The Relationship between NASCAR and Sponsorship

Nicole Stout
Mentor: Dr. Soonhwan Lee, Sports Management
Motorsports Engineering, Purdue School of Engineering and Technology, IUPUI
Indiana University-Purdue University, Indianapolis

ABSTRACT

The purpose of this study was to explore how the National Association for Stock Car Auto Racing (NASCAR) teams rely on the monetary support of sponsors, how sponsoring businesses’ receive a return on their investment with NASCAR, and how fan loyalty affects NASCAR’s business. Without sponsors within the sport, no products of NASCAR would exist. The cost of running a successful race team, almost $400,000 per event, is the cause of the need for sponsors in this sport business. Major costs cover, but are not limited to, drivers, engines, crewmembers, and tires. Sponsoring businesses’ receive a return on their investment with their NASCAR partnership. When a business decides that they want to sponsor a team, there are different sponsorship packages from which to pick. Each package has different logo placement options and pricing. Fan loyalty effects NASCAR’s business. NASCAR promises a large return on investment for their sponsorship partners. Most return on investment is coming from television viewership. Related research that has been studied indicates that NASCAR fans are some of the most loyal fans in the sports industry. Fans frequently show their loyalty through purchasing and recommending sponsored brands. The study also found that NASCAR fans are able to identify a brands partnership with NASCAR more frequently than with another major sport, including the NFL.

HISTORY OF NASCAR

- NASCAR became an official corporation on June 19, 1921
- Founder: Bill France
- First Stock Car Race: June 19, 1949
  - Charlotte Speedeway in Charlotte, North Carolina,
  - 13,000 fans
- February 22, 1959: First Daytona 500
- First televised NASCAR event: 1979 Daytona 500
- Today:
  - NASCAR consists of:
    - 3 national series
    - 4 regional series
    - 2 international series
  - 1,200 races a year
  - 100 different racetracks across North America

MONETARY SUPPORT

<table>
<thead>
<tr>
<th>Sponsorship Name</th>
<th>Cost</th>
<th>Logo Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Associate Sponsorship</td>
<td>$500,000 – $2 Million</td>
<td>Rear-Quarter Panels, Deck Lid, One B-Post</td>
</tr>
<tr>
<td>The Major Sponsorship</td>
<td>$2 Million – $5 Million</td>
<td>Rear-Quarter Panels OR Deck Lid, Crew Uniforms</td>
</tr>
<tr>
<td>The Primary Sponsorship</td>
<td>$10 Million – $20 Million</td>
<td>Hood, Rear-Quarter Panels, Lower Rear-Quarter Panels, B-Posts, Equipment, Crew Uniforms, Color Scheme</td>
</tr>
</tbody>
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RETURN ON INVESTMENT: FORD MOTOR CO.

Through their NASCAR partnership in 2012, Ford sold more than 5,500 vehicles to official NASCAR partners, as well as made a deal with NASCAR to be the sport’s official fleet of vehicles. Ford made another deal in 2012, in which $5 million profit resulted from a partnership that started though NASCAR.

RETURN ON INVESTMENT: MARS, INC.

Mars, Inc. has a four to one return on investment from their NASCAR sponsorship. Through a study done at Mars, Inc., it was found that 76% of NASCAR fans buy Mars, Inc. products just because they sponsor the sport.

FAN LOYALTY

- 40% of NASCAR fans are loyal to buying sponsoring business’ products
- 33% of NASCAR fans participate in sponsor promotions that use NASCAR to push the campaign
- 55% of NASCAR fans feel positively about brands that sponsors NASCAR
- 75% of NASCAR fans would recommend a NASCAR sponsoring brand to family member or friend.
- 51% of NASCAR fans think that when they buy sponsor’s products, they are contributing to the sport
- NASCAR fans are 3X more likely to buy products or services of the companies that are involved in the sport than other companies that or not

REFERENCES