drag racers now compete to see who can come closest to hitting the specified "elapsed time" (ET) designated for their class. Super Stocks, for example, try to cover a quarter-mile in 8.90 seconds, Super Streets in 10.90, and

so on. If the driver goes too fast, he "breaks out" and automatically loses the race. Sportsmen then enter their car in the class commensurate with its current performance capabilities. With more money, one can build a faster car and move up into a faster category of competition.

In bracket racing, the object is, thus, consistency as much as speed. Drivers do not want to go too slow nor too fast. During time trials, after each pair of drivers makes their run, the track gives each driver a printed time slip showing their reaction time, speed, and ET for each run. This is where the skill comes in.

Stormin' Norman is a huge grizzly bear of a man with a ready smile and affable manner. He smokes and has an enormous paunch. He is pulling the carburetor off his super stocker when we approach. He tells us he is putting in bigger jets because the air is stagnant today, dead still, not rich in oxygen. He needs the bigger jets to boost his speed. Last week, on the other hand, his car was running too fast...so he threw in an old set of sparkplugs to slow it down. Later in the day, he will change the tires on his car. As the day wears on, more rubber gets laid down on the track, hence the cars get better traction, hence the need to move to a smaller set of wheels to stay within the bracket. Celebrating the cultural identity of blue-collar America, drag racing is a social practice with its own standards of excellence.

Norman is a sportsman. He estimates that he has put about \$50,000 into his car over the years, as he says, at "about \$2,000 a pop." He races because he loves it. It is part of his life. He is able to afford it financially through the help of an informal network of friends in the auto business who supply him with parts and equipment at discount prices. His friends say it is good for business. "It's funny, you know," Norman remarks, "people in the mid-West will buy things just because a car wins a race."

Norman knows about sponsorships. An oil company offered to supply him with a year's worth of oil. He said he would be happy to wear their sticker, but he would prefer the cash. He grins and tells us he uses a different type of oil. "Drag racers," he laughs, "have always been rebellious."

Up the road, Janet Jackman is one of the few women drivers here today and the only one entered in her Super Stock class. She wears a gold chain with crucifix around her neck, a midriff T-shirt, and skin tight jeans. She smokes as we talk.

Janet has been racing since she was sixteen when she “got so fast [she] had to get off the road.” She started going to the drags with her brother to race street stocks then. Now she’s 25 and racing is definitely in her blood. At 18, she left her husband and pets behind to come to California and race. She wants to have kids and settle down someday, but she has to get this out of her system first. “The faster you go,” she declares, “the faster you want to go.”

Janet knows about the labor and love that goes into building a competitive machine. Her car has been customized to fit her smaller frame. The roll bar and seat have been re-mounted, the shift box raised to match her arm length. She knows about sponsorships too. Her car is sponsored: “Shirley’s HairStyling Salon” is emblazoned across the side. Shirley, it turns out, is her mother, who bought Janet a set of racing tires, thus becoming Janet’s official sponsor. Janet had some friends of hers do the paint job. They did it free of charge, asking only that they might detail their name on Janet’s roof side panel in return.

Down at the other end of the pit area, we meet Greg Carrillo. Greg is a very neat, well-groomed and handsome young man. He has one, and only one, sponsor—Coors.

Greg races in the relatively-speaking low-cost Super Comp dragster division. While most of his fellow competitors are getting by like Norman and Janet, Greg has garnered a total sponsorship. His dragster is painted gold and black and labelled “Coors Extra Gold Draft.” His truck and trailer rig are painted in the Coors Extra Gold colors. His motor scooter (a common vehicle for getting around the track and pit area) is painted in Coors’ colors. His polo shirt and shorts are labelled Coors. The strap for his sunglasses is marked Coors. His trash can, even his shoes, are engraved with the Coors logo. He hands us some slick promotional photographs.

During the course of our conversation, Greg tells us that his dragster and trailer alone cost \$100,000. The polo shirts that the crew members wear cost \$150 each. “See this awning,” he points up, “it cost \$3,500. \$3,500 and I’m outdoing Budweiser. They probably paid \$20,000 for all those billboards. Nobody sees them. But everybody notices this.” And it is indeed striking. Unlike the average two-dimensional flat awning, the shiny Coors awning is constructed with an A-frame protruding upwards. The tent-like construction vastly increases its visibility from ground level. The gold lace trim highlights its showy appearance.

Greg boasts that he is not like “all the rest of those gearheads,” all greasy and absorbed with their cars. Unprompted, he volunteers, “I’m here to sell beer.” When we josh that he must enjoy racing, he replies without hesitation, “I’m here to sell beer. That’s all I want to do.” He mentions that, in addition to covering his capital expenses, he is paid by the number of appearances he makes. He also makes plain that Coors did not approach him, but he had had to pursue Coors vigorously to gain their sponsorship.

## **At a Nearby High School**

A couple of days later, we talk to auto shop students at a nearby high school about the event. Only a handful had been to this particular race, but virtually all have been to Sears Point many times, the weekly Wednesday night amateur bracket racing being particularly popular. Racing and cruising are popular pastimes in this sleepy rural one-movie house town. Typically, “if someone comes up next to me at a stop light and revs their engine, I’m sorry but I can’t ignore it.”

Auto shop is an elective and most of the students see the skills they are learning as a hobby. Working on cars is okay—and some will go on to get their auto mechanic’s certificate—but mainly they are taking the class because they do not like the idea of paying for auto repairs. They are not like the “snobs who get their daddy’s car handed to them all paid for and everything.” They sneer at the snobs who knock them for working in all that grease. They call them suckers for having to pay for repairs. Several of these kids come from second and third generation racing families.

Commemorating the cultural transmission of a way of life, one young teenager describes her grandfather’s and great uncle’s love of racing “rails” (dragsters), as well as her father’s and mother’s rapture with racing even before they met. Tracy practically grew up at Baylands (a dragstrip in Fremont, CA). All twelve of her family members would go every weekend, mom and dad would race, and the rest of the family would crew the pit. Rival teams called them “mickey mouse” because they were always piecing their dragster together with baling wire when things broke down. They stopped competing when things got too expensive. Tracy’s eighteen year old boyfriend now races sprint cars.

“The only way to make money,” Tracy says, “is you go after sponsors for \$100, \$200, you just keep asking.” “Who usually spon-

sors the cars?" "Anyone willing to pay, I mean, Budweiser, Winston, anyone." What does she think about Budweiser sponsoring race cars vis-a-vis the problem of drinking and driving? Tracy has "no problem with it." Another student chimes in, "I mean, Budweiser sponsors everything." Tracy laughs, "I mean to me, if you take the typical scene of a backyard mechanic working on his car, I mean automatically in my mind, I see . . . a beer, tools, grease, a car, I mean, it's all right there." Even in the heart of the most highly touted wine country in the world, beer has been embedded into a way of life.

### **Event Five: NASCAR Racing (Weekly Event), San Jose Speedway**

The San Jose Speedway is an oval, dirt track attached to the San Jose Fairgrounds. Sprint and stock car racing takes place here every Saturday night, April through September. We go to check out the average, regularly scheduled, non "sponsored-special" event held at this track—and hundreds of others like it—in small, suburban waysides where races are run weekly every Saturday night.

Inside the fairgrounds, we can hear the roar of sprint cars as we approach the imposing coliseum-like facade of the race track. The entrance is marked by a huge (20' × 30') deep blue billboard with yellow lettering "Camel GT." The arena looks like an old semi-pro ball park, but cut in half. The grandstands face the track from one and only one side.

Inside the dim, musky-smelling concrete lobby area are the usual concession stands: at one end, burgers, burritos, and cokes, and at the other, souvenir T-shirts, jackets, caps and confederate flags. The three, free-standing kiosks in the middle all sell beer, two Budweiser stands and one Coors. Both county sheriffs and private security personnel are making their presence known, patrolling the lobby area. We bypass appeals to join the booster club, buy a program and go inside. The program vendors are wearing Winston windbreakers. During the course of the evening, by chance we notice six fans wearing "Budweiser Racing" jackets. The jackets are on sale for \$60 at one of the souvenir booths. Another almost too obviously crass T-shirt on sale reads: "If you ain't got dirt in your beer, you ain't racing" with a comical picture of a dirt racer wildly careening about with an open beer in his hand. It is not put out by the beer companies; it does reflect the spirit of the affair.

Before the start of the elimination races, a watering truck hoses down the dirt. The huge tank on top is painted to resemble the Coors Silver Bullet beer can. The lone two billboards facing us from across the track are Coors'. The time clock has the Camel logo. A local country music radio station plays over the PA system. The crowd consists of people of all ages, with many high school teens out on dates or in small groups of the same sex. There are few people of color, surprising given the large Latino community in San Jose. Everyone looks worn, like they know what it means to put in a hard day's work. When the national anthem begins, people rise and solemnly place their caps over their hearts.

The announcer tells us about the many exciting events planned for the evening. Each program contains a "Race-O" card (like Bingo) and everyone should be sure to listen for their numbers. The first to get five in a row will win a ten dollar jackpot. Then he asks everyone to "Turn to page eight in your programs." Turning to page eight, we find a full page ad for Coors. If the page is stamped with a "happy face," first prize is \$100 dollars worth of free auto parts. If it is stamped "WOO" (for "World of Outlaws," a sprint car racing organization), second place is a free dinner for two at a local restaurant. Third through fifth prizes are free Coors caps.

What is most striking about this announcement is that no one reacts as if this is out of the ordinary. It happens all the time. A beer maker headquartered in the mountains of Colorado directs his agents to make everyone from this bedroom community located hundreds of miles away, everyone who happens to be out on a Saturday night cheering on their friends and local heroes, turn to page eight and stare at a full page ad for Coors ostensibly to see if they are fortunate enough to be the lucky winner. The brewer's reach is breathtaking. Before the eight o'clock starting time, the two fellows sitting next to us have finished three beers apiece.

The sprint cars themselves are midget racers that spray up a wave of dirt clods as they spin around the turns. They are equipped with slanted roof-top wind wings with the names of a wide variety of local sponsors displayed on them. None have beer companies for sponsors. Why sponsor a car when you can sponsor the whole track? The heats blur into this monotonous drone, punctuated only by the occasional spin-outs and wrecks. After a particularly bad crash late in the evening, an ambulance is called on to take the driver away. We learn the next day in the paper that the 31 year old driver was killed. The news account neglects to mention that the evening's event was made possible through a sponsorship grant from the Coors Corporation.



## Teen Perceptions

We talk to some teenagers at another high school auto shop class. It is near the end of the year and the students are talking excitedly about their plans after graduation. One young man has just enlisted in the Army. He leaves in August, but most of the others are waiting to make up their minds about what they plan to do. There is only one female in the class.

The students are happy to talk to us about cars. "God, I think," one sputters, "I mean, like, cars are more important to a guy than their high school." About three-quarters of the twenty-four students in this class say they own their own car. Racing on the beach and cruising downtown Santa Rosa (a town some distance away, but a necessary trip since cruising is prohibited in their hometown) are popular pastimes.

We ask them what they think about sponsorships and the advertising that the beer companies do at the local arenas and race tracks. "Well, they wouldn't spend the amount of money that they do on it, I mean, pay all those endless bucks to sponsor those race cars that say Budweiser all over them unless it was working," a vocal student ventures. "Oh, it's definitely working. I mean, they research that stuff so much before they do it . . . because they make a lot of money from it. I bet what they spend on a race car during a given year, they probably make a hundred times that in sales."

"It's ridiculous," another student interjects. "I mean, like, the sponsors have become so big, you no longer even know what the event is, like the 'A, T, and T Classic' or the 'Budweiser International,' well, what was the event? 'Oh, it was the Budweiser International.' I mean, it's so linked with the event." "Does that seem all right to you?," we ask. "I don't know, you're so used to seeing Budweiser sponsor the program, you know, you don't even think about what they're doing. I don't know, I mean, it sells their product. I mean, I don't think it's that good."

In the end, whether the industry can (or cannot) convince itself that sponsorships increase sales or whether the scientific community can (or cannot) finally deliver the irrefutable evidence to demonstrate that this marketing technique has a significant effect on youth, this last student's remarks raise one of the more disturbing aspects about the rise of sponsorships as a marketing tool: We let the beer and tobacco companies get away with it.

What are young people supposed to think when society does nothing to prevent these corporate powers from doing something

that young people themselves see to be an effective and presumably successful approach to selling them on beer? What does it tell young people when nobody acts to take simple measures to protect them from being exposed to intentionally laid designs? What they learn is that no one has any objections to making beer a part of this way of life. What they learn is that selling beer is more important than setting limits on what is acceptable for companies or people to do. Small wonder that they then show so little concern about protecting their own health or that of those around them when they get behind the wheel.



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## **VI. CONCLUSIONS AND RECOMMENDATIONS**

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This report critically examined the role of the beer industry in a promotional method fraught with problems. Evidence has been presented to show how the beer industry painstakingly designs motor sports sponsorships to embed its product into the cultural practices of a portion of a population at elevated risk for heavy alcohol consumption and problems—especially drinking and driving. Government reports were cited that have found the leading cause of death for teenagers—more than 4,000 annually—remains the traffic crash. There is also evidence suggesting that beer drinkers more frequently drink to intoxication and subsequently drive than do those with other beverage preferences. Beer is the beverage of choice for young blue-collar males, and thus they have become an increasingly important target group for the brewers.

The problems associated with the conjunction of drinking and driving in this group and the brewers' increasing resort to motor sports sponsorship as a marketing strategy designed to reach this at-risk population is the justification for the present study. We looked carefully at the marketing practices involved in using motor sports to increase sales to blue-collar youth using qualitative research approaches. Primary data sources included observations at selected motor sports events, and interviews with youth, involving focus group techniques. Secondary data sources were also important, especially trade magazines produced by the alcohol industry and its marketers.

Analyses of the data revealed the ways that beer companies have refashioned the motor sports environment to further sales. Consistently we found sophisticated deployment of powerful marketing tools in sponsoring and staging events that were well attended by blue-collar youth. The case studies illustrate the way such marketing techniques appeal to all five senses. Moving beyond the fleeting images of the television screen, the breweries operate off screen to reach audiences interested in racing and other motor sports in an extremely intimate and involving way. Young people grow-

ing up in the car culture of the working class are one of the major components of this audience.

Evidence marshalled in this report suggests that the motor sports sponsorship methods being honed by the beer companies reinforce an unconscious association between beer and one of the most cherished symbols of this cultural group—the car, particularly the fast car. We find that the industry spent upwards of \$40 to \$50 million on motor sports sponsorships last year (the amount continues to climb), ensuring audience exposure to a myriad of carefully crafted “impressions” of product logos and related paraphernalia (caps, T-shirts, emblems, etc.) at the events. The study of trade magazines concerned with marketing documented the meticulous attention to detail and enormous effort invested in these promotional activities.

The look “from the inside” reveals the mechanics and motivations of the advertising strategies underlying motor sports sponsorship. The companies want their product to invoke the same feelings as are aroused by the prized qualities of a popular cultural icon—the automobile. Marketers, following standard advertising practices, aim to evoke all the feelings associated with the positive image (in this instance a hot car) when people see their product (beer). But it works both ways: after the blitz of product “impressions” linked with cars, trucks, and all manner of “mean machines,” when people pick up a beer, they have been conditioned to associate the product with speed and the automobile—a problematic and even lethal pairing, especially for youth.

Alcohol has an established place in America and drinking alcoholic beverages is a social custom valued by many. To maximize benefits and minimize unwanted consequences, increasingly leaders and communities are calling for consistent guidelines for the development of drinking environments that promote moderation, reduce risks to the public, and serve to prevent driving under the influence. In this spirit, in his last act as our nation’s highest public health official, Surgeon General Dr. C. Everett Koop called for a ban on sports sponsorships by the alcohol industry.<sup>106</sup> Many Americans have a strong belief that the annual toll of drinking-driving deaths is no longer tolerable. The implication of the present research is that motor sports sponsorships are one of the most glaring examples of the inconsistency of the messages sent by society to its youth.

As the Surgeon General’s Workshon on Drunk Driving found,<sup>106</sup> there is much that we can do to prevent these senseless

deaths, a tragedy visited most heavily on our nation's blue-collar young men. Putting an end to the systematic industry practices which strengthen linkages between beer and fast cars is a rational and overdue first step which this research supports. A ban on motor sports sponsorships would convey a powerful symbolic message to young people: alcohol and automobiles should *not* be mixed. Policies regulating the sale and promotion of alcoholic beverages are an indicator of society's concerns about the problems—casualties, mortality, family problems, problems on the job and health problems—that go along with careless and unregulated consumption, particularly when linked to driving. Eliminating these marketing practices would be a sign of respect for the investment we have in our children, our young people, and ourselves.

However, short of an outright ban at the federal level, which may not be politically feasible for some time, there are a number of actions that are appropriate and valuable for concerned citizens, communities, local and state governments, and the industry itself to take immediately. In many cases, concerned citizens (and youth) can assert their rights to healthy environments and appropriate regulations quite directly, by working with involved organizations and government. For example, in California, at county fairgrounds where some of the events are held, the State government itself is party to the agreements regarding the sponsorship of motor sports events occurring there (see Appendix B). The Department of Food and Agriculture, Division of Fairs and Expositions, must sign off on detailed advertising plans that provide distributors representing a beer company with exclusive rights at the event. Citizens working at the State and local government level can influence the contracting that occurs so as to ensure a more balanced arrangement, in which public health consequences as well as event promotion and business gain are taken into account.

As our observations at the selected events have indicated, there is considerable variation in the practices involving sale of alcohol and monitoring of crowds and parking areas at the events. Some of this variation, of course, is inherent in the different venues (e.g., speedway day or multi-day events versus coliseum or stadium nighttime events). But it is also apparent that community standards regarding appropriate promotional practices and beverage service were weakly, if at all, reflected in the motor sports events we visited.

In the example of the sponsorship contract between a beer distributor and the State of California included as Appendix B, it is notable that no responsible beverage service practices are specified.

Presumably, use of contracts that set limits on the amount or type of advertising, sales volume per capita based on adult attendance, and other parameters, might be explored. The standard should be: What does the community feel is an appropriate amount of beer advertising that should be permitted to confront audiences with large numbers of children and youth? We recommend, additionally, that communities and governmental agencies insist on firm contractual terms regulating sale of beer and beer-identified paraphernalia. As with other commercial hosts in on-sale establishments and special events, application of community standards might require such provisions as the following. The list gives examples of requirements that could be specified in contracts and monitored for conformity:\*

1. Require responsible beverage service training for servers and event managers (and assure that quality training is available).
2. Require that warning signs (especially those established by law, but potentially going beyond this baseline) are conspicuously posted.
3. Limit cup size (e.g., to 12 ounces where in many places it is currently 32 ounces).
4. Establish a limit of one cup per person per purchase (and post signs which remind patrons that secondary provision to minors is illegal).
5. Require serving of non-alcoholic drinks and free water.
6. Develop a policy and procedure for identifying and handling intoxicated patrons. Do *not* just send them to their cars.
7. Establish procedures for enforcing rules and require that adequate trained security staff are hired for each event.
8. Prohibit drinking by servers.
9. Strictly enforce the minimum age for alcohol servers of at least 25 years of age.

\*The list that follows expands upon and is adapted from (a) materials obtained from the HOME TEAM Project of The Public Health Foundation of Los Angeles County, Inc., City of Industry, CA; and (b) Appendix C of Mosher, J.F., Delewski, C., Saitz, R., & Hennessy, M. "Monterey-Santa Cruz Responsible Beverage Service Project (Final Report to the Centers for Disease Control, Grant No. R49/CCR 902303-02), San Rafael, CA: The Marin Institute for the Prevention of Alcohol and Other Drug Problems, October, 1989.

10. Require either enclosed areas (e.g., a "beer garden") for serving beer, or minimally, assigned non-drinking sections for families or those preferring not to drink or be with drinkers.
11. Require insurance for alcohol liability.
12. Require provision of cups for alcohol that are easily distinguishable from soda cups (e.g., different colors) to assist law enforcement and monitoring.
13. Require monitoring of parking areas to deter "tailgate" drinking prior to driving.
14. Limit the hours of alcohol service to ensure that service is stopped at least one hour before the event is over.
15. Require availability of low-salt, high protein foods and encourage their consumption.
16. Ensure adequate staffing to oversee event.
17. Prohibit sale or free distribution of beer-identified T-shirts, caps, and other paraphernalia to minors.

We have argued that the brewers' involvement in motor sports is inherently open to review by the public, and should be examined carefully in social policy terms. It is worth briefly considering the politics behind the industry assertion of the right to unrestricted marketing to audiences in this arena. In motor sports sponsorships, beer companies have chosen to target a demographic sector of the population whose status in society makes them particularly receptive to the brewers' agenda and vulnerable to its message. The populist sentiments of the blue-collar wage earner in American society make this group wary of government intrusion, regulation, and interference. Lower on the educational ladder, its members tend even more than white-collar workers to resent government, educators' and bureaucrats' pronouncements on what is good for their health. Often establishing their identity by siding against external controls, they find themselves strange bedfellows with a powerful interest group claiming to speak for their rights—the beer industry. This relationship allows the brewers to exert a powerful if subtle influence on their lives. For its part, as the tenor of the statements quoted in this report makes clear, the industry is able to cloak its activities in high-sounding principles of free market and free enterprise while expanding the range of promotional activities. In analyzing this system in power terms, we conclude that those whose freedom is fiercely asserted but have little empowerment within

society's halls of government—blue-collar youth—have been co-opted by corporate institutions with resources enough to harness or even *reshape* their passions and influence or even *condition* their choices.

According to the 1988 Standard & Poor's Industry Survey, *Food, Beverages & Tobacco Current Analysis*, "drinkers under 20 years of age accounted for more than twenty-two percent of total alcoholic beverage consumption in 1986." While in 1986 some of this drinking (among 18 and 19 year olds in certain States) would have been legal, from recent high school and college student surveys<sup>107</sup> it is evident that even with the legal drinking age in the U.S. now uniformly 21, substantial consumption is the rule and not the exception in this age group. Prevention of alcohol problems requires clearer societal messages and less ambivalent policy in this regard. This report documents the variety of ways that the widely supported governmental decision in the U.S. to prohibit sale and consumption of alcoholic beverages to those under 21 is seriously undercut by the unbridled promotional practices of the brewers, which indiscriminately target youth.

Conversely, the absence of regulations governing the way beer is marketed sends a powerful message to young people. We give license, we allow it, our permission signals our permissiveness. If social policies do not recognize the need for treating beer (or other alcohol products) differently from other foodstuffs, then it is easy to see how children and young people can be led to believe that it must not be very different from other products. If the government (which, we teach our children, in a democracy is considered the will of the people) fails to assert that there are many ways, times, and places in which it is not appropriate to sell alcohol, then perhaps we can understand how young people, too, might fail to observe crucial distinctions about the time, place, and appropriateness of beer drinking.

# **APPENDIX A**

## **A Representative List of Journals Reviewed**

### **Alcohol Industry Journals**

Impact  
Beer Marketer's Insight  
Beverage Industry News  
Liquor Store

### **Autosports**

Autoweek  
Rod and Custom  
Drag Racing Today  
Sports Illustrated

### **Marketing and Business**

Business Week  
Wall Street Journal  
Forbes  
Sales & Marketing Management  
Marketing & Media Decisions  
Sloan Management Review  
Standard Directory of Advertisers

### **Advertising Journals**

Advertising Age  
Journal of Advertising  
Marketing Communications  
Promote  
Adweek  
Journal of Marketing Research  
Public Relations Journal

### **Sponsorships Newsletters**

Special Events Report  
Sports Marketing News (now defunct)  
Motorsports Marketing News



# APPENDIX B

## Sponsorship Contract between County Fairgrounds and Local Beer Distributor

### STANDARD AGREEMENT — COUNTY OF CALIFORNIA

STATE OF CALIFORNIA  
FWS 2 REV. 6/81

STATE OF CALIFORNIA  
☐ STATE COUNCIL  
☐ DEPT. OF GEN.  
☐ CONTROLLER  
☐  
☐  
☐

THIS AGREEMENT, made and entered into this 28 day of Janua, 1989,  
by and between State of California, through its duly elected or appointed  
qualified and acting

TITLE OF OFFICE ACTING FOR STATE	AGENCY	INSTRUMENT
SECRETARY-MANAGER hereafter called the State	21-A DISTRICT AGRICULTURAL ASSN.	RT 1-89
Donaghy Sales, Inc. (Budweiser)		

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements and stipulations of the hereinafter expressed, does hereby agree to furnish to the State services and materials, as follows:  
Set forth services to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.

"The Term of this agreement is from March 1, 1989 through  
November 30, 1989  
February 28, 1990  
The termination date and contract amount may only be altered by  
formal amendment to this agreement.

Attached EXHIBIT "A" (pages 1-2); EXHIBIT "B" (pages 1-2);  
EXHIBIT "C"; EXHIBIT "D"; EXHIBIT "E"; and Nondiscrimination  
Clause; and are incorporated herein and made a part of this  
Agreement.

The provisions on the reverse side hereof constitute a part of this agreement.  
IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA		CONTRACTOR	
AGENCY 21-A DISTRICT AGRICULTURAL ASSOCIATION BY AUTHORIZED SIGNATURE <u>James A. Pacini</u> TITLE James A. Pacini, Secretary-Manager		CONTRACTOR OR OTHER THAN AN INDIVIDUAL, STATE ENTITY, A CORPORATION, PARTNERSHIP, ETC. Donaghy Sales, Inc. BY AUTHORIZED SIGNATURE <u>Drayson Marsh</u> TITLE Drayson Marsh, Director of Marketing ADDRESS 2363 S. Cedar Avenue, Fresno, CA 93725	
CONTINUED ON _____ SHEETS, EACH BEARING NAME OF CONTRACTOR		SPONSOR REVENUE	
Department of General Services Use Only Approved Dept. of Food & Agriculture by: <u>John C. ...</u> Director of Fair & Exposition		AMOUNT ENCUMBERED \$ <u>10,000</u> UNENCUMBERED BALANCE \$ ALL ENCUMBERED ENCUMBERANCES \$ ALL ENCUMBERED ENCUMBERANCES \$ I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. SIGNATURE OF APPROVING OFFICIAL <u>James A. Pacini</u> DATE 3-17-89 I hereby certify that all conditions for exemption as forth in State Administrative Manual Section 1300 have been complied with and this document is exempt from review by the Department of Finance. SIGNATURE OF APPROVING OFFICIAL <u>John C. ...</u> DATE 3-17-89	

EXHIBIT "A"

This Contract is between the 21-A DISTRICT Agricultural Association and Donaghy Sales, Inc. for the express purpose as a sponsor for the Madera Speedway Operation.

TERMS AND CONDITIONS

The Contractor shall be the MADERA SPEEDWAY SPONSOR for the 1989 Racing Season. Contractor is the exclusive beer/wine advertising sponsor and shall have the exclusive beer/wine cooler category advertising and promotion rights for the Speedway.

The period of the Contract shall be for regularly scheduled events as per the printed schedule of events. Should any additional races be added to the schedule by the State, the Contractor shall be given first right to sponsor or be included in the program.

All payments made shall be paid to the account of the State.

Contractor shall commit to the following:

CASH	SPONSORSHIP	DOLLAR
1. GENERAL SPONSORSHIP		\$ 15,000
2. ADVERTISING		10,000
Guarantees inclusion in Newspapers, Radio, and TV.		
Track Billboard (8'x 16') - 2 Track Billboards		
1 Additional		
Two (2) 30-Second Commercials During Races		
3. SELECTED RACES		3,000
Bill Vukovich Memorial		
4. POINT FUND		7,000
5. CHAMPIONSHIP RACE AWARDS		2,240
EACH WINNING DIVISION TEAM (4) WILL RECEIVE SATIN JACKETS		
AND CAPS (5 PER TEAM). EACH JACKET WILL HAVE DIVISION,		
YEAR AND "MADERA SPEEDWAY", AND BUDWEISER LOGO		
EMBROIDERED ON JACKET.		
TOTAL CASH CONTRIBUTION		\$ 37,240

NON CASH COMPENSATION

In addition to the cash contributions listed in the above, the following Merchandising/Co-Op Advertising will be furnished by the Contractor:

1. POSTERS	1,800
1,000 Poster schedules (Printed & Distributed)	
2. RADIO SPOTS	4,750
Convert 125 - 30 second Radio Spots KFRE, KKDJ, KYNO or equivalent.	
3. SKY DIVERS	2,900

1

10/2/89

Sky Divers appearances on:	
April 2 - Opener	
April 30 - Winston West	
July 1 or 4 - July 4th Celebration	
June 24 - NASCAR South West Tour	
4. OUTDOOR ADVERTISING	7,500
Agree to have (2) 30 Sheet Locations with Speedway Monthly Schedule	
5. SMALL SCHEDULES	1,510
Will print 5,000 to pass out at Speedway	
TOTAL NON CASH VALUE	<u>18,460</u>
	-----

Contractor agrees to have the total payment of \$37,240 to be due and payable upon signing of this contract.

THE STATE HEREBY AGREES TO PROVIDE THE FOLLOWING:

1. Include Contractor in all advertising during the season.
2. Allow Contractor's Billboard to be placed in and about the track pursuant to Exhibit "B".
3. Allow Contractor to place banners and posters in and about the track including one (1) Budweiser banner at front of grandstands as you walk toward the track (walkway).
4. Allow Contractor to be included in weekly mentions by the track announcers.
5. Allow Contractor to be included in weekly sponsorship of the Bill Vukovich Memorial Race and the Harvest Classic Race.
6. To have Contractor's name on all trophies of non-sponsored divisions and championship trophies.
7. Allow Contractor to be the exclusive advertising sponsor pursuant to EXHIBIT "B".
8. Grant Contractor a right of first refusal to provide additional advertising sponsorship pursuant to EXHIBIT "B".

EXHIBIT "B"

AGREEMENT RT 1-89

I/We the undersigned hereby agree that Donaghy Sales/Budweiser/Bud Light/Dewey Stevens shall be the exclusive beer/wine advertising sponsor and shall have the exclusive beer/wine cooler category advertising and promotion rights for the Madera Speedway Raceway Area to commence March 1, 1989 through February 28, 1990 at the Madera District Fairgrounds. The undersigned further agrees to allow the following placement of Budweiser/Bud Light advertising during the event.

1. Three (3) Budweiser 8' x 16' billboards on the race track facing the audience.
2. One (1) Budweiser 5' x 25' billboard on the grandstand roof facing track.
3. One (1) Budweiser sign on the track in front of the grandstand for the Budweiser "Winner Circle".
4. All television and radio commercials will advertise Budweiser or Bud Light.
5. All media copy must be approved by Donaghy Sales.
6. Budweiser/Bud Light logos will be placed prominently on all posters and flyers.
7. All sponsorship consideration will be held confidential.

It is agreed that there shall be no advertising of any competitive beer/wine cooler brand in any form, visual or auditory, directly or indirectly, permanent or mobile, allowed at any time in the Speedway during the term of this contract without Donaghy Sales' and Madera District Fair's joint approval.

In addition to the foregoing, Donaghy Sales will be granted a right of first refusal to provide advertising/sponsorship for all other events sponsored by the Madera District Fairgrounds, i.e., July 4th. Madera Fair, etc., and held at the Madera District Fairgrounds during the period for the duration of this Contract. In this regard, Donaghy Sales, Inc. will have 30 days to accept a written advertising proposal from the undersigned for each such event and/or to match any other advertising proposal from a third party acceptable to the undersigned. For clarity and to avoid any misunderstanding, this provision requires the undersigned to give Donaghy Sales the opportunity to match any acceptable third-party advertising proposal during the term of said right of first refusal.

In consideration of the foregoing, Donaghy Sales will provide Madera Speedway with the sponsorship contribution as outlined in the February 26, 1988 presentation and approved by the Madera District Fair Board.

DATE: 2/23/89

DONAGHY SALES, INC.

ORGANIZATION: 21-A District Agricultural Association

BY: Drayton Marsh  
Drayton Marsh

BY: James A. Pacini  
James A. Pacini

TITLE: Director of Marketing

TITLE: Secretary/Manager

D-2

EXHIBIT "C"

DECLARATION

On behalf of the Company identified below ("Recipient"), I hereby certify that I understand that Anheuser-Busch, Inc. and/or Donaghy Sales, Inc. does not condition its donation to Recipient or the purchase of any advertising, display or distribution services from Recipient upon Recipient's requiring a retailer to purchase malt beverages sold or offered for sale by Anheuser-Busch, Inc. and/or Donaghy Sales, Inc.

NAME: James A. Pacini  
(Print)

TITLE: Secretary/Manager

COMPANY: 21-A District Agricultural Association

ADDRESS: P.O. Box 837  
Madera, CA 93639

DATE: Feb. 28, 1989

SIGNATURE: James A. Pacini

# NASCAR SPEEDWAY 1988 SCHEDULE (Continued)

APR 8-12	MANCHESTER MALL CAR SHOW	
APR 10 SATURDAY	PRACTICE...ALL CLASSES	FREE FRONT GATE
APR 12 SUNDAY	S/M L/M MIDGETS	BUD LIGHT OPENING CLASSIC
APR 19 SUNDAY	S/S L/S M/S	STOCK CAR 50
APR 16 SUNDAY	S/S L/S L/M	
APR 23 SUNDAY	NO RACING	
APR 30 SUNDAY	WINSTON WEST. S/S	NASCAR WINSTON WEST
MAY 7 SUNDAY	S/M L/M	
MAY 13 SATURDAY	ENDURO 200	LUCKY 13 RACE
MAY 20 SATURDAY	S/S L/S S/V	
MAY 27 SATURDAY	S/M L/M MIDGETS	VUKOVICH
JUNE 3 SATURDAY	VACATION	
JUNE 10 SATURDAY	VACATION	
JUNE 17 SATURDAY	S/M S/S	SUPER SATURDAY
JUNE 24 SATURDAY	NASCAR S/W TOUR L/S	BUD LIGHT WEST
JULY 1 SATURDAY	S/M MIDGETS WRA	PRODUCERS FIREWORKS
JULY 4 TUESDAY	ENDURO 200	FOURTH OF JULY
JULY 8 SATURDAY	NO RACING	
JULY 15 SATURDAY	S/S L/S L/M	
JULY 22 SATURDAY	S/M L/S M/S	
JULY 29 SATURDAY	S/S L/S L/M	
AUGUST 5 SATURDAY	S/M L/M S/V	
AUGUST 12 SATURDAY	ENDURO & DEST. DERBY	HEAT OF THE NIGHT
AUGUST 19 SATURDAY	S/S L/S L/M	
AUGUST 26 SATURDAY	S/M L/M MIDGETS	HARVEST CLASSIC
SEPTEMBER 2 SATURDAY	S/S L/S M/S	STOCK CAR SPECIAL
SEPTEMBER 23 SATURDAY	S/S L/S M/S	STOCK CAR FAIR CHAMPIONS
SEPTEMBER 30 SATURDAY	S/M L/M MIDGETS	OPEN WHEEL CHAMPIONSHIPS

S/M - Super Modifieds-Sanction SMRA  
 L/M - Limited Modifieds - Sanction SMRA  
 S/S - Super Stock - Track Rules  
 L/S - Limited Stock - Track Rules  
 S/V - Super Vee - Open Wheel

WRA - Old Time Midgets Exhibitions



## **APPENDIX C**

### **Field Events Attended**

1. Budweiser California Indoor Motocross Championships, Cow Palace, San Francisco
2. Coors Extra Gold Motor Sports Spectacular, Cow Palace, San Francisco
3. John Borba Presents' Motorcycle Racing on Ice, The Cow Palace, San Francisco
4. The "Budweiser 200" Stock Car Racing, NASCAR Winston West Series, Madera Speedway, Madera
5. The SCCA Trans-Am Classic, Sear Point Raceway, Sonoma
6. The NHRA Winston Points Meet, Pacific Division, Sears Point, Sonoma
7. NASCAR Racing, Sprint and Stock cars, (Weekly Event), San Jose Speedway, San Jose
8. High School Drags, (Annual Event), Sears Point Raceway, Sonoma
9. NASCAR Winston Cup Meet, National Series, Sears Point Raceway, Sonoma
10. SPORT Drags, Sears Point Raceway, (Weekly Event), Sonoma
11. Demolition Derby, Petaluma Fairgrounds Raceway, Petaluma
12. Low Rider Car Show, Moscone Center, San Francisco
13. The "Coors Light 100" Stock Car Racing, Placer County Speedway, Roseville
14. NHRA Winston Drag Racing, Sears Point Raceway, Sonoma

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