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THE BONFIRE MANAGERS

A Critical Examination of Event Marketing

by

BERNARD J M GAUTHIER, B A

A thesis submitted to

the Faculty of Graduate Studies and Research

in partial fulfilment of

the requirements of the degree of

Master of Arts

Department of Mass Communications

Carleton University

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Abstract

The increasing use of event sponsorship by marketers is examined, drawing principally from the critical cultural studies tradition. Event sponsorship is positioned as a marketing tactic which allows marketers to both reach select groups of consumers and enhance their image by way of association with these events, groups and causes. Events are described in terms of their impact on individuals, their crowd dynamics and as sites where communities gather and deepen their inter-relationships. A history of event marketing suggests that this tactic belongs to a new era of marketing aimed at long-term, interactive relationships with consumers. A case study explores the use of event marketing by a major corporation to suggest that personal influence and competitive pressure affect the decision-making process. Finally, event marketing is positioned as contributing to corporate hegemony at a time when a new social consensus is needed.

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As a graduate student who is a parent and who works full-time, I have had cause to make demands on many people in the course of completing this thesis. Professor Chris Dornan, as both teacher and thesis advisor, offered constant guidance and insight -- always working around my schedule and providing the encouragement necessary to help see me through a challenging year. My employers and colleagues showed considerable flexibility and understanding whenever my academic life interfered with my professional responsibilities. Most of all, though, my wife Sheila and son Daniel are to be commended for their unfailing understanding, support and patience through many too many nights spent huddled by a computer or buried in a stack of books.

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Chapter One: Introducing event marketing

Introduction

There was a time when hockey games and figure skating championships featured rink boards with no other defining feature than the black marks left behind by errant slapshots; when tennis championships and road car races were named after the city that hosted them and nothing more; and when patrons of a cultural festival came to laugh, to cry, to be enraged and delighted and little else. All that has changed and the events that draw us together now feature the powerful, inescapable presence of corporate sponsors. The Players Tennis Challenge, The Molson Indy, the SunLife Skate Canada Nationals and the Bell Canada Just for Laughs Festival -- all are examples of the event marketing phenomenon.

This thesis is an exploration of the phenomenon of modern event marketing, drawing from a variety of communications scholars to fully understand the process of sponsorship and the impact of sponsorship on individuals. It is also a critical analysis of what the growth of event marketing says about society, about consumers' relationship to goods and to advertising messages and, finally, about the changing roles of governments and corporations in a rapidly changing world.

Many of the examples used to define event marketing (it is a process far too emergent and evolving to define by any other method) are drawn from personal experience. For the past ten years, I have been employed in the marketing industry and for seven of those, I have

been directly involved in the practice of event marketing as a buyer, a seller and a producer. I have seen events succeed and I have seen many fail. I have seen organizations radically change the way they operate in order to meet the very new needs of corporate sponsors. I have seen other organizations lose their voice and their place in the social landscape for lack of funds in an era of rapidly dwindling government funds. Whether one applauds the new responsiveness of organizations who shed their cobwebs and meet the challenge of a new financial model or laments the loss of events that exist purely to meet aesthetic, cultural or spiritual needs, one cannot deny that the process of event marketing is powerful, with reverberations felt far beyond the entrance gates and grocery store aisle.

Intent of the Chapter

My intent with this chapter will be to introduce the reader to the practice of event marketing, to the various actors engaged in the practice and to the increasingly dominant place of event marketing within that larger sphere of activity we call marketing. In short, it is my hope that, having read this chapter, the reader will understand how and why it was that the Canadian figure skating championships might become the SunLife Skate Nationals; who plays what role in the process; and what impact the decision of SunLife marketers might have on the more traditional advertising industry.

Having introduced the reader to this rapidly growing field, I will argue that the phenomenon of event marketing is worthy of critical analysis. My argument at this stage

will be based on a number of observations about events as sites for individual and social communications and about event marketing and its impact on the entertainment and marketing industries.

Event Marketing Defined

To begin understanding event marketing, one has to understand that, as its name implies, this is a set of activities whose objectives place it firmly in the realm of marketing. By marketing, I refer to those practices which organizations engage in with a view to produce goods and services with certain features and at a price that will be desirable to a specified segment of the population; consequently, to bring those goods, services, features and prices to the attention of that segment of the population; and, finally, to make those goods and services physically available to interested members of the segment in order to effect an exchange (usually goods and services in exchange for money) and realize a profit or operating surplus (depending on the nature of the organization). I stress marketing here because the nature of event marketing is such that many will confuse it with corporate philanthropy, a fact its very practitioners will be quick to deny, lest any unrealistic expectations be created. As one Kellogg executive put it: "In the end, it all has to do with image. You are giving your dollars, you want them to work both ways."¹

¹ Mark Stevenson, "What's in it for me?", Canadian Business, December, 1993, p. 58.

Event marketing is a marketing strategy. The right event can bring together the right people in the right context to create favourable conditions for promotion and sales. While it is true that marketing objectives and philanthropic needs sometimes intersect, the objective of any sponsor is to "move cases of soda and sell boxes of candy".²

By event marketing I mean the emerging practice of a corporation using its own funds to sponsor a particular event which will draw together a particular group of people. The organizations organizing these events have so far tended to fall into five major categories. In order of importance, these are sports (professional and amateur), pop music and entertainment, festivals and fairs, charitable causes (hospitals, medical research, environmental protection) and arts and culture (theater, opera, art galleries).³

Although its roots lie firmly in the sponsorship of live sporting events by alcohol and tobacco companies, event marketing is now dominated by packaged goods marketers and their counterparts in non-alcoholic beverages, beer, financial services, information services and automotive companies.⁴ Put simply, many of the world's most sophisticated marketing organizations have wholeheartedly embraced event marketing, as its rapid growth has evidenced.

² As described by Peter Wheeler, executive director of the Special Olympics, in Kate Fitzgerald, "Special Olympics wins over sponsors", Marketing, April 10, 1995, p. 2.

³ "Sponsorship Today: The Fastest growing Form of Marketing", (International Events Group: Chicago, 1993).

⁴ *ibid.*

To truly understand event marketing, one must understand the benefits derived by these varied sponsoring organizations. These benefits were well covered by Robert Copeland and Ron McCarville in an article in the November 30, 1992 edition of Marketing. They write.

Events possess several characteristics which assist in typical marketing efforts. First, client groups may be identified through their interest in selected events. This is especially important in today's fragmented marketplace.

Second, an event may magnify the impact of a given advertising message or promotional strategy by acting as an underlying theme within an entire marketing campaign.

Third, the tremendous variety of special events enables commercial enterprises to differentiate themselves and their products from competitors'.

Finally, event sponsorship enables corporate bodies to express interest in local activities and social issues. In this way, they can influence quality of life for their own workforce and enhance opportunities within the community.⁵

The first benefit listed above may be summed up in a single word: reach. Events can reach large numbers of people; NASCAR races will attract 3.4 million spectators in 1995⁶, while

⁵ Robert Copeland and Ron McCarville "Event Marketing Hits People Where They Live" Marketing Magazine, November 30, 1992, p. 18.

⁶ Chris Roush, "Red necks, white socks and blue-chip sponsors", Business Week, August 15, 1994, p. 74.

event marketing suggest that a new era of marketing, a new marketing strategy, is upon us? If so, what defines this new era and what does it contribute to our understanding of the emerging relationship between individual consumers and corporations?

Chapter four will present a detailed case study of event marketing at a major Canadian corporation currently competing in markets around the globe. This chapter will serve to shed further light on a number of the questions posed above, while introducing one new area of questioning which may be expressed as "who are the various actors in the event marketing industry and what role do each of them play in influencing the decisions ultimately taken by corporate sponsors?" Do corporate decision-makers engage in event marketing with a full understanding of the social and cultural implications of their actions, or are they driven by other concerns?

Finally, we will conclude by looking at a much broader level of power which corporations exercise through the use of event marketing to ask "how does event marketing allow corporations to contribute to the power relations of our current social order and the shared understanding of the role consumers, states and corporations should play in that order?" Does the process of gathering segments of the population in a ritual ceremony constitute more than the mere realization of the principle of market segmentation? Does the increasing occupation of community functions now occupied by events and marketing messages pose a threat to the role of genuine communities within the social order?

result, 550,000 teenagers participated in the taste tests and are now part of the largest database of teens in the country⁹

Events also distinguish themselves by taking hard-to-reach groups, gathering them together and placing them in a controlled environment -- one in which distractions to advertisers' messages can be carefully managed for maximum impact. Consider the newest sports arenas in Canada, for example. Vancouver's General Motors Place is described in a recent *Marketing* article as follows:

There are 300 signs in the this building, but you'd hardly know it. From the B C Telecom wall sculpture to the interactive GM weather station, sponsorship is woven into the very structure of the building.¹⁰

Likewise, Ottawa's Corel Centre (dubbed the Palladium until title sponsor Corel Corporation came forward with an agreement which will be examined in detail in chapter four) features a \$4 million score clock with three advertising panels on each face, one additional panel at each of the four corners and, of course, a giant video screen on each face. In addition, two 96 feet long "animation" panels will be used to display logos and advertising. This does not take into account the traditional rink boards, programs and dozens of backlit panels throughout the arena. All of this, according to the building's vice-president of marketing and communications, in an effort to find solutions to the challenge

⁹ Allison Rose, "Tasteful propaganda or harmless info?" *The Ottawa Citizen*, May 29, 1993, p. F7.

¹⁰ Michael McCullough, "Good Sports: Vancouver's General Motors Place", *Marketing*, October 9, 1995, p. 10.

of “attracting and keeping the attention of sports fans”¹¹ Are we to assume, from this quotation, that the game of hockey itself is now a mere distraction to the real purpose of the arena?

The second, third and fourth benefits as outlined by Copeland and MacCarville can also all be summed up in a word: image. Events carry an emotional impact. It is no accident that cultural events, sporting events and charitable events have been the most successful in securing sponsorship. The drama, thrills and pity which events can evoke is coveted by marketers eager to enhance their corporate image or uncover a new theme for their advertising. An event which effectively combines both sport and charity -- the Special Olympics for people with mental disabilities -- was described by its executive director as combining “the heat of sports marketing with the feel-good aspect of supporting the special Olympics.”¹²

Of course, much of event marketing’s power stems from the fact that events draw crowds. The intensity and excitement present in a crowd makes for what would seem to be an ideal environment in which to present marketing messages. Reflecting a propensity for impulse which will be closely explored in the next chapter, a telecommunications marketer made the following observation in justifying his firm’s presence at events: “Users make

¹¹ Sean Eckford, “Good Sports: Ottawa Palladium”, Marketing, October 9, 1995, p. 11

¹² Op. cit., Fitzgerald, p. 2

spontaneous decisions at events”¹³ The sentiment was echoed by the sports marketing manager for AT&T who explained that “events offer a relaxed, fun atmosphere, so consumers can be more susceptible to listening to our messages”¹⁴

Copeland and McCarville also allude to the potential for events to provide a theme around which the remainder of an organization’s marketing efforts may be focused This benefit draws on both the emotional content of events and the image boost which they can provide Pizza Hut, for example, leveraged its sponsorship of the NCAA basketball “Final Four” by way of a promotion which offered fans across the country a 44-page championship guide for 50 cents with the purchase of a pizza and drink, all supported by a nation-wide television campaign¹⁵ This is the “Age of Integrated Marketing”¹⁶, the editors of *Advertising Age* tell us And event marketing provides the glue which binds the integrated elements together for maximum visibility and emotional impact

An Example of Event Marketing -- The Transamerica CPGA Championship

Allow me to illustrate the points made above by way of example drawn from a major Canadian golf tournament which has been sponsored by Transamerica Life -- a mid-sized

¹³ “MCI Calls on Events to Reach Military” IFG Sponsorship Report March 8, 1993 p. 3

¹⁴ Jeff Jensen, “Streetball smarts” Advertising Age April 3, 1995, p. 33

¹⁵ Jeff Jensen, NCAA sponsors march into Madness of tourney” Advertising Age March 13, 1995 p. 26

¹⁶ “Events hot, getting hotter” Advertising Age, March 20, 1995, p. 12

life insurance company The sponsor and tournament organizers have ensured that the grounds are immaculate, the club house is freshly painted and ample refreshments are available to all -- a perfect environment in which to spend a summer day watching golf heroes perform

Once at the club, one can scarcely escape the logos Transamerica flags fly from the club house Transamerica banners hang at all major sites on course (club house, sign-up desk, parking lot entrance) Small replicas of Transamerica's pyramid-shaped head office building replace traditional tee-off markers and Transamerica's logo graces the 18 pin flags on the course

Attending the event are predominantly upper income males who are golf lovers. These people play and watch a great deal of golf They also tend to belong to a market segment which spends more on financial services than most (hence Transamerica's involvement as title sponsor) and they are largely businessmen who travel more and spend more on automobiles (hence Canadian Airlines and Infiniti's presence as associate sponsors)

At the close of the tournament, the winner thanks Transamerica's President publicly for the company's participation The golf club manager echoes the thanks. So does everyone else who steps to the microphone All around, Transamerica logos appear on caddie bibs and caps given out to the spectators

The television cameras record it all in preparation for TSN and RDS broadcasts across Canada. The Transamerica logos on every surface are matched by on-screen logos accompanying title graphics, statistical summary graphics and golfer head and shoulder shots. Finally, each hour of coverage features two special Transamerica commercials built around a golf theme.

Finally, two individuals among the crowd are there after having won the Transamerica CPGA Contest. The contest was open to all Transamerica policy holders and featured entry kits mailed to thousands of homes across the country.

The case for Transamerica's sponsorship is clear. The events allow Transamerica to reach an important market segment by recognizing both that older adult males with higher disposable incomes are more likely to attend since they are more likely to be golf lovers and that those who do not fit the required profile, who do not have a high enough disposable income and who are not approaching retirement are less likely to attend since they are less likely to be golf lovers. The reach of this event, then, is perfect for Transamerica.

The event also features powerful images which fit well with the image a financial services company might want to project (the prestige of golf, the success of victory, the precision and balance of the game). The appropriateness of those images was confirmed by the television commercial which drew attention to Transamerica's sponsorship and began with the headline "strength, focus and balance" as qualities one might find in both superior

Similarly, Michael Schrage speculates that developments in cable technology will not only allow for more and more channels, but for the eradication of traditional advertising on these channels (all in return for a premium cable fee, of course)²⁸ What both articles point to is the realization by mass marketers that traditional mass media may simply not be up to the task anymore. Indeed, *Business Week* reports that Proctor and Gamble, long considered the consummate mass marketing organization on the globe, "worries that the flood of new media may wash traditional ad-sponsored programming away, leaving it no place to run its commercials."²⁹

Events, then, appear to address both concerns which marketers have with traditional mass media. On the one hand, events are perfectly suited to drawing a select market segment together by way of a mass medium. Events allow broadcasters to *focus* their efforts and deliver the narrow niches more and more marketers want to reach. At the same time, events offer an unparalleled way to reach consumers in a more integrated, more subtle way. Traditional commercials can be scanned over or fast-forwarded, perhaps some day they will be digitally filtered out as well. But the logo on the stage, the shoes on the athlete, the thanks and praise of charity recipients are part and parcel of the entertainment consumers tune in. They are, as Peppers and Rogers suggest, "integral advertising"³⁰--

²⁸ Michael Schrage, "Is Advertising Finally Dead? Ad Viruses, digimericals and memgraphics: The future of Advertising is the future of media", *Wired*, February, 1994, p. 124.

²⁹ Zachary Schiller, "And Now a Show From Your Sponsor," *Business Week*, May 22, 1995, p. 100.

³⁰ *Op. cit.* Peppers and Rogers, p. 126.

These were bold statements to be sure. Just as bold is the report that growth in expenditures on event marketing has outpaced growth in all other marketing activities in each of the last eight years, exceeding 10% growth in each of those years. In the United States alone, sponsorship expenditures have risen from \$1.75 billion in 1988 to \$3.7 billion in 1993 -- all while marketing budgets were being cut back in the midst of a recession.¹⁸

Why is sponsorship growing so fast? Because it works. And it works in ways traditional advertising cannot. For example, J. Rajaretnam, PhD, from the Indian Institute of Management, measured levels of awareness for a brand of automobile tire (MRF) and compared them to levels achieved by MRF's two major competitors in India, Dunlop and Ceat. What made the study so enlightening was the fact that MRF concentrated the vast majority of its resources on event marketing during the four-year test period. By contrast, Dunlop and Ceat concentrated their resources on traditional advertising and did very little in the way of sponsorship.

The results as reported by Rajaretnam clearly point to the comparative advantages of event marketing over traditional advertising.

¹⁸ "Sponsorship: Today, the fastest growing form of marketing" (Chicago: International Events Group, 1992), p. 3.

MRF's top-of-mind awareness grew 450% between 1984 and 1987, while unaided awareness grew 78% and awareness grew 8%.¹⁹ During the same period, awareness of Ceat and Dunlop either declined or remained static.

Brand preference for MRF also jumped 450%. During the same period, brand preference for its competitors, both of whom relied on advertising, remained static.

Sponsorship had a much greater effect than product advertising on corporate image. While MRF's corporate image improved significantly, its competitors -- who used product advertising -- experienced a negligible percentage increase and even slipped on some image dimensions.²⁰

The author reported, however, that advertising outperformed sponsorship in the area of product image. This is in keeping with traditional advertising's tendency to focus on product, rather than corporate, attributes. As I shall argue later, however, this advantage which advertising holds is growing less important as the consumer society and technology progress together.

With results like these being reported, the demand for properties which corporations can sponsor, not surprisingly, is growing. So too, however, is the supply of properties

¹⁹ Top of mind awareness measures the percentage of participants in a consumer survey who can identify the MRF brand when asked to list the first supplier of tires which comes to mind. Unaided awareness measures the number of consumers who were able to include MRF in a list of all the suppliers they can think of, without any prompting. Simple awareness measures how many consumers would attest to being aware that MRF was a supplier of a given product. The importance of these measures lies in the assumption that consumers looking for tires would turn first to the particular brand which was at top of mind, while perhaps considering those brands they can recall unaided.

²⁰ J. Rajaretnam, "The Long-term Effect of Sponsorship and How it Compares to Advertising", IEG Sponsorship Report, March 8, 1993, pp. 4-5.

available for sponsorship -- and at a much faster rate. As is often heard in corporate boardrooms when one presents a sponsorship opportunity, "it's a buyer's market out there." There are three main reasons for the growth in the supply of properties and each is worthy of individual attention: declining government funding for cultural, charitable and sport groups, the continuing fragmentation of the television audience, and the proliferation of private enterprises in the business of creating custom events for sponsors.

Government Deficits and Event Marketing Growth

Governments in the western world are facing mounting deficits and are cutting back on their traditional support of areas such as arts, charitable causes and amateur sport funding. As reported, for example, in Sport: The Way Ahead, a federal task force report on the future of amateur sport:

The total Fitness and Amateur Sport (FAS) program saw a strong increase in funding from 1970 to 1976 (actual and constant dollars), a plateau in funding between 1977 and 1979, a strong increase between 1980 and 1987 (mostly because of funding to the *Best Ever Programs*), then a decrease in funding from 1988 to the present. There is a trend over the most recent four years of decreasing funding for both actual and constant dollars.²¹

Fully expecting this trend to continue, the task force report presented the following recommendation:

²¹ Cal Best, Chair, Sport: The Way Ahead Task Force Report to the Minister of State for Fitness and Amateur Sport, (Ottawa: Ministry of State for Fitness and Amateur Sport, 1993) Appendix XI-1.

Individual sport bodies explore new financial models based on user-pay, proactive marketing approaches and a market-driven orientation, an expanded membership base through alliances with school programs and a recreation base enhancement, approaches to event management and increased links with the retail industry ²²

And the trend did continue. After two consecutive years of budget cuts totaling 25%, the federal government pared back the number of sports it supports from nearly 70 to 38. The message for the 32 sports cut off from funding is clear. find corporate sponsorship or perish

The need for new sources of revenue is not restricted to Canadian or even North American sport federations. In Asia, an increasing number of sport federations are eager to accept the overtures of event producers such as International Management Group (IMG) and broadcasters (Rupert Murdoch's Prime Sports channel). New soccer, cricket and badminton championships have been created and an entire professional soccer league has been started from scratch, providing eager sponsors with an ideal vehicle for reaching the world's largest untapped consumer market ²³

²² *ibid.* , recommendation #110

²³ Pete Engardio, "Sticky Wickets, but What a Future", Business Week, August 7, 1995, p. 73

Television Fragmentation and Event Marketing Growth

The second factor leading to the growth in events available for sponsorship is the increasing fragmentation of both television audiences and television broadcast networks. These two forces are inextricably linked. As we shall discuss later in the history of advertising, corporations are increasingly interested in reaching carefully defined segments of the population. This desire, coupled with technology which has made it possible to transmit 50 or 100 channels on traditional cable, has led to the emergence of niche television. The Sports Network (TSN) caters to males aged 18 to 34, YTV serves 5 to 18 year olds, while The Women's Network aims its signals predominantly to women. The line-up of advertisers for each network clearly reflects this fragmentation (i.e. Labatt beer, Nabisco Shreddies and Oil of Olay).

The traditional networks have reacted by creating programming for highly defined market segments. For reasons discussed above, events are often the best route to take in this process. The result is an increasing emphasis on event-based programming by traditional networks. Bidding wars for the Olympics, for NCAA basketball and football as well as for golf events bear testament to the increased demand for niche-friendly, event-based programming. CBS, for example, recently began offering national, prime time coverage to women's NCAA basketball -- a move many would have considered daring in the past. An article in *Business Week* summed up the reasoning behind CBS's confidence

Demographics show women's hoops are attracting well-educated family-oriented fans and, not surprisingly, more women (recall the people who make household buying decisions) ²⁴

Advertisers such as Gillette, Procter and Gamble as well as General Motors all took notice of what CBS and the NCAA had to offer and the inventory of available advertising slots sold out months before the first game went to air

Some networks no longer stop at providing coverage of existing events put together by traditional organizations such as sport governing bodies or arts groups. These networks now create customized programming by producing and managing their own events. NBC leads the way in this process, having created such television events as the Celebrity Golf Challenge, "Hoops" 3-on-3 basketball tournaments and the awarding of the Heissman Trophy. Similarly, ESPN formed a broadcast joint venture and participated in the organization and "intensive marketing of sport for the first time in cricket-crazy India". ²⁵

CBS took this relationship between events and programming one step further and created a series of events specifically designed to promote its fall line-up of prime time programming. For those shows geared to family viewing, the *CBS Eye on Family National Tour* was produced. To promote its sports properties, CBS undertook the *CBS College Tour* and the *CBS Sports Challenge Tour*. Each tour (a series of kiosks, guest

²⁴ Joan O. C. Hamilton, "The Hoopla Over Women's Hoops", Business Week, April 10, 1995, p. 46

²⁵ Op. cit. Engardio, p. 72

stars and parts of actual show sets) traveled to major shopping malls across the country, offering television sponsors a chance to bask in the warm light of events and offering CBS a chance to benefit from the ability of events to draw the select audience for which its shows were designed ²⁶

What is different here is that corporations are increasingly becoming event sponsors and advertisers at the same time. For one fee, and with paying a fee to only one producer, they can enjoy all the traditional event sponsor privileges (signage, VIP passes, product display) and television advertising, on-screen logos and, often, the opportunity for corporate executives to appear on camera.

Of course, technological developments in the broadcast industry did more than foster greater television coverage of events by traditional and niche networks. The introduction of converters, remote controls, VCRs and video games has also spawned a generation of zappers, fast-forwarders and joy stick pushers, raising serious questions about the ability of traditional mass media advertising to actually reach its intended audience. As Don Peppers and Martha Rogers summarized in the aptly titled article "Is Advertising Finally Dead?": "To the mass media advertisers, these developments spelled disaster." ²⁷

²⁶ From an advertisement entitled "We're Making Strong Family Connections" which appeared in Advertising Age March 13, 1995, p. 2.

²⁷ Don Peppers and Martha Rogers, "Is Advertising Finally Dead? Let's Make a Deal", Wired February, 1994, p. 74.

Similarly, Michael Schrage speculates that developments in cable technology will not only allow for more and more channels, but for the eradication of traditional advertising on these channels (all in return for a premium cable fee, of course)²⁸ What both articles point to is the realization by mass marketers that traditional mass media may simply not be up to the task anymore. Indeed, *Business Week* reports that Proctor and Gamble, long considered the consummate mass marketing organization on the globe, “worries that the flood of new media may wash traditional ad-sponsored programming away, leaving it no place to run its commercials.”²⁹

Events, then, appear to address both concerns which marketers have with traditional mass media. On the one hand, events are perfectly suited to drawing a select market segment together by way of a mass medium. Events allow broadcasters to *focus* their efforts and deliver the narrow niches more and more marketers want to reach. At the same time, events offer an unparalleled way to reach consumers in a more integrated, more subtle way. Traditional commercials can be scanned over or fast-forwarded, perhaps some day they will be digitally filtered out as well. But the logo on the stage, the shoes on the athlete, the thanks and praise of charity recipients are part and parcel of the entertainment consumers tune in. They are, as Peppers and Rogers suggest, “integral advertising”³⁰--

²⁸ Michael Schrage, “Is Advertising Finally Dead: Ad Viruses, digimericals and memgraphics: The future of Advertising is the future of media”, *Wired*, February 1994, p. 124.

²⁹ Zachary Schiller, “And Now a Show From Your Sponsor,” *Business Week*, May 22, 1995, p. 100.

³⁰ *Op. cit.*, Peppers and Rogers, p. 126.

messages which consumers will find much harder to tune out, whether because they are trapped in modern arenas into whose structures advertising messages have been woven, or because they form an unceasing visual and audio background to the drama and thrills viewers have chosen to seek out

In the end, the need for television networks to deliver the narrow niches advertisers are targeting has fueled the proliferation of events around the world. Whether broadcasting existing events or producing new events from scratch, television has brought its financial impact and global presence to bear on the development of event marketing, ensuring neither will ever be the same

Event Producers and the Growth of Event Marketing

Finally, the third reason for the growth in the number of properties available for sponsorship is the emergence of new private enterprises devoted to the development of new properties. These enterprises specialize in finding the gaps left open by traditional event organizers (whose attention has only recently shifted to sponsors rather than participants) as well as the gaps left open by traditional media who are still playing catch up in the niche marketing game

These event producers can custom-create events for sponsors and broadcasters without having to pay attention to traditional concerns such as the rules of a given sport (event producers replaced gym floors with sandy beaches and uniforms with bathing suits to create Pro Beach Volleyball) or artistic and aesthetic concerns -- as Schiller so accurately

described in his discussion of Chinese art on display at Macey's department store³¹. These displays were pure spectacle, without any concern for the artistic tradition that spawned the works or the political reality of modern-day China. One wonders how Schiller would comment on Nike's sponsorship of a Chinese professional soccer team owned by the People's Liberation Army and playing in a league founded by the American event production firm of International Management Group³².

A more recent example of events for the sake of marketing is the Home & Family Computing Supershow, described as "an ambitious consumer technology show that will travel to six major markets from September to December"³³. Not surprisingly, an event geared to the consumption of computer products is attracting considerable attention from potential sponsors such as Microsoft, CompuServe and Walt Disney Co. The show's producer, Multimedia Publishing Corp., has designed and created a show specifically to meet the needs of sponsors wishing to present their products and services to the fastest growing market for computers and software families.

Put simply, the driving force behind most new events in the world today is the desire by professional event producers to tap into the growing desire on the part of corporations to put into place highly targeted event marketing strategies. Or, as one advertisement for an

³¹ Herbert Schiller, Culture Inc. (New York: Oxford University Press, 1989), p. 35.

³² *Op. cit.*, Engardio.

³³ "Microsoft may sponsor Computing Supershow", Advertising Age, March 13, 1995, p. 2.

event producer promised, the drive is not to create events that draw people together for some “perpetual refueling of the deep structures of a collective unconscious”³⁴ but merely to put into place “Partnerships that work”³⁵

These, then, are the factors at play in the event marketing environment corporations are increasingly diverting their funds away from traditional advertising and into event marketing; they do so with good reason since event marketing appears to reach and influence consumers in ways traditional media simply cannot match Traditional cultural and charitable organizations, faced with decreasing government funding, are turning to corporate sponsorship to survive, the events these organizations offer up for sponsorship must compete with events created strictly for sponsorship by niche-hungry television networks and sophisticated event production firms The result rapid corporate domination of events

The Case for the Study of Event Marketing

My principal argument for the need to critically study event marketing begins with the notion that events are a privileged place from which to observe marketing and advertising as they influence the individual consumer and society as a whole. As Michelle and Armand

³⁴ The ideological function of the cultural industries as described by Armand and Michelle Mattelart in Rethinking Media Theory, (Minneapolis: University of Minnesota Press, 1992) p. 104. This is not to deny that such events do in their own way contribute to this “refueling” (a fact explored in considerable detail in my last chapter) but rather that organizers begin with a vastly different objective in mind.

³⁵ From an advertisement for Wiersma Event Marketing which appeared in Advertising Age, March 20, 1995, p. S-15.

Mattelart might phrase it, the event is the site where the microsubject (the individual consumer) becomes the macrosubject (the market segment, the community, the social world) ³⁶ It seems to me that a full appreciation of marketing must draw from both an understanding of the process whereby marketing interacts with individuals and the broader impact of that process on social structures. Events, then, are the ideal site from which to observe and critically analyze the process in its full complexity.

I would also argue for critical analysis of event marketing by drawing attention to the considerable impact the growing acceptance of event marketing has had on the marketing and television industries. As we discussed above, the growth of event marketing continues to outpace that of traditional mass media advertising, many of those gains coming at the expense of the latter. In addition, more and more of the remaining traditional advertising is being executed around the sponsorship of events. The impact of event marketing on advertising is such that America's most venerable advertising industry newsletter, *Advertising Age*, saw fit in March of 1995 to begin publishing a special section devoted to the event marketing industry ³⁷ The editors of the publication explained their decision in a subsequent issue, with an editorial entitled simply, "Events hot, getting hotter". ³⁸

³⁶ Op. cit., Armand and Michelle Mattelart, p. 127

³⁷ "Marketers push into new venues event-ually", *Advertising Age*, March 13, 1995, p. 1

³⁸ "Events hot, getting hotter", *Advertising Age*, March 20, 1995, p. 12

For reasons discussed above, events and their sponsors are also becoming a dominant force in television programming around the world. From the Super Bowl, to the Olympics, the Just for Laughs Festival to Central Canada Exhibition, television is drawing on events' ability to gather a select crowd and generate excitement. The logic behind event marketing, then, is felt far beyond the entrance gate, into millions of living rooms across countries, continents and the globe.

Finally, I chose to study event marketing because of its ability to both express and deepen corporate hegemony in unique ways which are out of the grasp of traditional mass media. The same features which make events such ideal sites in which to sell and generate favourable attitudes (the emotional backdrop, the excitement of the crowd, the presence of so many heroes and role models) makes them a powerful place in which to assert the dominance of the logic of the marketplace. The logic of the marketplace is expressed when corporate sponsorship dollars ride into town, hot on the heels of government funding beating a hasty retreat. There's a new sheriff in town and everyone is taking notice. Indeed, they're showing their appreciation by rewarding sponsors with consistently higher approval ratings.

The logic of the marketplace is also expressed when we gather together and accomplish little other than to renew our commitment to consumption. Weary of individualistic, urban life, we are indeed "returning to the bonfire". These bonfires no longer reflect our spiritual, cultural or national communities, however. They are tightly managed,

deliberately produced festivals of consumption whose continued growth amply reflects and rapidly deepens the passing of a mode of production and consumption and the accompanying social order

Questions to be Answered

As the preceding has suggested, a number of fundamental questions will drive the remainder of this thesis. The first question may be expressed as “what does communications theory offer to help understand the unique qualities of events as sites for the promotion and sale of goods and services?” To answer this question, the following chapter will draw from an admittedly wide array of schools of thought in order to uncover those concepts which best explain and define the impact which sponsored events can have on individual consumers (as microsubjects), on entire market segments (as macrosubjects) and on society as a whole. Questions of impact will also lead us to ask “what are the power relations of sponsored events?” What levers of power do event sponsors hold and how is that power exercised at the site of the event?

A second important area of questioning which will drive the remainder of this thesis will centre on the history of event marketing. Chapter three will draw from an existing model of advertising and marketing history as well as a number of histories of the advertising industry in order to answer the question: “what economic, cultural, academic and technological developments contributed to the rise of event marketing to its present status?” How old are the roots of events as marketing tools and does the current status of

event marketing suggest that a new era of marketing, a new marketing strategy, is upon us? If so, what defines this new era and what does it contribute to our understanding of the emerging relationship between individual consumers and corporations?

Chapter four will present a detailed case study of event marketing at a major Canadian corporation currently competing in markets around the globe. This chapter will serve to shed further light on a number of the questions posed above, while introducing one new area of questioning which may be expressed as "who are the various actors in the event marketing industry and what role do each of them play in influencing the decisions ultimately taken by corporate sponsors?" Do corporate decision-makers engage in event marketing with a full understanding of the social and cultural implications of their actions, or are they driven by other concerns?

Finally, we will conclude by looking at a much broader level of power which corporations exercise through the use of event marketing to ask "how does event marketing allow corporations to contribute to the power relations of our current social order and the shared understanding of the role consumers, states and corporations should play in that order?" Does the process of gathering segments of the population in a ritual ceremony constitute more than the mere realization of the principle of market segmentation? Does the increasing occupation of community functions now occupied by events and marketing messages pose a threat to the role of genuine communities within the social order?

In the end, this thesis is intended not only to shed light on the practice of event marketing, but also on the role of events within a much larger process of marketing -- a process whose rationality is increasingly influencing the actions of consumers, states and corporations throughout the globe.

Chapter Two: Communications theory and event marketing

Introduction

In this chapter, we move from merely describing the phenomenon of event marketing to attempting to understand it. We will describe the myriad forces at work at events and explore how their application serves to make event marketing a proven and increasingly popular marketing strategy. We will also begin to explore the nature of the power exercised by event sponsors and question the impact on society of the continuing colonization of once public space by private interests.

In doing so, we will draw from a wide variety of scholars and an equally diverse range of academic traditions in communications studies: the cultural studies tradition, Marxism, semiology, psychology, symbolic interactionism, the ritual school and others. This is not to suggest that these various epistemological approaches to the study of communications and the formation of meaning can suddenly co-exist, providing a singular and coherent approach. Rather, as we shall see, the particular window on reality which each school or approach offers sheds light on a particular element or dynamic of event marketing. It is quite likely that any one of the approaches drawn from in this chapter could have been pursued on its own to provide a possibly deeper understanding of a particular element of event marketing. The approach in this chapter, however, is to pursue a broad understanding of event marketing, exploring this emerging marketing tactic in all its complexity. As the growth of event marketing continues to outpace that of traditional advertising tactics and as increasing numbers of events bear the unmistakable stamp of

their sponsor, that deeper, more focused research to which this chapter points will, it is hoped, come to be

As was discussed above, part of the success of event marketing and, indeed, one of the principal reasons advanced for its study, is the privileged location of events at the intersection where the microsubject increasingly becomes the macrosubject. For this reason, the chapter is divided into two broad sections. The first section will explore the microphysics of event marketing, shedding light on how the messages of event marketers affect individual consumers and how those messages fit into a larger marketing strategy designed, ultimately, to encourage the consumer to buy more of that marketer's goods or services. From there, the focus will move to an analysis of the macrophysics of event marketing. Here, discussion will further be broken down into two sub-sections, representing an important theoretical break between the experience and theories of the crowd and those of the community. The experience of the crowd is intense but largely fleeting, the various theories which this experience precipitates can shed light on the event as an effective site for the delivery of marketing messages to assembled market segments. In contrast, the more lasting experience of the community yields various theories which can shed light on event marketing as a strategy to build predictable market segments of loyal, repeat customers with strong attachments to the companies with which they do business.

Finally, this chapter will close with a third section intended to answer the call of so many communications scholars to go beyond describing and understanding (the principal contribution of the interpretative scholars discussed below) and bring a critical eye to the phenomenon which this paper has as its object of inquiry¹ The tightly controlled and carefully designed events of modern marketers, I will argue, are anything but neutral sites of interaction. Susan Davis, in her book Parades and Power, argues convincingly that "the domain in which public performances take place must be viewed as structured and contested terrain, rather than as a neutral field or empty frame for social action"² Questions of communicative power to shape the meaning which is created during events inevitably lead to questions of cultural power to shape a society's view itself and its relationship to corporations. Armand Mattelart suggests the true, long-term nature of the power behind event marketing when he writes

The 1980's have been consecrated to the hegemony of the corporation and its values, and their role in restructuring our societies, as well as the parallel decline of the welfare state and welfare economy³

¹ A number of examples come to mind, here, chief among them James Carey's reminder that the work of Mead and his Symbolic Interactionist successors remained "safely tucked away from the questions of politics, rationality, power and social change" (in James Carey, Communication as culture. essays on media and society (Winchester, Mass. Unwin Hyman, Inc., 1989) p. 146.) James Halloran similarly cautioned against a return to the days when "the function of research was to serve the system as it was, and not to question, challenge or attempt to improve it." (James Halloran, The Context of Mass Communication Research (Paris: UNESCO, 1980) Finally, in comparing the critical and interpretative approaches to communication research, Kevin Caragee emphasized that "Critical research on media audiences focuses attention on how moments of reception are linked to questions of political and cultural power" (Kevin Caragee, "Interpretative Media Study and Interpretative Social Science", Critical Studies in Mass Communication, vol. 7, no. 2, 1990, p. 92.)

² Susan G. Davis, Parades and Power, (Philadelphia: Temple University Press, 1986), p. 13

³ Armand Mattelart, Advertising International (New York: Routledge, 1991) p. 206

I will argue that events are powerful sites in which to deepen the hegemony of the corporation and that the manner in which the power of event organizers over attendees is exercised contributes to this deepening in ways not possible under the limitations of traditional media. I will stop short, in this chapter, of exploring how this hegemonic power has contributed to a restructuring of society, making this ultimate impact the subject of this paper's final chapter.

The Microphysics of Event Marketing

We begin this chapter with Dallas Smythe's important reminder that, in so far as the marketers are concerned, what people must do when attending a sponsored event is work. Consumers, when they interact with the messages of corporate marketers, are working hard to "market consumer goods to themselves."⁴ While the work involved in watching television commercials may be shrugged off, what with the proliferation of remote controls and the high entertainment value of most television and print advertising, the work issue becomes all the more interesting, I would argue, when one turns to event marketing. As we saw earlier, the sponsors' messages are built into the very fabric and structure of events and their locations. The messages are designed, unashamedly, to be unavoidable, which makes Smythe's observation all the more relevant.

⁴ Dallas Smythe, Dependency Road: Communications, Capitalism, Consciousness and Canada (New Jersey: Abbe, 1981) p. 9.

I would also advance, drawing on an equally economic term, that the sponsorship of events presents an opportunity cost to those who attend. Not only must they work at marketing goods to themselves, but they must do so at an event which has lost something, which has had to give up a little, in order to meet the rational demands of its sponsor. The rink boards, giant screens, banners, flyers and sample automobiles floated on a barge are all designed to attract attention -- attention which might otherwise be directed to that which participants originally hoped to experience. Those who attend modern events consequently experience less of the passion, less of the aesthetic, less of the ritual assembly than they otherwise might. For sponsors, events represent a billion dollar industry into which they invest every year -- all with considerable expectations for a return on their investment. For those who attend, modern events represent yet another incursion of the work of being good, predictable consumers into an area of life which was once the preserve of less laborious tasks. Where our consciousness was once enriched by sport, art or community, the work of attending to the messages of modern events further focuses our energies on, as Smythe summarized, the consumption of commodities.⁵

Let us now turn to understanding the process whereby individuals market goods to themselves at events. Raymond Williams observed that advertising makes goods and services more attractive to consumers by adding to the existing material and utility value⁶

⁵ Ibid

⁶ The material value of a tennis racquet, for example, would increase if it were made of expensive graphite rather than inexpensive aluminum. Likewise, the racquet's utility value would increase if it were made of graphite given the material's superior strength, lesser weight and enhanced capacity to transfer the player's force to the ball rather than absorb it into the racquet itself. Finally, the symbolic value of that same racquet might be increased if

of those goods and services a new form of value which he dubbed "symbolic value"⁷

Taking beer advertising as his example, Williams characterized symbolic value as "the additional promise that in drinking it, we show ourselves to be manly, young at heart or neighbourly"⁸ This new promise, linked to a product's meaning rather than its material or utility value, is the *raison d'être* of modern advertising -- advertising that has emerged in an era in which "objects aren't enough but must be validated, if only in fantasy, by association with social and personal meanings which in a different cultural pattern might be more readily available"⁹

There are two important points to be drawn from this quotation. The first is the careful use of the word "association". Objects take on new meaning by virtue of their association with successful advertising campaigns. By the same mechanism, a corporation engaged in event marketing will take on a new meaning by association with the type of events it has chosen to sponsor. So it is, for example, that if the Cirque du Soleil has taken on an aura of sophistication and artistry, then Honda Motor Company, wishing to impart these same characteristics to its Acura line of automobiles, would sponsor the American tour of the

the consumer recognized that the racquet was the same as that used by a popular professional tennis player. In each case, as the value of the racquet increases in any of these three dimensions, so too does the price the individual consumer might be willing to pay for it.

⁷ Raymond Williams, Problems in Materialism and Culture (Great Britain: Verso Editions and NLB, 1980) pp. 184-185.

⁸ *Ibid.*, p. 185.

⁹ *Ibid.*

*Cirque du Soleil*¹⁰ This is precisely the "image" capability of events we spoke of in the first chapter

Events, by virtue of the strong emotions which accompany them, become ideal phenomena with which to associate. Whether it is the magic of a circus, the thrills of a sporting event or the pity of a charitable cause, events offer up a ready-made supply of images and emotions with which corporations can wrap themselves and their wares.

The second important observation which Williams offers is that advertising, and by extension I would argue event marketing, adds a value which consumers are seeking to the objects which they promote. This is fundamental to the marketing rationality -- determine, by way of exhaustive research, what consumers are looking for and promise it to them. In different eras, prestige for example was made available in different forms, be it as a birth right, by virtue of one's hunting skills, the list goes on. In this modern age, the prestige which Honda understands its potential buyers to be seeking is largely available only to those who can afford to purchase those products and services so embellished. If the Acura campaign and its association with the *Cirque du Soleil* is successful, buyers will accept the added promise of prestige. As if by magic (the very term which Williams appropriately selects for the title of the essay "Advertising the Magic System"), the symbolic value of Acura automobiles will be increased and sales will begin to improve as consumers go looking for the prestige which eludes them with their current possessions.

¹⁰ Larry Armstrong "Acura: Stuck between gears?", Business Week October 2, 1995 p. 136.

The success of the magic depends on the recognition of the symbolic value by not only buyers, but all those with whom the buyers will come into contact. Williams anticipates the challenge and argues that such is the nature of the success of modern advertising.

Of course, when a magical pattern has become established in a society, it is capable of some real, if limited success. Many people will indeed look twice at you, upgrade you, upmarket you, respond to your displayed signals, if you have made the right purchases within a system of meanings to which you are all trained. Thus the fantasy seems to be validated.¹¹

For the individual, then, event marketing offers powerful associations which help in defining the meaning, in measuring the symbolic value of goods. As a result, our definition of both the goods and of those who purchase them is changed.

Wolfgang Fritz Haug added another dimension to the discussion of symbolic value in a series of essays dealing with what he termed "commodity aesthetics."¹² Haug draws on Marxist economic theory to explain how it is that the symbolic value of goods has become so important to their success on the market. He begins with the easily overlooked fact that the use-value of a good (corresponding roughly to the sum of material and utility value described earlier) and the exchange-value of a good (what marketers might refer to as price) are concepts which, of necessity, reside in two different people: the buyer and the seller. He writes

¹¹ Op. Cit., Williams, p. 189

¹² Edited and assembled in Wolfgang Fritz Haug, Commodity Aesthetics, Ideology & Culture (New York: International General, 1987)

From the contradiction between use-value and exchange-value, the poles of which are now distributed in different persons, a tendency emerges which drives the commodity-body, its use-forms, into ever new transformations. Henceforth a duality is produced in all commodity production: first the use-value, second, and additionally, the appearance of the use-value. For until the sale, with which the exchange-value standpoint reaches its end, use value tends to play a role only as semblance.¹³

The fact, then, that the exchange-value of goods is abstracted from the goods themselves by the exchange medium of money, coupled with the fact that the user can only realize the use-value of a good *after* he or she has purchased it (thus realizing the exchange-value for the seller) combine to open the door for the detachment of the promise of the good (its “aesthetic in the broadest sense”¹⁴) from the good itself. The stage is set, then, for symbolic value to enter into the calculation of a good or service’s value to the consumer. The door is opened for the mere association of a corporation with a cause, group or event to add considerably to the attractiveness of that corporation’s goods and services in the minds of consumers.

Drawing on the theories of Roland Barthes, Haug describes the symbolic value or “added value” as a “mythical supersign”¹⁵ which can determine not only the definition which

¹³ Ibid. p. 106

¹⁴ Ibid.

¹⁵ Echoing Williams’ emphasis on “magic” — Ibid. p. 123

others have of the product's purchaser or user, but also the very definition that user has of him or herself. This is an important advancement over Williams' observations.

The commodities function now as real imaginations, the mythical supersigns built up around them present images of realized identity with the promise that the buyers become their representation. They present an imaginary identity, the purchase enables one to have an imaginary representation of one's identity.¹⁶

Taken together, the contributions of Haug and Williams help us understand how it is that Honda Motor Company ever had to move beyond providing reasonable material and utility value in order to sell automobiles. Their contributions help us grasp how the symbolic value or mythical supersign of an automobile can help an individual consumer define him or herself, both to others and to themselves.

The microphysics of event marketing can be summarized, then, as a process whereby individual consumers work to construct a new meaning for the sponsors' wares, wrapping the commodity, as it were, in shiny paper which promises new experiences which are quite detached from the material and utility qualities of the commodity. This new meaning emerges out of the association between the sponsor and the event's image as individual consumers experience both what the event actually has to offer and the inescapable presence of the corporate sponsor at that event.

¹⁶ Ibid

The Bridge to Macrophysics: Symbolic Interactionism

Smythe, Williams and Haug offer less, however, to help us understand how the symbolic value is created, how this added promise is actually made. At the risk of crossing epistemological boundaries, we now turn to the interpretative tradition and symbolic interactionism for a clearer picture of the process. In doing so, we also begin the gradual transition from an emphasis on microphysics to one on the macrophysics of event marketing. Symbolic interactionism, perhaps more than any other intellectual tradition, illuminates how it is that those who attend events stand at the intersection between the micro and macrosocial. It does so by focusing attention on how moments of meaning creation are essentially social moments. The understanding we have of the objects around us emerges out of interaction with others -- the moment when the individual human being enters into a social process (as might people gathered together at an event).

Blumer sets out the major tenets of symbolic interactionism as follows

- 1 Human beings act towards things on the basis of the meanings that the things have for them
- 2 The meaning of such things is derived from, or arises out of, the social interaction that one has with one's fellows

- 3 These meanings are handled in, and modified through, an interpretative process used by the persons in dealing with the things he encounters ¹⁷

Coming back to our example, then, an individual might purchase an Acura automobile on the basis of the meaning that automobile has for him or her. If the association with the *Cirque du Soleil* was successful, that meaning might include sophistication, artistry and some form of prestige. More importantly to our object of study, the event itself, the coming together of spectators for a *Cirque du Soleil* show, provides an ideal site in which social interaction can take place. Acura, in sponsoring the *Cirque*, has effectively convened potential buyers of its product (the “reach” benefits of events discussed in Chapter One) and placed them together in a context which would favour the creation of meaning surrounding the Acura line of automobiles: the *Cirque* and the Acura line of automobiles are presented side by side and people are invited to create the link between the two. In other words, an ideal strategy for creating symbolic value and enhancing the product’s attractiveness.

Blumer also anticipates Haug’s insights on how products can help solve the problem of self-identity when he writes

¹⁷ Herbert Blumer, Symbolic Interactionism: Perspective and Method (Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1969) p. 2

Like other objects, the self-object emerges from the process of social interaction in which other people are defining a person to himself. He acts towards himself and guides himself in his action towards others on the basis of the kind of object he is to himself¹⁸

There is an admittedly tenuous quality to self-identity in the world as described by symbolic interactionist. While there is room for a concept of a subject¹⁹ that subject is constructed out of social interaction. The end product of that interaction, however briefly, is grasped by the owner, his or her actions moderated accordingly and the whole process begun again. And yet this model of fragile and fleeting self-creation seems today perfectly suited to the highly tenuous nature of the way we define ourselves by our association with the meanings marketers ascribe to their products and their corporations -- meanings which only last as long as the marketing campaign is successful. To the extent that I define myself to others and to myself by the image of the products I buy and the corporate company I keep, I subject my self to the ever changing marketing strategies of those corporations. The day Honda's marketers decided to define the line of cars not as high performance machines (by association with the company's formula one racing team) but as a line of refined luxury automobiles (by association with a high-brow circus), it can fairly be said that the image and self-image of Acura owners across North America began,

¹⁸ Ibid. p. 12

¹⁹ Blumer, for instance, writes that "a human being can be an object of his own action". Ibid.

slowly, to change. It will change yet again when the next marketing campaign is implemented.

Continuing our example of the Acura buyer, the meaning that car will have for him or her will be derived from the social interaction this individual has with others. Although events are a natural and highly effective site for this interaction, they are by no means the only site. People talk about cars in show rooms, lunch rooms and (as so many television commercials would have us believe) on the street. People will bring the impressions they have of an automobile or an automobile company to that interaction and, through interaction, meaning will emerge. Attendance at sponsored events, then, can play an important role in framing the meaning creation of individuals by adding a new dimension to the impressions they will bring to that interaction.

The question of why events are such an effective site at which to create meaning needs to be probed here. Obviously, the very fact that people are assembled opens the door for social interaction. But, I would argue, the social interaction which occurs in a crowd is profoundly different from the interaction between two people who meet and discuss an automobile or between one person and the advertising messages of a corporation. The very quality of social interaction undergoes an important transformation when many people assemble together. And this stands as perhaps the most important advantage which event marketing has over traditional mass media advertising, offering the best explanation

as to why the pace of growth in event marketing continues to outstrip growth in traditional media

Interaction in the Crowd

Much has been written on how the quality of interaction changes markedly when individuals become part of a crowd. All of it points to a number of phenomena common to crowds. Gustav LeBon, among the first to chronicle these phenomena, offers as comprehensive a list as any who have succeeded him in this field of study. Critical to LeBon's theory of crowd behaviour is his assertion that individuals who enter into a crowd relinquish their ability to think independently and instead exhibit the "possession of a sort of collective mind which makes them think and act in a manner quite different from that in which each individual of them would feel, think, and act were he in a state of isolation."²⁰ Drawing on his fascination with both hypnotism and national character, LeBon attributes this collective mind and its vast differences to the aggregate of the individual minds in the crowd to the fact that, once in a crowd, the individual's conscious mind gives way to the unconscious, based as it is on shared national character, "The heterogeneous is swamped by the homogeneous, and the unconscious qualities obtain the upper hand."²¹

²⁰ Gustav LeBon, The Crowd: A Study of the Popular Mind (New York: The Viking Press, 1960) p. 27

²¹ *Ibid.* p. 29

LeBon offers two other important concepts which can help us understand the effectiveness of events as a site for marketing activity: contagion and suggestibility. Again drawing on a fascination with hypnotism, LeBon defines contagion as “a phenomenon of the hypnotic order” and describes the process in operation:

In a crowd every sentiment and act is contagious, and contagious to such a degree that an individual readily sacrifices his personal interest to the collective interest. This is an aptitude very contrary to his nature, and of which a man is scarcely capable, except when he makes part of a crowd.²²

Having rendered himself to a collective mind and susceptible to contagion, the individual in a crowd, asserts LeBon, is more open to suggestion than ever. It is a state which LeBon compares directly to that of an individual under the spell of a hypnotist: “The conscious personality has entirely vanished, will and discernment are lost.”²³

Finally, LeBon offers the concept of reciprocity²⁴, whereby all subjects in a crowd respond to the same suggestion and, in effect, strengthen the effect of that suggestion on one another. The combined effects of the collective mind, contagion, suggestibility and reciprocity place the crowds “at the mercy of all external, exciting causes”²⁵ and render them “excessively credulous”²⁶. The result is that the ideas which inhabit the collective

²² Ibid., p. 30

²³ Ibid.

²⁴ Ibid., p. 32

²⁵ Ibid., p. 36

²⁶ Ibid., p. 40

mind are more likely to transform themselves into action²⁷ This propensity to move toward action is not lost on the marketers at a telecommunications provider who explain their interest in selling subscriptions at events by stating

If we present ourselves in front of other people, instead of through leave behinds and other printed materials, we're more successful in getting subscribers Users make spontaneous decisions at events²⁸

Notwithstanding LeBon's particular view of history, democracy, women and cultural diversity²⁹, his observations seem to have had a profound and lasting impact on subsequent theorists who turned their attention to the dynamics of crowd behaviour Jacques Ellul, in studying the effects of modern propaganda, recognized the power of events to incite action. He wrote that "man will be helped to action by example, by similar action all around him ... an individual can feel the urgency of an action only if it promises to be effective because it is being carried out by many."³⁰

Similarly, Herbert Blumer echoed LeBon's observation on contagion and suggestibility in his article "Theories of Collective Behaviour", writing

²⁷ Ibid

²⁸ Author unidentified, "MCI calls on events to reach military", IEG Sponsorship Report, March 8, 1993, p. 3

²⁹ Robert Nye offers a comprehensive review of LeBon's impact on crowd psychology, as well as revealing LeBon's fascination with hypnotism, his reliance on biological organic models, his distrust of social disorder and his reflection of the social and political conditions of the time. See Robert A. Nye, The Origins of Crowd Psychology: Gustav LeBon and the Crisis of Mass Democracy in the Third Republic (Beverly Hills, Ca: Sage Publications, 1975).

³⁰ Jacques Ellul, Propaganda: The formation of men's attitudes (New York: Vintage Books, 1973), pp. 208-209

The power of excited behaviour in compelling attention is of particular interest, for to the extent which one becomes preoccupied with an object, to the extent one comes under its control . Where people are collectively excited, as a result of some form of milling, this loss of normal control becomes pronounced, setting the stage for contagious behaviour.³¹

LeBon's explanation for the quality of interaction within crowds, indebted as it is to the hypnotic theories prevalent at the time, and Blumer's explanation -- that the crowd phenomena is perhaps more quantitative than qualitative -- both fall short of explaining what happens to the nature of communications when a crowd gathers. For this, we turn to Elias Canetti and his Crowds and Power. In it, Canetti covers much of the same descriptive ground as LeBon, reiterating the collective mind qualities, the homogeneous qualities and tendency towards singular action of the crowds³²

Canetti also makes a number of important and original contributions to our understanding of how and why it is that crowds coalesce in the first instance. The first of these contributions is his recognition that crowds are as much a physical reality as they are social or psychological. For Canetti, understanding the crowd begins with understanding the power of touch. Fundamentally, argues Canetti, human beings fear being touched by those they do not know. The safe distances we keep between ourselves and strangers is dictated by this fear. All of that changes, however, when individuals become part of a crowd.

³¹ Herbert Blumer, Group Dynamics: Principles and Applications (New York: The Ronald Press Co., 1959) pp. 36-37

³² Elias Canetti, Crowds and Power (London: Victor Gollancz, 1962) pp. 15 - 18, 73 - 74

It is only in a crowd that man can be free of this fear of being touched
That is the only situation in which fear changes into its opposite. The
crowd he needs is the dense crowd, in which body is pressed to body, a
crowd, too, whose physical constitution is also dense or compact, so that
he no longer notices who it is that is pressed against him³³

There is a physical experience and a freedom from fear which individuals stand to gain from their membership in a crowd. Both are important incentives which help to explain the continuing attraction which people have to crowd situations. Canetti's emphasis on "the distances which men create around themselves" also hints at what may constitute the fundamental trigger for the very different interaction which crowds engender. Edward T. Hall devoted considerable attention to non-verbal communications³⁴ and the biological roots of much of what constitutes culture³⁵. In Hall's understanding of culture and communications, the human body can be the sender, receiver and medium of communication. The distance we keep between ourselves and strangers is a powerful communicative act. Moreover, Hall argues that our reactions to the silent spatial messages we receive, because of how they operate at a largely unconscious level, tend to be automatic, "These cues 'release' responses already established, in much the same way as Pavlov's bells started his dogs salivating"³⁶. Echoing both LeBon's emphasis on the unconscious and Canetti's emphasis on the communicative power of space and touch, Hall

³³ Ibid , p 1

³⁴ Edward T. Hall. The Silent Language (Garden City, N.Y.: Doubleday & Co., 1959) p. 14

³⁵ Ibid , p 60

³⁶ Ibid . p 190

perhaps offers us an explanation as to why the nature of interaction is so markedly different in a crowd the mutual elimination of personal space, the very pre-requisite to the formation of a crowd, is in itself a powerful act of communication whose meaning is deeply rooted in the individual's culture and species. With such a profound exchange as its genesis, the communication and interpretation which follows between members of a crowd cannot help but be marked

In summary, there is much which crowd theory has to offer to help us understand the increasing desire on the part of marketers to send their marketing messages to people assembled at an event. It may fairly be said that the long list of adjectives which so many crowd theorists have used to describe individuals in a crowd are the stuff marketing dreams are made of: contagious, suggestible, credulous, impulsive, excited and out of control.

From Crowd to Community

Ellul's contribution to our understanding of event marketing goes beyond his observation that once individuals in a crowd see fellow members take action, they will be inclined to do likewise. Ellul recognized that, though the intense experience of the crowd may be fleeting, the impact of the action individuals take while in a crowd is felt long after the streets have been swept and the banners taken down.

For action makes propaganda's actions irreversible. He who acts in obedience to propaganda can never go back. He is obliged to receive from it his justification and authority without which his action will seem to him absurd or unjust, which would be intolerable.³⁷

While the strength of Ellul's words, rooted as they are in the political intent of his work, may appear inappropriate for an event aimed merely at selling cars or beer, the notion of the lasting impact of events has much to offer. In attending an event, an individual begins the process of entering into a relationship with the sponsor of that event. The action can come in the form of voluntarily offering demographic data to the sponsor (usually encouraged by way of contests and draws which participants may enter), in the acceptance of a free sample and, increasingly, in the actual purchase of the sponsor's product. The justification which Ellul describes comes in the form of an enhanced image of that sponsor and, it is hoped, in the establishment of a long-standing buyer-seller relationship.

Canetti also understood that the crowd has the capacity to leave a lasting impact on behaviour, likening the residual effect to the bee's sting:

But the sting sinks deep into the person who has carried out the command and remains in him unchanged. The content of the command -- its force, range and definition -- was fixed forever in that moment in which it was first promulgated..³⁸

³⁷ Op. Cit. Ellul, p. 29

³⁸ Op. cit. Canetti, pp. 305-306

Indeed, these long-term relationships are the ultimate objective of most marketing strategies which feature event marketing. As we shall discuss in more detail in the next chapter, event sponsorship is but one of a number of modern marketing techniques designed to find and, more importantly, keep customers. The logic behind this strategy (dubbed relationship marketing or database marketing) is simple and irrefutable

“acquiring a new customer is five to 15 times more expensive than selling to an existing one. Deepening existing customer relationships through upselling and cross promotion products has become the most viable method of attracting new sales and profits with minimum risks.”³⁹

To our list of advantages of event marketing, namely reach and image, we can now add depth. Of course, the process by which events foster the deepening of relationships over time goes beyond the action and justification which Ellul observed. The interpretative tradition allows us to go one step further in our understanding of this quality of events with its understanding of communications inspired not only by transmission of messages over space, but also by the extension of messages over time -- a ritual view of communication. For this point, I am indebted to Gerrard Mortieux, Director of the Strassbourg Festival, who, while speaking at a conference in Chicago, recognized that the boom in attendance at events is rooted in the desire in people to “return to the bonfire.” Mortieux understood that in attending film festivals, swimming championships and country fairs, people do more than merely take in a little entertainment; they fulfill a deeply felt

³⁹ Susan Hipp, “Customer Retention Now a Primary Focus”, Strategy, May 17, 1993, p. 14

need to come together as a community and share experiences. In sharing these experiences, they give meaning to the objects they encounter. Events become what James Carey described as "the archetypal case under the ritual view -- the sacred ceremony that draws persons together in fellowship and commonality."⁴⁰

The potential for communities to come together around ceremonies of consumption and common purchasing patterns was well understood by Daniel Boorstin who described the end result as "consumption communities". Describing the role of advertising in an increasingly urban America, Boorstin wrote

Advertising could not be understood as simply another form of salesmanship. It aimed at something new -- the creation of consumption communities. The advertisement succeeded when it discovered, defined and persuaded a new community of consumers.⁴¹

In the same way that Haug and Williams understand that marketers work to construct a meaning for objects that will address the unmet needs of the consumer (e.g. the need for prestige), Boorstin understands that in defining consumption communities, marketers are also striving to meet the unmet needs of their potential consumers. "Man was no longer local," Boorstin argues, "the new arrivals in a new suburb or city, who might not know their neighbours would at least feel somehow at home in their A & P."⁴² Williams

⁴⁰ Op Cit. Carey, p. 18

⁴¹ Daniel J. Boorstin, The Americans: The Democratic Experience (New York: Vintage Books, 1973), p. 145

⁴² Ibid., p. 112

recognized that modern advertising made the added promise that others would upscale you. Haug recognized that advertising made the added promise of self-realization. Boorstin, in turn, recognized that modern advertising made another, equally enticing promise: "an advertisement was, in fact a form of insurance to the consumer that by buying this commodity, by smoking this brand of cigarette, or by driving this make of car he would not find himself alone."⁴³ This is a promise for which event marketing, more than any other marketing tactic, is ideally suited. Events draw together consumption communities like no advertisement, flyer or telephone script can. The community interacts, touches, and experiences all that the event has to offer together. Commonality is celebrated and meaning is created -- the meaning of the sponsor, the sponsor's wares and the sponsor's customers. That meaning and the sense of community which events can foster combine to ensure consumers make spontaneous decisions and keep making those same decisions over time.

In the symbolic interactionist tradition, this regular assembly of individuals in commonality represents the formation of a "social world." Becker and McCall define the process as follows:

⁴³ Ibid., p. 145-146

... a more or less stable organisation of collective activity ... it can, in principle, come into use anywhere people are connected through their joint involvement in a task or event of a repetitive kind. Where ever social events happen routinely, we can expect to find a world ⁴⁴

Perhaps the most important contribution for our discussion of the concept of worlds as advanced by symbolic interactionists, is the sense that the corporate sponsor can be said to be a part of the world. In his investigation of the art world, for example, Samuel Gilmoure defines its members as follows

Art world participants arrange their cooperative activity through networks of exchange that routinely forms coalitions of like-minded producers, distributors and consumers ⁴⁵

With such an inclusive definition of worlds in mind, sponsorship becomes the process of buying one's way into a world. Once in, the sponsor develops a profitable, long-term relationship with fellow members. The meanings and actions generated by a successful event point to future activity. Gilmoure, echoing our earlier definition of predictive modeling, argues that "routine collective activity creates relatively stable patterns of interaction that act as social referents guiding future collective activity" ⁴⁶

⁴⁴ Howard S. Becker and Michal M. McCall, ed., Symbolic Interaction and Cultural Studies (Chicago: University of Chicago Press, 1990) p. 9

⁴⁵ Ibid., p. 151

⁴⁶ Ibid.

Indeed, marketers themselves are beginning to realize that successful relationships with consumers require less of an "us and them" attitude. Marketers, it would appear, recognize that consumers are part of their world, just as much as the sponsor is part of the consumer's world

A column in *Strategy Magazine* urges marketers to "Bring consumers in at the beginning" of the product development process. Describing a recent successful example, the authors report

Thus the consumers were invited in at the stage when their expertise was truly valuable the beginning. They brought us into their world and allowed the brand to respond to them instead of being asked to respond to something that was developed in the antiseptic world of the boardroom.⁴⁷

Similarly, John Dalla Costa, in his recent book Working Wisdom, proposes a new, interactive model of marketing in which the "monologue between seducers and resisters" is replaced by an on-going dialogue which offers consumers the chance to make marketing decisions and serve as the creative source for advertising.⁴⁸ Forget about marketing to consumers, Dalla Costa urges, "This is the age of marketing with."⁴⁹ Echoing Blumer clearly, Dalla Costa argues that "the value and meaning of brands is a co-creation

⁴⁷ Will Novosedlik and Bob Russell, "Bring Consumers in at the beginning," Strategy Magazine, August 7, 1995

⁴⁸ John Dalla Costa, Working Wisdom (Toronto: Stoddart Publishing, 1995) as excerpted in "A New Model of Marketing", Marketing, November 13, 1995, p. 11

⁴⁹ John Dalla Costa, "Consumers as marketers", Marketing, July 31, 1995, p. 10

involving the interaction between a product or service and its customers -- we must learn to invite customers into a participatory marketing exchange”⁵⁰

The influential *Harvard Business Review* further blurred the lines between consumers and marketers when it called for a new interactive strategy whose conceptual model was not a value chain with consumers at one extreme, but a “value constellation” where consumers play an new, integral role. In describing the mind set of companies leading this change, Richard Normann and Rafael Ramirez write

Their focus of strategic analysis is not the company or even the industry, but the value-creating system itself, within which different economic actors -- suppliers, business partners, allies, customers -- work to co-produce value. Their key strategic task is the re-configuration of roles and relationships among this constellation of actors in order to mobilize the creation of value in new forms and by new players.⁵¹

The article points to IKEA as a leading example of this new constellation, in which customers not only buy furniture, but also design it, assemble it and ship it. “IKEA wants its customers to understand,” the article concludes, “that their role is not only to consume value but to create it.”⁵²

⁵⁰ Ibid

⁵¹ Richard Normann and Rafael Ramirez, “From Value Chain to Value Constellation: Designing Interactive Strategy,” *Harvard Business Review*, July - August, 1993, pp. 65 - 66.

⁵² Ibid, p. 67

The event, then, becomes the ceremony which draws together the various actors of a consumption community, social world or value constellation. Much more than festivals of consumption, events are a sacred site at which meaning is created, brand equity is forged, advertising messages written and value is created. One wonders what Dallas Smythe would say about the new kinds of work which marketers have in mind for those we formerly referred to merely as consumers. All of this raises the important question: if consumers and marketers are, indeed, part of the same consumption/production community, what is the nature of the power relations within that community? Events may well be the bonfire we all return to, but who has lit that bonfire? Who plays the communal drums? And who decides which members of the tribe may join the circle?

Events and Power

One need not look hard at any sponsored event to realize that these are anything but neutral sites of interaction. In return for their entry fee, sponsors want to ensure they do everything in their power to manage the interaction and steer the meaning-formation in the direction that will maximize sales and ensure long-term relationships are established. Sponsors accomplish this in a number of ways which were well illustrated at the Transamerica CPGA Championship.

a) The object to be defined is put in ample evidence.

To ensure the interaction people engage in at an event includes dialogue on the sponsor and its products, great effort is devoted to ensuring the visual and aural presence of the

sponsor is virtually inescapable Transamerica, for example, ensured its logos were displayed on banners, pin flags at each hole, bibs for every caddie and tee markers shaped like the company's San Francisco head office tower Sponsors of durable goods will often go further and ensure the products themselves are on display Honda Motor Company, for example, floats its models on large barges in the water hazards during the PGA event it sponsors

William Lewis Troyer, in discussing Mead and his theories on how objects were defined, stated that "an object thus becomes a meaningful reality to a human being because of his ability to make indications either imaginatively to himself or directly to others"⁵³ In placing their wares and corporate logos at events, sponsors ensure the ability is matched by opportunity

b) High credibility members of the world are present and speak favourably about the sponsor.

In the golf world, none stands above the professional golfer The professionals have earned the admiration of fans and the personal endorsement contracts of the sponsors Transamerica is careful to choose a promising golfer and award him with a personal endorsement contract, in return, that golfer wears a Transamerica cap and shirt whenever he is on the site Perhaps more importantly, the winner of the tournament, as is customary,

⁵³ William Lewis Troyer, "Mead's Social and Functional Theory of Mind," American Sociological Review, vol. 11 (April, 1946), p. 202

accepts his trophy from Transamerica's President and publicly thanks Transamerica for its support of the tournament. The role of professional golfers at the golfing event was captured by Elias Canetti as he described crowd crystals and the power they hold.

Crowd crystals are small, rigid groups of men, strictly delimited and of great constancy, which serve to precipitate crowds. Their structure is such that they can be comprehended and taken in at a glance. They should preferably always appear the same and it should be impossible to confound one with another, a uniform or definite sphere of operation serves to promote this.⁵⁴

The importance of this quotation is to remind us that the power of sponsors at many events is purely economic. They have not precipitated the crowd or consumption community; the athletes, musicians, actors and worthy causes have done that work. The sponsoring corporation wields its power by buying the services of these crowd crystals and directing their actions to meet marketing objectives.

Canetti's understanding of the exercise of power over crowds goes beyond the initial precipitation. Power is demonstrated in the posture and position of crowd crystals such as an orchestra leader who, sounding much like a professional golfer, "mounts the rostrum, clears his throat and raises his baton; silence falls. While he is conducting, no one may move and as soon as he finishes, they must applaud. The conductor is a leader."⁵⁵

⁵⁴ Op Cit. Canetti, p. 73

⁵⁵ Ibid. p. 395

Likewise, the power of the true superstars of golf was well anticipated by Canetti who summarized the power of fame simply "Names collect their own crowds"⁵⁶ And when all goes according to plan at sponsored events, those names will speak highly of the sponsor. The important point here is that sponsors possess the financial resources to ensure these crowd crystals, these leaders of the social world, speak often and favourably of the sponsor, helping to guide the interaction in the right direction.

c) Prior marketing communications efforts will help to frame the interaction.

Many people will arrive at an event knowing who the sponsors are and already armed with suggestions of the dimensions along which the sponsor is to be judged. Transamerica, for example, used advertising in magazines and television to focus attention on the company's fiscal strength and stability. The ads featured golf in their creative strategy and, to further close the loop between the event and the sponsor's advertising, banners at the event featured the same slogan as was offered by the advertising. A quiet process of meaning formation has already begun by the time members of the golf world arrive at the club. Again, the desired effect is to foster the formation of a positive image of Transamerica and its products.

d) The very act of selecting which event to sponsor conveys meaning.

In a buyer's market, sponsors can carefully pick events whose imagery and social world conveys the required meaning. By selecting golf, Transamerica effectively admitted itself

⁵⁶ Ibid

to the golf world, complete with the upper class, professional, sophisticated image that sport carries. Had it chosen softball or mountain biking, a very different meaning would have been precipitated. The important point here is that corporations have the financial power to pick virtually any event, any meaning, any social world and own it. This considerable power encourages participants to draw on the meaning already built up around the game of golf and its heroes in order to define Transamerica.

Clearly, then, the event is a carefully managed site for interaction -- a site at which sponsors wield considerable direct power over the crowd and indirect power over crowd crystals. The effect of this power is to shape the interaction that will take place at the event to foster the creation of meaning which will generate sales and precipitate long-term, profitable relationships between the sponsor and the consumers called to the event.

Events and the Hegemonic Filter

The power levers which sponsors manipulate at events in the interest of carefully positioning their product or service, while considerable, only represent part of the true nature of the power of corporate sponsors. This is where the limitations of the symbolic interactionist school become apparent. As much as we try to inject some notion of power into the discussion of events and sponsorship, we are limited by the fundamental questions about society, politics and individuals which symbolic interactionism does not ask. Much

more happens at events than interaction aimed at meaning creation (as vast and all-encompassing as that process might appear to be). Cultural voices are heard and drowned out at events. Communities are strengthened while others are replaced. History is celebrated and rewritten.

It is precisely the inability to theorize social and cultural power which compels us to move away from the interpretative tradition (taking with us the many important insights into the mechanics of event marketing which it offers) and draw instead on the critical cultural studies tradition. One of the defining features of the cultural studies tradition is precisely the notion of broad social and cultural power which we must draw on in order fully to understand the macrophysics of event marketing. The notion of power which critical cultural scholars have theorized is hegemonic power. It is power constantly negotiated between the powerful and the subaltern -- power supported as much by ideas and attitudes as it is by rigid structures of class and politics. Gramsci, to whom the concept of 'hegemony' is attributed, contrasted hegemonic power to direct domination⁵⁷, while Armand and Michelle Mattelart contrasted a hegemonic notion of power to the notion of rigid, un-negotiable power proposed by the structuralist tradition.⁵⁸

⁵⁷ "These two levels correspond on the one hand to the function of 'hegemony' which the dominant group exercises throughout society and on the other hand to that of 'direct domination' or command exercised through the state or 'juridical' government." Antonio Gramsci, Selections from the Prison Notebooks, (New York: International Publishers, 1989) p. 12.

⁵⁸ "The notion of hegemony breaks with the idea of vertical power -- a power that is never negotiated and is above all nonnegotiable." Op. cit., Mattelart, Michelle and Armand, p. 62.

Susan Davis clearly illustrated the dynamics of hegemony at work in the organising and sanctioning of parades in 19th century Philadelphia. Davis writes of the hegemonic filter through which parade organizers had to pass

Governments and institutions sometimes allow parts of unofficial culture to be shared and transmitted even while they discourage other strains and build official traditions. The forces of selectivity include denial and forgetting, as well as suppression and distortion.⁵⁹

Much as Davis understands that denying the right to parade in 19th century Philadelphia was an act of suppression, modern event marketers now exercise the power to suppress, forget or distort the expression of cultural, charitable and artistic groups.

Perhaps more than any other critical scholar, Herbert Schiller has grasped the immense power of public events to support hegemonic orders. Schiller, like Mattelart whom we quoted in the introduction to this chapter, argues forcefully that the latter half of the twentieth century has brought with it increasing economic, political and cultural power for corporations (especially American corporations) -- a corporate hegemonic order.⁶⁰

Schiller underscores the extent to which corporate power is hegemonic when he describes the "taken-for-granted" nature which corporate rationality has acquired.

⁵⁹ Op Cit. Davis 1986 p. 17

⁶⁰ See especially the introduction to Herbert Schiller, Culture, Inc. The corporate takeover of public expression, (New York: Oxford University Press, 1989), pp. 3 - 10.

But the prevailing outlook in the United States at this time is that there are no alternatives to the rules by which economic, political, and cultural affairs presently are ordered. Ways of organizing projects other than by private initiatives and reliance on market forces have been put beyond the boundaries of political consideration.⁶¹

Schiller goes on to trace the myriad ways in which, borrowing from the title of the book, once public forms of expression such as parades, markets, artistic events and parks have been captured by corporations and corporate sponsors. What Schiller brings to this discussion is the determination to look beyond the taken-for-granted position that corporate sponsorship is necessarily good in an era of declining government funding and the ability to clearly articulate what is lost when corporate rationality supersedes any other in a once-public process. Describing public sites of expression as sources of "daily replenishment for the body's physical and emotional needs," Schiller argues simply that, "If these vital resources are seized for private ends, human health and consciousness itself are held hostage."⁶²

Schiller continues by examining how corporate sponsorship of public expression inevitably leads to self-censorship "with the result that public awareness of social reality is continuously diminished."⁶³ Clearly, organizations which express views too critical of corporate rationality and hegemony will have a harder time convincing leaders of those

⁶¹ Ibid . p. 5

⁶² Ibid . p. 89

⁶³ Ibid . p. 94

corporations to sponsor their events and projects. It is a thought expressed clearly by the Director of Ottawa's Opera Lyra company, Marcus Handeman, who explains that sponsors are drawn to the "serious and the safe" "Sponsors don't want to be associated with something unless it has a positive ring"⁶⁴

To hold human consciousness hostage, to diminish public awareness of social reality and to "tip the balance of democratic existence to an uncomfortable precariousness"⁶⁵ -- these are levers of cultural power which go far beyond influencing the process of meaning-creation. They are levers which point to the totality (which is not to say invincibility) of a hegemonic order.

The ways in which corporate sponsors exercise their hegemonic power are more subtle, diffuse and overarching than the ways in which they exercise their power to influence meaning creation, in keeping with the very different nature of this power. In its bluntest form, this power is exercised when one group's event is selected for sponsorship and another's is not. Referring back to the two principal qualities which events offer to marketers, we can summarize that if the image a property offers is not in keeping with the image a corporation wants for itself (hence Schiller's "self-censorship"), or if the audience reached by an event is not the market segment corporations want to assemble, the event is very likely to disappear. We have already discussed how two events (the CPGA

⁶⁴ Susan Riley, "Prestige For Sale", Ottawa Citizen, March 31, 1996, p. A2

⁶⁵ Op. Cit., Schiller, p. 3

Championship and the *Cirque du Soleil*) which are politically neutral, which offer an image of refinement, which offer strong visuals for television programming and/or commercials and which appeal to an upper income demographic have successfully met the challenge of corporate sponsorship. Others, such as amateur football lack the image which marketers are looking for, while *Franco-forme*, a small association created to promote physical fitness among franco-Ontarians, lack the broad base of attractive consumers which sponsors want to reach.⁶⁶ Their fate is not so certain.

In an era of declining government funding, corporations armed with a sponsorship budget, whether they are aware of it or not, routinely exercise powers which would have been unimaginable in the past. Corporate decisions to sponsor fundraising events for breast cancer research (as New Balance does in order to reach female runners) or the promotion of organ donation (as ManuLife Financial does, given the link between that activity, the nature of its business and the desire to enhance its image) represent the intrusion of marketing rationality into health care. Similarly, sponsorship of educational programs by Lever Brothers, artistic groups by Lexus, sporting events by Corel and political campaigns such as Canada 125 by Bell Canada have opened the door for the intrusion of marketing rationality into these areas as well.

⁶⁶ Both examples are drawn from personal meetings with the leaders of these organizations within the past two years while acting in a consulting capacity. It is worth noting that both groups have received significant cutbacks to their government funding (15 - 30%) and Football Canada despite its unique Canadian character and historic resistance to the American version, now face the prospect of being cut off entirely from government funding within one year. *Franco-forme*, meanwhile, has been unable to convince a sponsorship agency to market its properties to potential sponsors, largely due to the limited and potentially political nature of its audience.

The full impact of the hegemonic filter was well captured by Schiller who describes a "double blow" to the event and its participants

It allows still another part of public life and history to be turned into sales promotion. More damaging still, authentic historical experiences and the community's memory are emptied of meaning in the corporate managed festivals.⁶⁷

The more one values the importance of cultural expression and historical experiences, the more one begins to appreciate the long-term impact of the transformation of public events into sites where consumers carry out the "work" of advertising to themselves and the more one can appreciate the true opportunity cost of the banners, speeches and constraints on expression imposed by corporate sponsors. In an emphatic defense of genuine cultural expression, Henry Glassie wrote

If people are stripped of the ability to manipulate truth, to make their own things and their own history, they may continue to act properly, but they lose the capacity to think for themselves about their own rightness. Those who steal their right to make history (in order to destroy their will to cultural resistance) -- these can be condemned, for they steal from people the right to know what they know, the right to become human.⁶⁸

Events that have been emptied of meaning are not left empty, however. Events become a celebration of corporations and their rise to the challenge of declining government

⁶⁷ Ibid., p. 35

⁶⁸ Henry Glassie, Passing the Time in Ballymenone: Culture and History of an Ulster Community (Philadelphia: University of Pennsylvania Press, 1982) as quoted in Schiller, p. 45

funding. People come away from sponsored events appreciative of the sponsor's role in making the event a reality and, more prepared to accept the role of corporate leaders in determining which events exist and which do not. This positive view of sponsorship was well illustrated by a Decima survey on sport and entertainment which found that only 3% of respondents felt that knowing a corporation sponsors an event that interests them would have a negative impact on their image of that corporation. In contrast, a full 58% felt that the sponsorship would have a positive impact on their impression of the company.⁶⁹

Recent elections of provincial and federal governments on the promise of extreme budget cuts would seem to indicate that the public is prepared to accept the retreat a public service rationality from matters of culture and social life. The beneficial impact on the image of corporate sponsors of support in these areas would seem to indicate an acceptance of a process by which corporations and their marketing rationality are moving in to fill the void and determine which voices in society are heard. Indeed, the governments of the day seem determined to not only vacate the responsibilities, but to do so by engaging in precisely the discourse of marketing rationality of their successors. Consider, for example, the call for federally funded sport associations to adapt to the declining ability of the government to fund their activity.

⁶⁹ Decima Research, Sport & Entertainment Survey: Preliminary Report to CSEM, Inc. (Toronto: Decima Research, 1992) p. 10.

That individual sport bodies explore new financial models based on user-pay, proactive marketing approaches and a market-driven orientation, an expanded membership base through alliances with school programs and a recreation base enhancement, approaches to event management and increased links with the retail industry⁷⁰

Gone is any notion that the sports a country's citizens engage are reflective of and contributory to their unique social and cultural life. So rapid is the retreat of a public service rationality and so thorough the adoption of a marketing rationality, that even some opinion leaders in the private sector are beginning to worry that some element of social life will be lost. As if to inform corporate leaders of the new power they now wield, Peter Drucker asks rhetorically in the *Harvard Business Review* "Who will take care of the public good? Who will define it?" Recognizing that the corporations at the top of the emerging hegemonic order are autonomous and self-serving (indeed, he argues, they must be in order to succeed in a competitive marketplace), Drucker writes

The challenge that faces us now, and especially in the developed, free-market democracies such as the United States, is to make the pluralism of autonomous, knowledge-based organisations redound both to economic performance and political and social cohesion⁷¹

⁷⁰ Cal Best, Chair, Task Force on Fitness and Amateur Sport, Sport: The Way Ahead Report to the Minister for Fitness and Amateur Sport (Ottawa: Ministry of State for Fitness and Amateur Sport, 1993) Appendix XI - 1, recommendation #110.

⁷¹ Peter Drucker, "The Society of Organisations", Harvard Business Review, September - October, 1992, p. 104.

This is hardly a call for a return to unique historical experiences and cultural expression. Schiller, in fact, argues that the social cohesion -- or social "glue" as he terms it -- is already assured by a "steady diet of news, sports, film, TV comedy and drama, entertainment 'parks', tourist excursions, and footage of distant wars and conflicts."⁷²

Drucker's quotation does underscore the extent to which, for all the levers of power they can now access, corporate leaders are hardly aware of the full impact of their decision to sponsor or support one organization rather than another. The ascendancy of marketing rationality has been so thorough that even its most successful practitioners take it for granted that the models for decision making presented in business school are so flawless and universal as to ensure their success in any situation. Such is the nature of the hegemonic filter and the cultural power which lies behind it.

⁷² Op. Cit., Schiller, p. 34

Chapter Three: A history of marketing and event marketing

Introduction

This chapter will shed light on the history of event marketing. As the very name of the activity suggests, there are two fruitful trajectories which one might wish to investigate in formulating a history of event marketing: events and marketing. For the purposes of this paper, I have chosen the latter.

This is not to suggest that a history of events as a site for creation or maintenance of hegemonic power (be it religious, tribal, political or otherwise) might not contribute a great deal to our understanding of event marketing. Surely it could, as is suggested by the contributions of the ritual school of communications to our discussion in the first chapter (a school which well understands the power of events as ritual).

The questions which this thesis hopes to illuminate are, in the end, linked to corporate power and to the emergence of event marketing as a dominant activity which is fast joining traditional advertising as a principal tactic for marketers. To the extent that we wish to explore the emergence of event marketing as a marketing tactic designed, ultimately, to move products and promote services, we will benefit by exploring the roots of event marketing which lie in the history of advertising over the last 100 years.

Ultimately, this history will be a history of the failure of the concept of the mass market and, consequently, the failure of marketing strategies and traditional advertising tactics designed to reach and/or create that market. I will argue that these failures, and the social and technological conditions which accompanied them, contributed to the emergence of a

new marketing strategy -- one which aimed to reach members of a specific segment, to interact with those customers and potential customers and to wrap powerful meaning around the corporation itself, rather than any specific product or service -- all in a calculated effort to build a deeper, longer-lasting, profitable relationship between the corporation and its chosen segment. I will call this marketing strategy "relationship marketing." With event marketing situated as one of the chief tactics put to use by those who have adopted relationship marketing, this chapter will trace the history of the event marketing tactic by carefully tracing the history of relationship marketing as the dominant marketing strategy for the western, industrialized world.

Relationship Marketing Defined

"The Revolution is Now"

With these four admittedly dramatic words, the May 31, 1993 editorial in *Advertising Age* is introduced. The editorial then goes on to advise marketers that a new generation of interactive, targeted media is upon us and ready to change the marketing landscape in dramatic ways. It reads in part

Next month, Time Warner will make the first formal advertising presentation for its electronic super highway, following its alliance with US West. The company is talking to advertisers about ads that consumers can call up at home and about interactive home shopping services. Marketers could even aim messages at households -- in the ultimate example of one-to-one target marketing ¹

The key words in this passage are "targeted" and "interactive" These are the qualities of the new or alternative media which form part of the foundation for this revolution in marketing strategy The new strategy goes by many names at present (transaction marketing, affinity marketing, database marketing, one-to-one marketing) but I have chosen to refer to it as relationship marketing -- putting the emphasis on the desired effect rather than the means

Put simply, relationship marketing is an emerging marketing strategy which puts the emphasis on the development of long-term relationships between an organization (whether profit or non-profit) and the consumers it wishes to serve. While it may sound rather self-evident that organizations need to develop relationships with their market, the acceptance of this principle is only now beginning to spread For most of this century, business decision makers have focused on short term, quarterly profits as opposed to long term relationships Consequently, advertising messages focused on the product, on immediate gratification and on calls to action

¹ Fred Danzig, "The Revolution is Now", Advertising Age, May 31, 1993, p. 16

In contrast, the relationship marketing strategy relies on two fundamental tactics for its success: the development of detailed, relational databases (knowing precisely with whom to communicate) and frequent, long-term, image-enhancing, interactive communication with clients and prospective clients (knowing what to say in order to foster the relationship). As we shall discuss later, truly relational databases that can store enough records and sort through them quickly enough are a relatively recent phenomenon. Systems that can perform at this level and that can be afforded by most organizations are really only as old as this decade.

The messages which support relationship marketing are frequent, long-term, focused on enhancing the image of the corporation, interactive and targeted. Although a tall order compared to the relatively simple messages of traditional mass media advertising, these messages accomplish many things. First, because they are frequent, they allow the organization to continually update and enhance the data it has on each of its customers. Addresses are updated, each new purchase is recorded and customer surveys allow for detailed data to be acquired.

Second, long-term communication maintains a relationship over time, allowing for repeat sales of increasingly profitable products. In life insurance, for example, an industry truism states that most consumers buy life insurance as a result of seven major events in their lives. The first of those events is marriage, an agent who can sell to an individual as he or she gets married and who can then maintain the relationship with that client will likely be

able to sell life insurance six more times without having to go through the effort and expense of finding any new clients

Third, messages which focus on the perceived attributes of the corporation are designed to foster a relationship between consumers and that corporation. As we shall discuss later, increasing meaning is being given to the companies we engage as consumers. In an era of rapid product life cycles and commodification of most products and services, it is a company whose stable image fits with our own that can keep us coming back year after year -- not its ever-changing line-up of products and fleeting meanings. This is not to suggest that symbolic value is somehow less important, rather that it now surrounds and enhances the corporation more so than the products themselves.

Fourth, interactive communication serves to forge a relationship between the consumer and the organization. Consumers begin to feel like members (which explains why the majority of relationship marketers have formed clubs), friends, valued clients and participants in the process of developing and selling the products or services. In the past, they had to settle for being passive, anonymous customers.

This interactive element is an important part of the communication strategy which supports relationship marketing. Consumers interact voluntarily through 1-800 lines, interacting with representatives at event booths, mail surveys, dealings with customer service representatives and, increasingly, via the Internet. Consumers also interact

involuntarily through affinity credit cards, purchase point plans, air mile plans, attendance at sponsored events, cash register scanning systems, etc

By virtue of all this voluntary and involuntary interaction, organizations can now know their market intimately. And, conversely, consumers can feel like they have an intimate relationship with organizations. A social world is created bringing together organizations and their defined market segments. Every time members of the social world call a 1-800 line to request information on New Balance shoes and an entry form for their local New Balance Race for the Cure 10 K run, the bonds of the social world are strengthened. It is within the comfortable confines of this world that members define the corporation and its relationship to the other members of the world. The definition they arrive at will determine to what extent members will do business on a regular, profitable basis with the organization. The task for the organization, then, is to manage the interaction to ensure a favourable definition.

Finally, the messages of relationship marketing, owing to their increasing presence on alternative media, are precisely targeted to specific segments of the population. By being selectively sent to only those clients or prospective clients most likely to respond with the desired action, targeted communication allows organizations to maximize the return on investment (ROI) for each element of the campaign. Targeting also serves to further define the social world into which corporations wish to enter. Whether because of the entry price, the perceived expertise required to fully appreciate the spectacle or the targeted list

of invitations, many events are increasingly "off limits" to those whose demographic or psychographic profile does not match that of the chosen social world. These soft barriers are perfectly in keeping with the fundamentals of the relationship marketing strategy.

A Concrete Example

In May of 1993, Pepsi launched a new magazine entitled *Pop Life*. The magazine is sent directly to over 550,000 homes in Canada. Each of these is home to a teenager -- Pepsi's chosen target market.

How did Pepsi arrive at such a list? By conducting tens of thousands of "Taste Tests" across the country in one of the most ambitious event marketing programs ever -- the 3½ - year *Pepsi Taste Patrol* campaign. Dozens of special vans were dispatched to events known to attract teens, taste tests were conducted, samples were given, merchandise was given, and Canada's largest database of teenagers was compiled. In describing the database, Roger Baranowski, marketing manager at Pepsi said: "We knew we were sitting on dynamite."²

An interesting feature of the magazine, which is in keeping with relationship marketing, is that all of the content was in effect determined by way of a survey of 7,000 randomly selected teenagers who were asked to identify the types of stories they most like to read in magazines. This highlights the database's power to go beyond targeting communication and move in and assist with product and service design -- the value constellation concept.

² Allison Rose, "Tasteful Propaganda or Harmless Info?", Ottawa Citizen, May 29, 1993, p. F7.

in action. Obviously, if the objective is to build a long-term relationship with consumers -- a social world -- it is essential to be seen as sensitive to their needs, responsive and relevant. With the Taste Test Patrol and *Pop Life*, Pepsi accomplishes all of this.

Methodology -- Extending Leiss, Kline And Jhally

This chapter will analyze the relationship marketing strategy and the event marketing tactic it precipitates borrowing from the structure of analysis used by Leiss, Kline and Jhally in their Social Communication in Advertising (1990).³ The authors analyzed the development of marketing, advertising and media and arrived at four eras or stages of development. Each era was defined by

- 1) the economic conditions of the time,
- 2) the sociocultural conditions which mark the way people related to goods in that era,
- 3) the state of both the commercial mass media and advertising industry, and
- 4) the patterns in the creative content and form evident in actual advertisements from the era.

We will extend Leiss, Kline and Jhally's analysis and map out the development of a fifth era in the development of media, marketing and advertising -- one not yet defined in Leiss,

³ William Leiss, Stephen Kline and Sut Jhally, Social Communications in Advertising (Scarborough: Nelson Canada, 1990).

Kline and Jhally's work (owing, perhaps, to its still emergent nature at the time the book was published)

In addition to the broad features of each era described by Leiss, Kline and Jhally, this chapter will draw from specific histories of advertising to focus on those trajectories which, it will be argued, have most contributed to the emergence of relationship marketing and the event marketing tactic. These trajectories will include the emergence of creative strategies which place emphasis not on the physical attributes of the product but on the psychological and social attributes of the people who use them. Attention will also be drawn to the development of sophisticated research methods within the marketing and advertising industry -- research methods which aimed to convince advertisers of the efficacy of their investment, and, ironically, research methods which ultimately proved the inadequacies of traditional media, opening the door for the emergence of alternative media (direct mail, telemarketing, events, etc.). Next, the chapter will examine the emergence of market segmentation as a powerful concept affecting methods of production, distribution and promotion. The notion of a homogenous mass market has vanished, creating demand for media which reach small segments of predictable, homogeneous consumers. Yet the roots of segmentation and the decline of the mass market go back much further than the 1956 article in the *Journal of Marketing* credited with introducing the formal concept of segmentation. Finally, a fourth trajectory will be the range of media available to carry advertising messages -- the last, essential piece of the puzzle which made marketing segmentation's rise possible. Research findings, scholarly arguments and the general

acceptance of marketing segmentation were not enough to foster truly segmented advertising tactics such as event marketing -- the media capable of reaching defined audiences had also to be available ⁴

Reviewing the Development as Outlined by Leiss, Kline, and Jhally

The authors trace the history of marketing strategies and advertising messages through four distinct eras outlined in the chart below ⁵

The Development of Media, Marketing and Advertising

Media for advertising	Newspaper/ magazines	Radio	Television	Television
Marketing Strategy	Rational	Non-rational	Behaviourist	Segmentation
Advertising Strategy	Utility	Product Symbol	Personification	Lifestyle
Period	1890 - 1920	1920 - 1950	1950 - 1970	1970 - 1980
Elements in Ads	product quality, price, use	product qualities, symbolic attributes	person prototype	Activity (person - setting)
Metaphoric/ Emotive themes	quality, useful, descriptive	status, family, health, white magic, social authority	glamour, romance, sensuality, black magic, self- transformation	leisure, health, groups, friendship

The Rational Era

The first era (1890-1920) was founded on a rational marketing strategy and advertising messages which stressed product utility, qualities, uses and price. In short, symbolic value

⁴ This is not, however, to suggest a tidy, linear, causal relationship between research, strategy and the development of media. In many cases (events being a prime example), the media predate the recognition of the problem and the derived solution. It is the consistent success of particular tactics which tend to drive acceptance of one marketing strategy over another. The relationship between research, strategy and media outlets appears to be more circular and mutually strengthening than causal or linear.

⁵ Ibid., p. 6

was not nearly as evident in the advertisements of the time as it would be in the early 20th century. This creative approach (if we may call it that) has its roots in the announcements carried in printed broadsheets dating back as far as the 17th century. Raymond Williams describes these early attempts at promoting the sale of products and services as "simple, basically factual and specific notices we now call 'classified' (or) direct recommendations."⁶ While the claims were often exaggerated, they none-the-less focused on the qualities of the products and services. In terms of design, the advertisements of the era were "conventionally printed" with "hardly any illustration."⁷ One creative tactic which perhaps hints at symbolic value is the growing use of testimonials by royalty dating back to the mid 19th century. Queen Victoria's household, for example, was said to use the patented medicine "Balm of Syriacum."⁸ Clearly, these early uses of celebrity endorsements were designed to add an aura of prestige and credibility to the products.

Research methods in this first era were limited and focused on efforts to measure the circulation of newspapers. In 1900, for example, the Advertisers Protection Society was formed, in part to "bring pressure on newspapers to publish their sales figures so that campaigns might be properly planned."⁹ Similarly, Stephen Fox describes the process whereby the American advertising industry "reformed itself" by the "extraction of honest circulation statements from publishers."¹⁰ Fox cites the publication in 1869 of *Rowell's*

⁶ Raymond Williams, "Advertising: The Magic System", in Problems in Materialism and Culture, (London: Verso Editions and NLB, 1980), p. 171.

⁷ *Ibid.*, p. 172.

⁸ *Ibid.*, p. 175.

⁹ *Ibid.*, p. 179.

¹⁰ Stephen Fox, The Mirror Makers (New York: William Morrow & Co., 1984) p. 19.

American Newspaper Directory, complete with circulation figures, as a defining moment of a nascent industry “For the first time ever, agents and advertisers had a totally complete guide to over 5,000 American and Canadian newspapers”¹¹ What started as an effort to determine the quantitative potential of a medium would soon grow to include an emphasis on describing the qualitative potential of media

Although a formalized recognition of segmentation as a marketing strategy was still 100 years away, the advertisers and publishers of the era had some concept of discrete units within the market and of the desirability of targeting those units or segments with particular messages Two segmentation approaches common in this era divided the population by gender and by rural versus urban homes For example, the *Ladies Home Journal* was launched in 1883 Later, publisher Cyrus H K Curtis was drawn by the success of the *Journal* in reaching 750,000 women and so purchased and re-launched what Fox describes as “a man’s counterpart” -- the *Saturday Evening Post* in 1895 Earlier, Curtis had launched the *Tribune and Farmer* for rural audiences¹² Segmentation by income bracket also has its roots in the magazines of the late 19th century Fox, for example, describes the differing reaches of magazines of the era

¹¹ *Ibid.* , p 20

¹² *Ibid.* , pp 20 - 23

The polite magazines of the era took pride in *not* imitating Allen's methods. All these magazines (*Harpers, Atlantic*) aimed their substantial reading matter at more affluent, literate readership than E.C. Allen's subscribers. This 'better' class of readers might be offended by more ads -- but also offered advertisers a more lucrative potential market than mail-order journals " ¹³

Similarly, Fox recounts the experience of a cereal manufacturer whose advertising campaign in newspapers was a failure, by virtue of that medium's less affluent readers. The advertiser would later move to advertising in magazines in order to reach "a more affluent public " ¹⁴

The turn of the century saw significant advances in the number, kinds and reach of media available to advertisers. Advertisers were constrained by the limited audience for newspapers of the mid-nineteenth century and often turned to fly-posting on streets ("a large and organized trade", reports Williams) ¹⁵ Even as newspaper circulation expanded in England as a result of the abolition of stamp duties, the attitude of editors towards advertising limited the potential to express complex messages. "Editors", explains Williams, "were extremely resistant to any break-up in the column layout of their pages, and hence to any increase in size of display or type." ¹⁶ By the 1880s, however,

¹³ Ibid . p 29

¹⁴ Ibid . p 55

¹⁵ Op Cit . Williams. p 175

¹⁶ Ibid

newspapers and magazines were relaxing their standards, drawn by the new source of advertising revenue and challenged by the reproduction advances of the poster industry ¹⁷

This era also saw the development of several alternative media whose full exploitation by advertisers would not be seen until the next century. Williams describes monumental outdoor advertisements and balloon advertising in the 1890s,¹⁸ while Fox describes what may be considered one of the original, international sponsorship ventures, which predates the modern sponsorship of the America's Cup described in the first chapter by a full century.

Ward (Artemas Ward, Advertising Manager for New York soap making firm Enoch Mogan's Sons) underwrote an intrepid mariner who sailed a fourteen-foot sloop (with Sapolio prominently featured on the sail) from Atlantic City to Spain ¹⁹

The pattern we see here is a familiar one. The public was growing used to traditional advertising and, as such, was paying less and less attention. Driven by what Williams describes as their "vigorous inventiveness" ²⁰, advertisers went to great lengths to create any advertising message or vehicle which "sold more because it was *different*" ²¹. As modern and recent as alternative media may appear to us in the 1990s, their roots go clearly back to the frustrations of advertisers a century ago.

¹⁷ Ibid., p. 176

¹⁸ Notably, a "an eight-ton patent food sign halfway up the cliffs of Dover". Ibid., p. 177

¹⁹ Op. Cit., Fox, p. 23

²⁰ Op. Cit., Williams, p. 177

²¹ Op. Cit., Fox, p. 25

The Non-Rational Era

The second era (1920-1940) saw a non-rational marketing strategy and advertising messages which stressed product symbols and the symbolic attributes of the product (status, health, family, etc) over the rational, concrete advantages of one product over another. This was the era in which messages which strove to add symbolic value to products increasingly complemented (as opposed to replaced) messages which strictly outlined the utility and material value of products.

There are several economic, social and technological developments which, together, engendered this dramatic change in marketing strategies and advertising tactics. Chief among them is the almost universal adoption of modern mass production methods in the industrialized western world. It is tempting to argue that the modernization of advertising in this era was brought about simply by the fact that marketers were faced with the task of moving increasing numbers of new products emerging from new factories. One can imagine a silent movie scene in which the frustrated businessman, watching as a pile of goods gathers at the end of an assembly line, screams for help. The heroic advertiser responds by turning to more aggressive tactics and consumers are given yet another, more cunning reason to buy.

Stuart Ewen comes dangerously close to this simplification in his history of modern advertising and the modern industrial society, Captains of Consciousness, drawing close ties between the development of modern mass advertising and the adoption of mass

manufacturing methods Ewen is careful to paint a subtle picture of the link between the two forces This subtlety is appropriate, as Williams reminds us, since the spread of modern industrial methods capable of producing massive amounts of uniform goods predates by a considerable number of decades this second, non-rational era Williams writes

It is not true, for example, that with the coming of factory production, large-scale advertising became economically necessary By the 1850s and with Britain already an industrial nation, the advertising pages of the newspapers, whether *The Times* or *The News of the World*, were still basically similar to those in eighteenth century journals, except that there were more of them, that they were more closely printed and that there were certain exclusions (lists of whores, for example, were no longer advertised in the *Morning Post*) ²²

Ewen's major contribution to our understanding of the non-rational era is his understanding that, in adopting modern advertising techniques, marketers of the era were attempting to go much further than merely selling the rapidly accumulating piles of goods in their warehouses Advertising was to become the principal tool in the modernist project of social control Ewen writes

²² Op Cit. Williams. p 173

As the notion of control expanded, the other ways in which working people might be involved in the industrial process beyond their factory role became increasingly explored wise business management recognizes the good sense of organizing the *source of labour supply* beyond the immediacy of the factory ²³

Even as Stanley Resor, then President of modern advertising's flagship agency, J. Walter Thompson, cited "the distribution of goods" as the "chief economic problem" of the time, one senses the larger social crisis whose solution lay behind the desire to keep inventory moving out the door Resor continues "The shadow of overproduction, with its attendant periods of unemployment and suffering, is the chief menace to the present industrial system" ²⁴ Thus, the availability of inexpensive, mass produced goods became the promise offered by an industrial system whose rhythms, working conditions and rapid urbanization created a worrisome level of human suffering As Ewen summarized, with this new cultural logic "people ameliorate the negative condition of social objectification through consumption -- material objectification" ²⁵

Business leaders of the era, Ewen argues, understood "the social nature of their hegemony" ²⁶ As such, their modernist project involved the management and control of machines, the men and women who worked them and the same men and women who bought their output

²³ Stuart Ewen, Captains of Consciousness (Toronto: McGraw-Hill Book Co., 1976) pp. 15 - 18

²⁴ *Op Cit.*, Fox, p. 94

²⁵ *Op Cit.*, Ewen, p. 36

²⁶ *Ibid.*, p. 19

Williams echoes Ewen's emphasis on advertising as a form of social control when he cites the development of "monopoly capitalism" as a major force behind the development of modern advertising. With monopoly capitalism, industrial ownership was organized into larger and larger corporations and control of the market was made a top priority in order to avoid the catastrophe of the British depression

Modern advertising, that is to say, belongs to the system of market control which, at its full development, includes the growth of tariffs and privileged areas, cartel-quotas, trade campaigns, price fixing ²⁷

Advertising had indeed come a long way from being the favoured tactic of purveyors of bogus patent medicines and slave owners looking for runaways. It was now being viewed increasingly as a major social and economic force. That progression can be traced to a number of important factors, chief among them the use and performance of advertising by governments during the first World War. Governments recognized quickly that war on a global scale called for a mobilization of men and resources unparalleled in recent human history -- and this without ready recourse to the religious appeals or physical threats which had served others in similar positions. As Williams writes

²⁷ Op. cit. Williams, p. 178

Appropriately enough, perhaps, it was the war itself, when now not a market but a nation had to be controlled and organized, yet in democratic conditions and without some of the older compulsions, that new kinds of persuasion were developed and applied. The need to control nominally free men like the need to control nominally free customers, lay very deep in the new kind of society ²⁸

Advertising would prove itself equal to the task as the success of campaigns to recruit soldiers and sell victory bonds lay the foundation for advertising's emergence as a major social force in the decades between the world wars.

The situation was much the same in the United States. Fox describes the impact on the industry of the success of campaigns for the Red Cross, Liberty Loans and, the ubiquitous "I Want You" recruitment poster "At the time, the near unanimity of public opinion on the war allowed the advertising industry a new and bolder sense of its power. 'Advertising has earned its credentials as an important implement of war,' *Printers Ink* concluded "²⁹

The recognition of this new power was also expressed by government officials such as George Creel, head of the US government's Creel Committee and its advertising division: "Before the war, your status was anomalous. Today, by virtue of government recognition as a vital force in American life, you stand recognized as a profession "³⁰

Confidence within the advertising industry that larger social issues could be addressed combined with the growing confidence of psychologists to create a new genre of

²⁸ Op Cit . Williams. p 180

²⁹ Op cit . Fox. p 75

³⁰ Ibid

advertising focused, as Williams describes it, on “basic personal relationships and anxieties”³¹

Fox similarly draws attention to the growing impact of behaviourists and sociologists on the advertising industry in the years following World War I. Walter Resor, for example, admitted to being heavily influenced by the Yale lectures of William Graham Sumner, who explained human beings as “faceless parts of a moiling mass bumping its way forward through the impersonal process of evolution – governed not by reason but by heedless, irrational drives of hunger, vanity, fear and sexuality”³²

Not surprisingly, the trend-setting advertising which emerged from J. Walter Thompson in the second era featured creative messages which appealed to people’s need to belong to groups as well as messages designed to evoke the irrational drives within the consumer. It is also worth noting that Resor was among the very first advertising agency leaders to hire a psychologist – John B. Watson, whom Fox describes as “one of the founders of behaviouralism”³³. Ewen notes how Watson well understood the larger role which advertising could and should play, describing him as “a proponent of transferring psychological development away from traditional areas of socialization (e.g. the family) and for making the realities of commercial life the guiding principles of child rearing”³⁴

³¹ Williams describes, for example, a powerful recruitment advertisement in which a young girl asks her father “Daddy, what did YOU do in the Great War?” in *Op. cit.*, Williams p. 180

³² *Op. cit.*, Fox p. 83

³³ *Ibid.*, p. 85

³⁴ *Op. cit.*, Ewen p. 82

2

PM-1 3 1/2" x 4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

Imbued with the biases and perceptions of behaviouralists, the messages of modern advertising's second era focused less on the attributes of the product and more on the consumer. As Leiss, Kline and Jhally summarize

The new approach of the industry was far broader and more radical: the consumer, not the product, was to be henceforth the key ingredient in the message system. The two main features of this new approach stand out with increasing clarity in the marketing and advertising from the 1920s onward. First, at the heart of the sales effort are images of persons and social groups, that is visible expressions of human contentment in the associations between persons and products. Second, these images are embedded in background settings made up both of natural and cultural environments.³⁵

Another important feature of the advertising messages of the era is a growing emphasis on the company behind the goods. Fox traces this change back to advertising during World War I as well, citing how companies were interested in keeping their names in front of consumers during the war, while being careful not to push products too heavily for fear of appearing commercial during such a sensitive time of crisis and scarcity. The result was a series of memorable advertising campaigns which painted pictures of corporations as institutions deeply committed to the "lofty ideals" of patriotism and freedom.³⁶ This institutional approach in advertising, with its emphasis not on products but on corporations and their people, had been pioneered by Theodore F. MacManus, while

³⁵ Op cit. Leiss, Kline and Jhally, p. 63

³⁶ Op cit. Fox, p. 75

Advertising Manager at General Motors. In a strikingly early example of what we now know as relationship marketing (indeed, what I will argue is at the heart of the fifth era of modern advertising), MacManus designed long-term advertising campaigns through which he aimed to “build a *friendship* based on slow accumulation of favourable *impressions*”³⁷ In MacManus’ own words, “The real suggestion to convey is that the man manufacturing the product is an honest man, and that the product is an honest product to be preferred above all others”³⁸

In terms of creative strategies behind the messages, then, the roots of modern advertising were all in place and thriving, driven by the ideas and ideals of psychologists, sociologists and industry leaders of the era: emphasis on the qualities of the corporation, appeals to subconscious drives, and focus on the derived social benefits of using the product. Each of these strategies would later find ultimate expression in modern event marketing.

Marketing research made similar advances in the second era. Walter Resor expressed his “faith in statistics to describe and predict human behaviour”³⁹ That expression came in the form of an ambitious study, *Population and Its Distribution*, which Resor published in 1920. At 218 pages, and costing \$2.50, the study “described the consumer population in the radius of all major metropolitan centres and presented lists of all the towns with 500 or more residents in a given state.” It was, in the words of Fox, “the hard factual basis for the

³⁷ Ibid., p. 71

³⁸ Ibid.

³⁹ Op. cit. Fox, p. 84

development of modern marketing research”⁴⁰ Resor also lured Paul Cherrington away from the Harvard Business School to become J. Walter Thompson’s first-ever Director of Research. A disciple of Frederic W. Taylor and the Taylorist project of scientific management, Cherrington pioneered and made ample use of consumer survey methods in an effort to minimize consumers’ “distortion due to self-consciousness” and arrive at “astringently quantified answers to the imponderables of advertising.”⁴¹ Similarly, Raymond Rubicam (like Resor, a pioneer of the modern advertising industry) lured George Gallop away from Northwestern University, whereupon the academic developed the modern methods of public opinion polling which have now made a veritable brand of his family name.⁴²

Market research in the second era of modern advertising, then, aimed to know and manage much more than the audience reached by a particular medium (as *Rowell’s Directory* had attempted). Rather, this research aimed at knowing and managing the entire potential audience or market -- the society as a whole.

All this work by market researchers, psychologists and sociologists of the era intersected at the concept of the mass market. Market research consistently pointed to divisions in society. The work of Gallop, Cherrington and their contemporaries showed consumption

⁴⁰ Ibid. p. 84

⁴¹ Ibid. p. 85

⁴² Ibid. p. 127

differences, for example, between women and men ⁴³ The work of Daniel Starch also showed important differences between readers of different magazines, as described by Leiss, Kline and Jhally

adoption of audience research by magazines had effects far beyond that of raising circulation figures Readership studies discovered overlaps in readership patterns and magazines with few multiple readers This knowledge allowed advertisers more tactical leeway in placing their ads, and those magazines that did not meet the advertisers' needs simply faded away Daniel Starch and others pioneered in researching audiences -- that is who was reading what publications -- but they soon went beyond the mere counting of readers, they asked about the readers' backgrounds and interests, thus helping to define the appeal of a particular magazine and its audiences ⁴⁴

The discovery by Starch and his contemporaries of a link between readership patterns and consumption patterns was a critical step along the road to a full definition of segmentation as a marketing strategy, it was also an early indication of how particular media (in our case, events) can assemble uniform, profitable market segments.

Also important are the findings by market researchers in the decades after the war pointing to considerable differences between the consumption patterns of new immigrants to America and their more acculturated fellow citizens The surveys, focus groups and

⁴³ Women consumers, for example, were found to be "more likely than men to follow direct commands" and to be "more suggestible than men", as described in Daniel Pope, The Making of Modern Advertising, (New York Basic Books, 1983), p. 247

⁴⁴ Op. cit. Leiss, Kline and Jhally, p. 105

demographic studies uncovered, as Ewen describes them "the indigenous networks of social structure that carried with them premises and values which generated mistrust or open opposition to the corporate monopolization of culture" ⁴⁵ Thus recent immigrants and the media which appealed to them in their native tongues were to be the site of a form of advertising "to temporarily accommodate immigrant and other defined resistance to nationalization" ⁴⁶ The ultimate expression of this eradication of resistance came in the form of the concept of the mass -- the Taylorist utopia in which all men and women are identical, predictable, manageable producers and consumers. The path to a mass society lay, for Edward Bernays, in the development of a "mass psychology"

If we understand the mechanism and motives of the group mind, is it now possible to control and regiment the masses according to our will without their knowing it. Mass psychology is far from being an exact science and the mysteries of human motivation are by no means all revealed. But at least theory and practice have combined with sufficient success to permit us to know that in certain circumstances we can effect some change in public opinion by operating a certain mechanism ⁴⁷

The advertisements which were the product of this nascent mass psychology were often found in the pages of publications which belonged to the American Association of Foreign Language Newspapers. That such an association existed points to the recognition of segments of resistance by marketers of the era. That its Director, Frances Kellor, was an

⁴⁵ Op cit. Ewen. p. 58

⁴⁶ Ibid. p. 43

⁴⁷ Ibid. p. 84

English speaking American businessman, hints at the nationalizing mission of the association. Ewen describes the mission as an attempt to "convey a picture of the world in which small groups were no longer proper realms for the communication of values -- it was within the corporation and the mass-industrial context that people might find a replacement for outdated communities and the sustenance they afford."⁴⁸ In short, the notion of segmentation common to the second era of modern advertising was one of a barrier along the road to a mass market -- the intent was not to profit from differences but to eliminate them.

With the advent of radio, marketers had a bold new medium with which to create the desired mass market. They also had access to a level of control over content -- an opportunity to integrate advertising messages into the very fabric of radio shows -- which would not re-emerge until the advent of event marketing some 50 years later.

Although certainly not the first mass medium available to marketers (the circulation of national magazines in the first era was impressive and widespread), radio distinguished itself by the enthusiasm with which it was greeted by listeners and, as a result, the remarkable speed with which it integrated itself into modern society. In only 20 years, radio was able to arrive at a level of reach comparable to what newspapers had accomplished over a span of nearly 100 years.⁴⁹ Radio's success was intimately linked to the rapid urbanization which characterized both Canada and the United States in the years

⁴⁸ Ibid., p. 98.

⁴⁹ Op. cit., Leiss, Kline and Jhally, p. 92.

between the world wars (with radio signals only being readily accessible to those in urban areas) ⁵⁰ As such, radio enjoyed a truly synergistic relationship with the concept of the mass market. Radio welcomed rural citizens into their new urban homes, helped fill the spare time created by the absence of traditional rural forms of recreation and reduction in work hours ⁵¹ and offered a nationalizing message which helped to erase one of the original lines of demarcation which marketers had to deal with when advertising in newspapers and magazines -- the demarcation between rural and urban consumers.

With the establishment of NBC as the first national network of affiliated stations in the United States, advertisers in that country had access to a medium which could reach an entire nation in one step -- infinitely simpler and more predictable (qualities held in high regard in this era of scientific management) than purchasing advertising in a number of magazines or hundreds of newspapers ⁵² As early as 1931 -- a mere 10 years after its introduction -- radio had become the favoured medium for national advertisers whose standardized product offering to an entire nation (food, drug, tobacco and soap) epitomized the concept of the mass market ⁵³ The effectiveness of radio as a medium to

⁵⁰ Garth S. Jowett, "The Growth of Mass Media in Canada", in Benjamin D. Singer, Ed., Communications in Canadian Society, (Don Mills, Ontario: Addison-Wesley Publishers), p. 160

⁵¹ Ibid.

⁵² It is interesting to note the fundamental difference between the United States and Canada in this respect. In 1932, the Canadian parliament passed the Canadian Radio Broadcasting Act, creating the Canadian Radio Broadcasting Commission as the forerunner of the modern CBC. Thus, for Canadians, the national radio network was a public institution, rather than one fuelled by advertisers and their programming. This perhaps explains, in part, the delayed widespread distribution of radio receivers in Canada as compared to the US. This delay is outlined and explained well in Op. Cit. Jowett.

⁵³ Op. cit. Leiss, Kline and Jhally, p. 104

deliver a national audience grew as the dependence on network programming grew -- all advancing in a synergistic manner well described by Leiss, Kline and Jhally.

Individual stations became dependent on the networks for material of sufficiently high quality to draw audiences, and on the fast developing expertise of advertising agencies to secure a stable revenue base. National broadcasting and national advertisers nicely reinforced each other's interests. In 1922 only 6 percent of radio stations were affiliated with networks, by 1937, this affiliation had risen to 46 percent, and by 1947 to 97 percent.⁵⁴

As a medium for advertising, radio also offered a level of control and an opportunity to integrate advertising messages which print had never approached. Advertisers, through their agencies, created programming, hired the talent, wrote or approved scripts and oversaw production. The agency handling Pepsodent, Lord & Thomas, developed the *Amos 'n Andy Show*, for example. As that show became America's most popular, Pepsodent sales tripled in volume.⁵⁵ The level of control allowed advertisers, in a fashion similar to the description of Vancouver's GM Place in chapter one, to integrate advertising messages into the very fabric of the show. Fox cites an excellent example of the lengths to which this integration could and did go:

⁵⁴ Ibid., p. 109

⁵⁵ Ibid.

The Sir Walter Raleigh Revue managed to squeeze seventy references to the sponsoring cigarette into one hour: the theme song ("rally round Sir Walter Raleigh") introduced the Raleigh Revue in the Raleigh Theatre with the Raleigh Orchestra and the Raleigh Rovers; then would follow the adventures of Sir Walter in Virginia and at Queen Elizabeth's court, with ample mention of his cigarettes and smoking tobacco.⁵⁶

In addition to the national (if not nationalizing) reach of network radio and its opportunity for control and integration, small numbers of enterprising advertisers continued to make use of events, laying the foundation for modern event marketing. J. Stirling Getchell, for example, established the Silvertown Safety League on behalf of his client, Goodrich Tires. To promote the League and sign up members (in itself, an early effort in relationship marketing), Getchell organized a national tour by fifteen cars (all sporting Goodrich Tires). Fully understanding the power of events to generate publicity, Getchell ensured photographers covered the tour and filed photos with local papers.⁵⁷

Similarly, when Edward Bernays was called upon by American Tobacco Inc. to dispel the negative image preventing women from smoking, he conceived of a "parade of women lighting torches of freedom."⁵⁸ In an effort to associate the product with the feminist movement (something the Virginia Slims brand of cigarettes carried out effectively for twenty years with its sponsorship of women's tennis and its slogan "You've come a long way, baby"), Bernays convinced Ruth Hale, then a leading feminist, to march with her

⁵⁶ *Op. cit.*, Fox, p. 155

⁵⁷ *Ibid.*, p. 164

⁵⁸ *Op. cit.*, Ewen, p. 160

supporters smoking cigarettes in the 1929 New York City Easter parade. The event generated front-page coverage and conveyed the new link between cigarettes and women's emancipation in words and pictures. This was an early and effective example of event marketing's potential to create symbolic value.

The second era, although it preceded the fifth by some 70 years, put in place most of the creative, organizational and intellectual foundations which have come to fruition in event marketing: the desire to add symbolic value to goods, the attention focused on the integrity of the corporations behind those goods, the integration of advertising messages within the fabric of the medium and its content, the recognition that discreet segments exist within a national market, and the recognition that the media habits of individuals within those segments can reflect or point to consumption habits.

The third and fourth eras were not as important to the history of modern advertising. Marketers and advertisers largely built on the developments of the two decades after the first World War and, most importantly, began slowly laying to waste the notion of the mass market which so drove the marketing activity of this second era.

The Third Era – Television and the dawn of the market segment

The third era (1950-1960) saw a continuing move to behaviourist marketing strategies and the personification of the product as the dominant advertising message. Human qualities such as glamour, romance and sensuality were imbedded into products through advertising. The emphasis was still on the addition of symbolic value to goods, although

the symbols and attributes changed to reflect the continuing need to surprise the audience and grab their attention. The third era, then, is not particularly marked by the changes to the genres of advertising, but by changes to the sheer volume of activity. Continued urbanization, the spread of radio and the introduction of television all combined to crystallize the tendencies put into motion during the twenties. As Ewen summarizes:

It was in the 1950s that the proffered dreams of the captains of consciousness, worked out in the twenties, really began to take concrete form. The new society was one which distributed culture on a mass scale. This triumph over the locality of people's lives as a source of nurturement and information is, perhaps, the monumental achievement of twentieth-century capitalism: centralization of the social order.⁵⁹

This higher level of advertising activity was led by the western world's blossoming love affair with the automobile. Here was a complex good which was difficult to differentiate in terms of material or utility value and one which had to be sold in staggering numbers in order to ensure a return on investment for the manufacturer. Fox describes the relationship between automobiles and advertising thus:

Since cars were essentially two-ton packaged goods, varying little beneath the skins of their increasingly outlandish styling, they demanded heavy advertising. With automobiles as the bell weather, gross advertising went up by 75% during the decade, faster than the growth of the gross national product, personal income or any other economic index.⁶⁰

⁵⁹ Ibid., pp. 206 - 207

⁶⁰ Op. cit., Fox, p. 173

One change to the creative strategy apparent in the ads of the third era was a renewed emphasis on simplicity -- a feature driven by the sudden increase in the number of messages competing for consumer attention. The objective was to present an ad which could be read and remembered in an instant. Led by Rosser Reeves of the Ted Bates agency, advertisers increasingly focused their message on one simple product benefit or unique selling proposition -- the expression of that benefit was aimed squarely at the subconscious level of the consumer's mind where, it was thought, its impact could be felt faster. As Margot Sherman of the McCann-Erickson agency noted,

We have less time to read, browse, meditate and muse. There is such a multiplicity of messages striking us from every side . . . that it seems sometimes that only message can strike deep and hit home when we have a moment to spare ⁶¹

In terms of creative strategy, then, changes in the third era were more stylistic than strategic, with a continuing emphasis on symbolic value. The difference, and it is central to understanding the emergence of event marketing, lay in the increasing volume of commercial messages to which consumers were subjected and the struggle by advertisers to break through the clutter.

The situation is much the same for the state of market research in the third era. Building on the work of pioneers like Starch, Gallop and Cherrington, the volume of market

⁶¹ Ibid., p. 179

research carried out grew quickly and market research became a standard activity for corporations. As Pope describes it

Since World War II however, the multidivisional form has become the norm in big business. Sets of tasks that corporations performed informally or not at all in the World War I era have assumed great importance in many firms: public relations, personnel and research and development departments are among the structures that have evolved.⁶²

In keeping with this growing complexity of business structure, advertising agencies grew to meet the needs and expectations of their clients. Agencies increasingly offered ancillary services such as market research, merchandising, and public relations.⁶³

Apart from the quantitative jump in the amount of market research being carried out, there was one significant qualitative change in the research. To the audience studies for particular media of the first era and the demographic studies of markets of the second era was added a new, psychographic dimension -- motivational research. This kind of research drew on "esoteric methods borrowed from the social sciences, especially depth psychology and psychoanalysis... motivational research dubbed into subconscious, non-rational levels of motivation to suggest -- beforehand -- where ads should be aimed."⁶⁴

All of this research began slowly pointing to the existence of market segments, unique groups of consumers with similar thinking and purchasing patterns. The sometimes

⁶² Op cit. Pope, p. 256

⁶³ Op cit. Fox, p. 176

⁶⁴ Ibid. p. 183

dramatic differences between segments called into question the whole notion of the mass market. Even once displaced into cities and, later, suburbs, and even after being subjected to wave upon wave of commercial messages, consumers steadfastly refused to fit completely into the national, mass mold which manufacturers needed in order to maximize profits. Pope describes this clash between modernist expectations and market realities:

Experts who anticipated that advancing prosperity would mean a homogeneous society of loyal, steady buyers of a small number of heavily-advertised brands have generally been disappointed. Consumption patterns mirror the demographic and social fissures in American life.⁶⁵

In a paper which harkens back to Raymond Williams' important reminder that advertising is carried out more in the name of market control than social control, Wendell R. Smith (1956) was among the first marketing theorists to suggest that the existence of such segments, rather than an impediment to standardization and profit maximization, might serve as the basis for a marketing strategy -- a strategy which would yield competitive advantage and profit. Smith began by recognizing that mass advertising was once thought to be the natural corollary to mass production, much as Ewen has argued was the case in the 1920s.

⁶⁵ Op cit., Pope, p. 258

variations in the demands of individual consumers are minimized or brought into line by means of effective use of appealing product claims to make a satisfactory volume of demand *converge* upon the product or product line being promoted. This strategy was once believed to be essential as the marketing counterpart to standardization and mass production in manufacturing because of the rigidities imposed by production costs and considerations.⁶⁶

Smith recognized, too, that despite the best efforts of advertisers, demand may diverge. This lack of homogeneity stems from factors such as "different customs, desire for variety, or desire for exclusiveness... basic differences in user needs (or)... shopping errors."⁶⁷

Smith offered a new strategy which accepted divergent demand and adjusted product lines and marketing strategy according to the specific needs of one or more specific segments. Smith understood that, far from being a strategy to create a homogeneous mass market, a strategy of market segmentation is "disaggregative in its effects and tends to bring about recognition of several demand schedules where only one was recognized before."⁶⁸ There are no illusions, however, about segmentation as a marketing strategy less intent on controlling consumer behaviour and driving sales. In the militaristic language so appropriate to marketing, Smith described the effects of a segmentation strategy as tending to produce "depth of market position in the segments that are effectively defined and penetrated."⁶⁹ Thus, paradoxically, a marketing strategy which defies the modern

⁶⁶ Wendell R. Smith, "Product Differentiation and Market Segmentation as Alternative Marketing Strategies", in The Journal of Marketing, July, 1956, p. 4.

⁶⁷ *Ibid*

⁶⁸ *Ibid*, p. 5

⁶⁹ *Ibid*

notion of a predictable mass market still leads to “a more secure market position and greater over-all stability”⁷⁰ -- qualities very much in keeping with the objectives of scientific management

In outlining some of the reasons for the emergence of segmentation as a recognized marketing strategy, Smith cited the decrease in the “minimum efficient producing unit” (the number of items which need to be produced before the investment in the assembly line can be recovered), but went further to cite a number of economic, technological and social factors. Among these factors are the reductions in the number and intrusiveness of sales people in the retail industry (a cost-cutting measure), general prosperity and the increased spending power of consumers who may now be willing to pay a little more to get exactly what they want, more educated consumers who know how to compare items, and, easily overlooked, the fundamental reality of a market now flooded with similar goods, thus allowing the features of individual segments to emerge out of the purchasing habits of their members. It is difficult to discern market segments for automobiles when black Model Ts are the only option.

Although never drawing a causal link between the emergence of modern market research techniques and the acceptance of market segmentation as a strategy, Smith did point to the important role market research plays in segmentation when he wrote that “the ability of a business to plan in this way is dependent upon the maintenance of a flow of information

⁷⁰ Ibid., p. 7

that can be provided by marketing research as well as the full utilization of available techniques of cost accounting and cost analysis”⁷¹

Segmentation was hailed as the ultimate expression of “the application of science to marketing problems”⁷² and quickly began to gain favour in the marketing profession. What was required now, was a communication medium with precise reach into specific market segments. It was not to be. Rather than the precision required for a strategy of market segmentation, the media of the third era were defined by their reach -- unceasing, ever-expanding reach. As Ewen summarizes, “The total realm of existence had become ‘fair game’, the option of privacy was being challenged around the clock.”⁷³ Television’s acceptance into the homes of consumers was swifter and more complete than that which greeted radio. A mere 10 years after its introduction to Canada, 90 percent of Canadian homes could boast of having a television set.⁷⁴ Far from being a targeted, precise medium, television was perhaps the ultimate expression of *broadcasting* – few networks and many, many viewers. Segmentation depended on the ability of a given show to attract a unique and desirable audience. As Leiss, Kline and Jhally explain “advertisers did not purchase just ‘abstract time’: they bought the time of particular audiences.”⁷⁵ But this was an imperfect and risky proposition. Some shows delivered as promised. Many did not and were quickly canceled.

⁷¹ Ibid. p. 7

⁷² Ibid. p. 8.

⁷³ Op. cit., Ewen, p. 208

⁷⁴ Op. cit., Jowett, p. 170

⁷⁵ Op. cit., Leiss, Kline and Jhally, p. 113

Initially, television offered advertisers the same level of control and opportunity to integrate sales messages as radio had. Advertisers still produced the shows and purchased the air time from the relatively passive networks. This was the era of *Kraft Television Theatre*, *Goodyear TV Playhouse* and *Texaco Star Theatre*.⁷⁶ This situation began to change in the mid-1950s. Driven by the increasing costs of production and talent and by the discovery of fraud in American quiz game shows, the networks (legally liable for the shows they aired) demanded and began to assume more control over content.⁷⁷ The change was disappointing for advertisers. The commercial messages were now separate from programming. Commercial breaks were an opportunity to rush to the refrigerator, water closet, or worse yet, to the television receiver in order to tune in a different station. Advertisers also lost the opportunity to produce shows which could offer an ideal context for the quiet absorption of advertising messages. In their earliest days, network television shows often presented complex social issues, rendering the commercial breaks flippant and almost fraudulent.⁷⁸ Despite these limitations, television advertising continued to grow faster than advertising in any other media from the time of its introduction into the 1980s.⁷⁹ With segmentation still in its infancy, television's shortcomings paled when compared to the awesome reach and emotive power of the medium. Notwithstanding the premonitions of Wendell Smith, the full flowering of segmentation as the marketing strategy *de rigueur* and the accompanying demands on media were still to come.

⁷⁶ Op. cit., Fox, p. 211

⁷⁷ Op. cit., Leiss, Kline and Jhally, p. 112.

⁷⁸ Ibid., p. 114

⁷⁹ Ibid., pp. 116 - 117, figures 5.2, 5.3, 5.4

The Fourth Era -- Segmentation comes of age

Finally, the fourth era (1970-1980) featured a segmentation marketing strategy -- a strategy that recognized how certain groups with common demographic, lifestyle and consumption patterns could be reached and sold to more profitably than the mass market. The dominant advertising message now featured specific groups of people, captured in specific settings and engaged in specific activities -- all carefully selected to represent the desired market segment and imbue the product with symbolic value. Lifestyle advertising had come of age. The advertising messages of this era both represented social words and invited people to assert their membership in them by purchasing the correct products and services. Leiss, Kline and Jhally propose an effective metaphor for advertising created for the convergence of segmentation as a marketing strategy and lifestyle advertising as the creative strategy -- one which points to the emergence of a marketing role for events.

The concern has shifted to the identification of the consumer and the nature of the act of consumption within a social situation. The product has become a totem, a representation of a clan or group that we recognize by its activities and its members' shared enjoyment of the product.⁸⁰

Gerrard Mortieux's bonfires are built at the foot of totem -- a celebration of that which the totem has come to represent.

The economic downturn of the 1970s also had its impact on advertising messages. Clients were increasingly concerned with moving product. Creativity for the sake of creativity.

⁸⁰ Ibid. p. 281.

gave way to the notion of return on investment “Today, thank god we are back in the business as salesmen instead of pretentious entertainers,” said David Ogilvie. Power shifted from the idiosyncratic creative director to the MBA wearing a suit.⁸¹ As we shall see later, this emphasis on return on investment as the true measure of an ad’s effectiveness (as opposed to the industry standard cost per thousand consumers reached -- CPM) was central to the eventual success of alternative media, including event marketing.

There appear to be very few breakthroughs in market research techniques which can be attributed to this era. Nor does there seem to be any fundamental advance in the notion of marketing segmentation beyond that expressed by Wendell R. Smith and his contemporaries. Rather, it seems that the industry as a whole caught up to its pioneers. Agencies either grew larger or specialized in certain ancillary services such as research. Either way, the advertising industry which had once limited its role to brokering of advertising space, had emerged as a complex and comprehensive service industry, able to “deal with the whole chain of distribution, from board chairman to retailer.”⁸²

As common and sophisticated as it was, marketing research increasingly pointed to the inadequacies of traditional media. In a quotation which well exemplifies this link between market research and the perceived failure of traditional media, Fox writes.

⁸¹ Op cit . Fox. p. 323 - 324

⁸² Op cit . Popc. pp. 265 - 266

At some point the screaming cacophony simply becomes white noise -- background clutter from which few individual messages stand out. According to one study by the AAAA (Advertising Agency Association of America), an average consumer was exposed to 1600 ads a day, of these 80 were consciously noticed, and only 12 prompted some reaction.⁸³

This market research and its findings did not sit well with advertisers caught in a deepening recession.

Marketing segmentation, as was mentioned above, came of age in this era. Driven by the technological and social forces outlined by Smith, manufacturers and the agencies were increasingly considering specific segments as potentially lucrative markets in their own right. That segments offered the promise of uniform and, hence, predictable consumers could only have made them more attractive as a target. Fox, for example, cites the failure of early attempts at marketing to blacks in the US ("special markets" was the euphemism of choice) as reminder that, "in the long run, of course, advertising cared more about sales than about education or social dialogue."⁸⁴ Segmentation would not be widely accepted and practiced until the promise of profits and stable sales first offered by Smith could work its way through the industry. Fueled by market research, expensive broadcast media and declining marketing budgets, the logic of segmentation, as expressed by Leiss, Kline and Jhally, finally became a taken for granted part of the marketing discipline. "There is no

⁸³ Op cit., Fox, p. 328

⁸⁴ Ibid., p. 281

point in broadcasting expensive messages to those who, a bit of judicious investigation reveals, are bound and determined to remain indifferent to them”⁸⁵

The list of media available to advertisers was still dominated by television. Event marketing was emerging, but its execution was ultimately linked to television. An analysis of issues of *Marketing* (Canada’s foremost trade journal for marketers) from the first six months of 1984 (the six months leading up to an Olympic Games, no less) reveals only three articles dealing with event marketing. Of those, two focus almost exclusively on the television advertising which forms part of the agreement.⁸⁶ Equally surprising is an article dealing with a film and video festival in Montreal. No corporate sponsors are mentioned, but the article does explain that the festival is funded by the Department of Communications, the National Film Board and the CBC.⁸⁷

By the close of 1985, then, (what Leiss, Kline and Jhally set as the limit for their fourth era), the technological, social and professional conditions for market segmentation were in place. The traditional advertising media available to advertisers were not, it would seem, up to the task.

Proposing a Fifth Era -- Relationship Marketing and Interactive Media

I propose that since the mid 1980's, we have seen the emergence of a fifth era. This era is founded on a relationship marketing strategy in which the advertising message is based not

⁸⁵ *Op cit*, Leiss, Kline and Jhally, p. 158.

⁸⁶ “Crown Makes Entry into TV”, *Marketing*, January 16, 1984, p. 2. “Bata Ties Ads into World Cup Soccer”, *Marketing*, June 18, 1984.

⁸⁷ “Video/Film Fest Planned”, *Marketing*, May 14, 1984, p. 6.

on the one-way assignment of attributes or qualities to products, but on two-way interaction between specific segments of the market and the organization, focusing on the value of the relationship itself. Much like the eras that preceded it, this new era is linked with a new breed of communication channel -- non-traditional, interactive media backed by the power of relational databases. Where one-way television was once the preferred and growing medium to send persuasive messages, direct mail, telemarketing and -- the focus of this paper -- event marketing are now taking their place on top of the media mix heap, interactive television and the Internet await.

If we were to add a column to the chart developed by Leiss, Kline and Jhally to outline their model for a history of modern advertising, the following would appear:

A Fifth Era of Media, Marketing and Advertising

Media for advertising	Direct mail, telemarketing, event sponsorship, Internet
Marketing Strategy	Relationship Marketing
Advertising Strategy	Interactive, focused on attributes of the corporation and the promised relationship
Period	1984 - present
Elements in ads	One-to-one approach, feedback loop, attributes of the corporation, attributes of fellow "members"
Metaphoric/ Emotive themes	Market segment as community. Corporation as individual who understands the needs of that community

Economic Changes And Relationship Marketing

As Leiss, Kline and Jhally have stated, when describing their model for a history of modern advertising, their analysis begins with a "focus on broad economic changes that characterize the transition in societies " ⁸⁸ There are three fundamental economic changes closely linked with the emergence of relationship marketing as the dominant marketing strategy and, hence, with the emergence of modern event marketing They are

- 1) The move to a service, rather than manufacturing-centered economy;
- 2) The globalisation and computerization of production (both goods and services) which has rendered most products into generic commodities, and
- 3) The protracted economic recession of the 1990's which has accompanied these fundamental changes

Service-Centered Economy

The August 2, 1993 edition of *Maclean's* takes a hard look at the unemployment situation in Canada and attributes part of the situation to the shift to a service-centered economy.

The feature article states

The shift to a service-dominated economy has been underway since the end of the Second World War. At that time, half of all employed Canadians worked for goods-producing companies. Now, three out of four provide services ⁸⁹

⁸⁸ Op. cit., Leiss, Kline and Jhally, p. 5

⁸⁹ John Daly, "Will They Find Work in the 90s?", *Maclean's*, August 2, 1993, p. 30

The move to a service-centered economy has profound implications for all aspects of organizational communication, including marketing communication and the strategies that determine the messages. Simply stated, more and more organizations are now primarily in the business of marketing services, not goods. Marketing services requires dramatically different marketing strategies.

The need for a different marketing strategy is driven first and foremost, by the fundamental reality that services, unlike goods, are not tangible. Services are more difficult to describe, illustrate and compare with the competition. When marketing a service, one ultimately deals in human to human interaction, as opposed to human to goods interaction. For these two reasons, the emphasis has shifted away from describing the comparative advantage of the good and towards describing the comparative advantages of the interaction which the buyer of the service will experience. In effect, the unique selling proposition (USP) which allows a service provider to differentiate itself is the quality of the relationship it offers the consumer. Events present corporations with the opportunity to both define the relationship (through the application of symbolic value) and offer a sample to consumers (through sampling and through association with the organizers of the event itself).

The need for a different marketing strategy is also driven by the fact that services cannot be inventoried; they are perishable. Cars, steel beams and stereos can be kept in warehouses until such time as demand catches up to supply. Lower sale prices can be

determined after the fact and inventory cleared quickly. When marketing services, however, there is no such luxury. A hotel room or university classroom is either full or it is empty on a given day. An opportunity missed is an opportunity lost. This has placed much more emphasis on the management of transactions and the generation of repeat business from existing customers, relationship marketing as a strategy addresses both these needs by deepening the relationship between consumer and corporation, building, in effect, a social world. Events, by virtue of their powerful symbolic potential, their ability to physically gather that world and their interactive potential, can become ideal sites at which to deepen and extend relationships.

Globalisation, Computerisation and Commodification

We deal with the process of commodification twice in this paper, each time with a different meaning. In this instance, I use the marketing definition of a commodity -- a good or service which can be bought with little information gathering and anxiety because so many different brands are available at comparative prices and levels of quality. So, for example, oranges and apples have long been bought as commodities. Despite the best efforts of marketers to differentiate brands (ie. Sunkist oranges), most consumers perceive little difference in price and quality and simply often buy what is closest at hand. Cars and stereos, in contrast, have long been examples of bought goods or specialty goods. These complex goods required great research and provoked great anxiety in the buyer who was understandably concerned about buying a "lemon" or inferior model.

Both globalisation and computerization have had a leveling effect on goods and services, narrowing competitive advantages quickly and vastly expanding the range of brands on the market. If the products and services themselves cannot be effectively differentiated, then the companies and the people that offer them can be. An excellent example of the leveling impact of both globalisation and computerization can be found in the automotive industry. Where, not too many years ago, North Americans were limited to buying cars manufactured in North America, they can now choose from an array of cars from North America, Germany, France, Britain, Italy, Sweden, Russia, Japan and Korea, not to mention branch plants in South America, Australia and much of South East Asia. Whereas a company's technological advantage could once be expected to last for several years, even the most sophisticated products can now be copied (a process euphemistically referred to as reverse engineering) in a matter of months. Witness, for example, the number of cars with anti-lock brakes and airbags -- features make the transition from competitive advantage to industry standard in months.

Not only are competing models very similar, but the commodification of the automobile has even reached the point at which the same model is marketed under different brand names. The Mazda 626 is the Ford Probe. The Chrysler Laser is the Mitsubishi Eclipse. The Suzuki Side Kick is the Assuna Sun Runner and the GMC Tracker. The same vehicles are marketed differently based on the different images of the companies and the relationships those images promise.

Increasingly, organizations are finding the best strategy is to promote the organization itself and the relationship it can offer. So, keeping with our automotive example, GM's Saturn division places the emphasis squarely on the corporation ("A different kind of car company -- a different kind of car") and of the unique experience purchasers will find in the Saturn showrooms. In a strong example of the role event marketing can play in a relationship marketing strategy, Saturn also organized a hugely successful "homecoming" for American Saturn owners during which members of the Saturn social world gathered outside the manufacturing plant in Tennessee for three days of bonding and celebration.

Recession and Return on Investment

The last (but certainly not least evident) economic factor to be considered is the recession of the 1990s. It, like the recession of the 1970s, has forced organizations to re-evaluate and prioritize their spending. Marketing and communication budgets have not been spared. The operative phrase once again is return on investment (ROI). Strategies with the highest ROI are those which yield the most dollars in sales for every dollar spent on marketing and communication. This drive to increase ROI has led to an increase in the attractiveness of any vehicle which features the two essential qualities required by relationship marketing: the ability to target specific audiences and the opportunity for the consumer to interact with the organization through that vehicle or one closely tied to it.

The attractiveness of targeting dates back to the fourth era in the development of media, marketing and advertising, when the segmentation marketing strategy came to prominence. As Leiss, Kline and Jhally wrote

Potential consumer markets are stratified according to a number of characteristics (1) demographics -- age, sex, income, (2) geographic -- region, urban, rural, (3) psychographic -- personality traits, (4) type of preferred benefit -- taste, feel, (5) volume -- heavy vs. light user⁹⁰

Targeting was and is an essential part of both the lifestyle and relationship marketing strategies. The difference is that with relationship marketing, targeting must be backed by the ability for the consumer to interact with the marketer. With interactive media, marketers can know whether the ad really did reach the targeted audience based on the type of people who respond to the message via 1-800 numbers, postage paid reply cards or a purchase at the event site. This emphasis on response over mere reach will be put into ample evidence in the case study featured in the next chapter.

More importantly, the drive for enhanced ROI has shifted the aim of the targeting to existing customers and what needs to be done to retain and upsell (move to a more expensive or more profitable product or service) them. The financial logic behind this emphasis on existing customers was summarized well in a recent *Strategy* issue on financial services.

⁹⁰ Op. cit. Leiss, Kline and Jhally, p. 305

It is no secret that the best source of new business is current customers. Acquiring a new customer is five to 15 times more expensive than selling to an existing one. This is especially true in the banking industry, where two out of three new accounts are opened by current customers, and customer retention increases dramatically with the number of accounts opened. So for financial services institutions, deepening existing customer relationships through upselling and cross promotion products has become the most viable method of attracting new sales and profits with minimum risk.

And outside of personal selling, direct marketing is the most cost efficient system for communicating with customers on a one-to-one basis.⁹¹

Deepening customer relationships is how higher profit margins and greater return on investment are arrived at and stands as the ultimate objective of relationship marketing. When the difficult task of marketing services on a level and global playing field met the recession, the process of change was accelerated. Relationship marketing came of age quickly.

The Sociocultural Perspective

Continuing our analysis using Leiss, Kline and Jhally's model, we now turn our attention to the particular sociocultural conditions in place at the time of the economic changes outlined above. We now focus on the relationship between consumers and goods and how that relationship might be changing as the fifth era in marketing, media and advertising emerges.

⁹¹ Susan Hipp, "Customer Retention Now a Primary Focus", Strategy May 17, 1993, p. 14.

A New Relationship to Goods

As most retailers in this country will all too readily attest, consumers have changed profoundly in the 1990s. Allan Gregg of Decima Research sums up the changing attitudes towards consumption:

Today's shopper has less money to spend, is more concerned about saving, more circumspect about purchases, and no longer relies on material acquisitions to boost self-image.⁹²

This is a good example of major forces interplaying, rather than one necessarily determining the other. It is certainly true that the prolonged recession and weak recovery have helped change consumer attitudes toward spending. People no longer have the disposable income and employment stability which was taken for granted in the 1980s. At the same time though, argue the pollsters and retailers, the profound change in consumer attitudes is deepening and prolonging the economic uncertainty. Consumers have changed and, despite the urgings of politicians and marketers, cannot and will not spend the country out of this recession as they did in the early 1980s.

The implications of this change in attitudes are clear. The impact of the image of a product, its symbolic value, is lessening. This does not bode well for traditional media advertising, whose strength was and remains to create symbolic value around a brand. In the 1980s, Molson revived an old brand of beer -- Black Label -- simply by spending advertising dollars to give it a new image, a new set of values which beer drinkers could

⁹² James Pollock, "Shoppers Less Loyal, More Thrifty", Marketing, June 14, 1993, p. 4.

wear in public. In the 1990s, President's Choice -- a grocery store house brand -- was able to capture 2 to 3 percent of the domestic beer market with minimal advertising, reasonable quality and a slightly lower price. Molson and Labatt quickly followed with their own low-cost, low image beers. The consumer's relationship with goods has perhaps changed; what that consumer expects from those goods certainly has.

Private Firms Operate in Public

The consumer's relationship with corporations has also changed. A 1993 Market Vision 2000 study found that 94% of Canadians are more likely to do business with a good company than a bad one.⁹³ The same survey found that 26% of Canadians resorted to product boycotts in the past year, nearly two thirds of those reporting that their boycott had to do, not with product quality or price, but with broader issues such as the environment, animal rights and labour relations. Finally, the Market Vision 2000 survey identified the issues which consumers feel are most important for organizations to address. On the top of the list are issues such as job creation, the environment and crime prevention. On the bottom of the list are the traditional mainstays of event marketing support for the arts and sport.

We are in an era in which the operations of corporations are increasingly public and in which the public's expectations of those organizations are changing dramatically. "The message is clear," reports Mark Sarner in a *Strategy* magazine column, "to stay relevant

⁹³ Mark Sarner, "Is Social Marketing For You?", *Strategy*, July 12, 1993, p. 4.

and to satisfy markets, it is becoming increasingly important for the private sector to adopt and pursue a social agenda "94

Corporations, determined to build long-term, profitable relationships with consumers, are responding American brewer Coors recently committed \$40 million to literacy education in the US over the next five years.⁹⁵ In Britain, detergent marketers Lever Brothers committed the equivalent of \$2 million to a program aimed at providing structured physical education programs for pre-schools and primary schools ⁹⁶

This shift in public attitudes towards organizations is so profound it not only is forcing organizations away from traditional advertising, it is redefining the activities they should undertake once they get there As Greg White of Market Vision 2000 stated, "The event business will be a great business in the '90s to the extent it does not resemble the event business of the '80s " ⁹⁷

The Return of the Subject

Not only have people's attitudes towards goods and corporations changed, their own focus on issues has changed and with it, their expectations of involvement in the processes that affect them Stephen Colford in *Advertising Age*, argues that consumers are increasingly retreating back to the family and the local community as they sense

⁹⁴ Ibid

⁹⁵ Ibid

⁹⁶ Robert Dwek, "Lever Sends Percil to School", *Marketing* (UK), May 27, 1993, p 4

⁹⁷ Greg White, "Event Promoter Have a Sports or Art Event?", *Strategy*, May 31, 1993, p 8

themselves losing control over larger, "macro issues" such as the environment, government and unemployment ⁹⁸

This sense of consumers overwhelmed by macro issues is hardly new. Consider the following excerpt from T. J. Jackson Lears's essay on the history of the emergence of the consumer society in the period 1880 to 1930:

As more and more people became enmeshed in the market's web of interdependence, liberal ideals of autonomous self-hood became even more difficult to sustain. For entrepreneurs as well as wage workers, financial rise or ruin came to depend on policies formulated far away, on situations beyond the individual's control. And by the 1890's, as Alfred D. Chandler and a host of economic historians have made clear, the large bureaucratically organized corporation was becoming the dominant model for businessmen who sought to organize the national market. Jobs were becoming more specialized, more interdependent, personal autonomy was becoming problematic. 'We are a mass,' an *Atlantic* writer complained in 1909. 'As a whole, we have lost the capacity for autonomous selfhood'.⁹⁹

The sociocultural environment described by Lears is remarkably similar to the one in place today and the lament in *Atlantic* could easily find its echo in the writings of Faith Popcorn and John Naisbitt.¹⁰⁰

⁹⁸ Steven W. Colford, "Personal Marketing Called Key in Future", *Advertising Age*, June 14, 1993, p. 11.

⁹⁹ Richard W. Fox and T. J. Jackson Lears, ed. *The Culture of Consumption*. (New York: Pantheon Books, 1983) p. 8.

¹⁰⁰ Naisbitt, for example, writes that "But as the influence of other institutions waned (family, neighbourhoods, churches), the corporate role expanded and we made it responsible for our social contacts, self-esteem, even sense of identity". in John Naisbitt, *Megatrends* (New York: Warner Books, 1982), p. 132.

In the chapter of their book from which this section draws its title, Armand and Michelle Mattelart asked the following, very relevant question "Do periods of growth and the ideologies that accompany them cause the receiver, the consumer, and the citizen to be forgotten?"¹⁰¹ They go on to answer the question by stating that "It was not until we entered a crisis that legitimacy was at last granted to the quite elementary idea that the process of communication is forged through the active intervention of very diverse social actors"¹⁰²

The concept of the subject, of the local, of decentralization has again risen to the forefront. People are overwhelmed with macro issues. They are frustrated with being a mass, with having been forgotten as individuals. They have turned their attention to their own personal and local issues and they want to be empowered to deal with those issues. Lears argues that the effectiveness of national brand advertising was fueled by just these unmet sociocultural needs felt at the turn of the century. Advertisers soon saw that ads increased in effectiveness as they drew the consumer's attention "away from the product and toward its alleged effects, away from sober information and toward the therapeutic promise of a richer, fuller life"¹⁰³. Now, 100 years later, having tried the compelling images of national advertising and found that tonic wanting, consumers are ready to embrace personalized communication and relationship marketing as their chosen corporate

¹⁰¹ Op. cit. Mattelart, Michelle and Armand, p. 66

¹⁰² Ibid.

¹⁰³ Op. cit. Fox and Lears, p. 18

therapy. The needs are the same. The solutions consumers choose and the demands they make on corporations present tremendous marketing opportunities.

As Alfred Schreiber, in his book Lifestyle and Event Marketing, writes

People are turning to their communities more for meaning and emotional sustenance. Local events support these feelings. People also want to protect their towns from environmental problems, protect their homes and families from crime, to lower disease and raise consciousness. Local events can support all these goals.¹⁰⁴

This return to the local, to the micro is well supported by recent research by John Hancock Financial Services. The research found that more consumers perceive corporations who sponsor local events are acting in the public interest (71 percent) as compared to those consumers who feel sponsors of national events such as college bowls are acting in the public interest (41 percent).¹⁰⁵

The sociocultural conditions of the late 1980s and 1990s contribute to the rise of relationship marketing and event marketing. People's relationship to goods has changed, reducing the importance of symbolic value in the attractiveness of products and services. The emphasis, instead, is on the relationship the consumer can expect to have with the organization. People's expectations of those organizations have risen. Consumers will select organizations on the basis of the extent to which those organizations have accepted

¹⁰⁴ Alfred Schreiber with Barry Lenson, "Generation X the Next Big Event Target", Advertising Age, June 14, 1993, p. 53.

¹⁰⁵ "Measuring Sponsorship Impact on Corporate Image", IEG Sponsorship Report, p. 4.

and acted upon the new social roles thrust upon them by consumers. Finally, overwhelmed by macro issues and frustrated with having been relegated to a passive role in the marketing process, consumers now want to be involved and want the organizations they do business with to become partners in solving the micro and community problems they face.

This is a broad role for corporations to play, just as it is a more involved role for consumers to play. It begins and ends with the emerging relationship marketing strategy and the modern event marketing tactic that strategy has precipitated.

The Media, The Agencies And Relationship Marketing

Like the four eras that preceded it, the relationship marketing era is closely linked with technological developments and institutional changes in the advertising industry. The technological developments most central to this era are a new breed of communication channel -- non-traditional media -- and an important development in computers -- the relational database. It is important to realize that neither the database nor the alternative media were the domain of expertise for traditional agencies. As marketing money flowed into these two new and symbiotically related areas, agencies were faced with dramatically changing the services they offer or watching as aggressive new firms rose to the top of the heap. Both events have taken place.

The Alternative Media -- Targeted and Interactive

Where television was once the preferred and growing medium to send persuasive messages, direct mail, telemarketing and events are now taking their place along side television on top of the media mix heap. As communication media, they distinguish themselves by the fact that

- 1 Much like early commercial radio and television, the media can effectively be owned and controlled by the sender. These media exist first to serve marketers and have largely been designed as such from the start. As opposed to traditional media, legislation, aesthetics, journalistic principles and the whims of creative writers and directors rarely conflict with the marketing objectives in alternative media.
- 2 Messages can be targeted precisely to select groups of existing or prospective clients, reducing costs by eliminating messages that otherwise would reach people least likely to respond with the desired action.
- 3 As interactive media, they offer the opportunity for rapid feedback (i.e. postage paid reply, conversation with telemarketers, product sampling at events, etc.). This feedback accomplishes two objectives. First, it allows the organization to verify and measure the effectiveness of the campaign in terms of its return on investment. Second, the interaction between the organization and its clients or prospects creates or strengthens a relationship between the two. Once the relationship is established, the customer is more likely to move quickly to action now and in the future.

The advantage to marketers of establishing a relationship and moving people to action is expressed well by Ian Macintosh, manager of consumer marketing with Goodyear Service Centres

We are a retailer. We need to move very quickly, we need something that is very tactical, a guerrilla-type warfare ... Our goals have changed from building awareness and intent to building traffic. That's what we're spending all our advertising against. We are monitoring it on a daily basis

¹⁰⁶

Macintosh touches here on two of the crucial advantages of the alternative media. They move people to action since they are designed to elicit a response; and that response can be accurately measured and monitored on a daily basis. Not surprisingly, the same article reports that Goodyear has dropped its television advertising spending by nearly 30 percent over the last year, while its spending on direct marketing has doubled each year for the past two years.¹⁰⁷ Return on investment, measured as actual response and action is in Image, on its own, is out

Even charitable sponsorships, which one assumes would be undertaken largely in the interest of enhancing an organization's image, are increasingly being monitored and evaluated in terms of ROI. As *Advertising Age* reports in its June 14, 1993 edition

¹⁰⁶ Laura Medcalf, "Goodyear Drops McCann - Erickson", *Marketing*, May 17, 1993, p. 1

¹⁰⁷ Ibid

Colgate-Palmolive applies a strict profit-and-loss formula in measuring the effectiveness of its on-going cause-related sponsorship of Starlight Foundation, which grants wishes to seriously ill children. That effort is supported by free-standing insert coupons so it's easily tracked

Using supermarket scanner sales data, Colgate compares product sales in the three weeks following a coupon drop with average sales for the six months preceding it. The difference is then multiplied by the brand's net profit margin and the event's cost on a per unit basis is subtracted to find the true incremental profit¹⁰⁸

So much for altruism

The advantages of alternative media are clear and measurable. They also fit well with the economic and sociocultural conditions of the time. Not surprisingly, their use is growing at nearly twice the pace of traditional media. Sensing the changing needs of organizations, traditional media have also changed to capture as many of the messages generated in the name of relationship marketing as possible.

Traditional Media Revisited

Propelled by the same twin engines of advertisers' need to target messages and engineers' ability to send more information, at faster speeds for less cost and with an interactive element, media such as television and magazines have joined the move to relationship marketing

¹⁰⁸ Gary Levin, "Sponsors Put Pressure on for Accountability", Advertising Age, June 14, 1993, p. S1

Already, as the number of channels available to the home has increased, television has increased its ability to target. Channels now address segments of the population according to demographics (Much Music, YTV), interests (The Sports Network and New Country Network) and ethnic background (Black Entertainment Television, Toronto's ethnic channel 47). As more channels are squeezed into each home, the ability for advertisers to target their messages will only be enhanced.

Television, backed by 1-800 telephone lines, has also become interactive. We have the Home Shopping Club in Canada as well as the Home Shopping Network and QVC in the US. With sales pitches not unlike those used in direct mail, consumers with a credit card and access to a telephone can buy items as they appear on the screen. This is only the leading edge of truly interactive television, however.

Infomercials -- longer commercials executed to look more like programming than traditional commercials and always featuring 1-800 purchasing for consumers with credit cards -- are also positioned as "an interim step that will lead us to interactive TV", according to Jerome Pickholz, Chairman of Ogilvie & Mather Direct.¹⁰⁹

What links infomercials and television shopping clubs to relationship marketing is the potential for immediate feedback and action on the part of the consumer and the fact that the advertiser effectively owns the medium. By buying 30 minutes of time, the message is

¹⁰⁹ Gary Levin, "The Infomercial as Stepping Stone", *Advertising Age*, July 12, 1993, p. S7.

never lost to creative or news programming on traditional networks; of course, shopping networks have none of this traditional programming at any time

One final development of note in television is the move by NBC (already a player in the relationship marketing field by virtue of its development of events and the television properties they generate) to create NBC marketing Direct -- an arm of the network that will develop database marketing programs for advertisers. NBC Marketing Direct's first venture is NBC Viewer Service. This new service is not unlike a reader response card which many magazines now insert, inviting readers to send away for more information on products. In this case, NBC will insert a small logo and 1-800 number on certain ads from participating sponsors in key markets. Viewers will be able to call the number and request detailed information. This information, of course, will be exchanged for detailed geographic and demographic information about the viewer. NBC's motivation in setting up this new service is clear to Alan Cohen, senior VP marketing at NBC: "We want to give advertisers a better reason to spend more money with us."¹¹⁰

It would appear that to succeed in the future, television will have to be an interactive medium that can target consumers accurately. It would also appear that the seeds for this new and improved television have been sown.

Magazines have also shown their ability to target very specific segments of the population and provide the opportunity for interaction. Magazines such as *Runner's World*,

¹¹⁰ Joe Mandese, "NBC Dials Interactive", Advertising Age, July 12, 1993, p. 1

Architectural Digest and *Today's Parent* all target specific segments and attract the advertisers trying to reach that segment. These ads are then supported by interactive mechanisms such as 1-800 numbers and postage paid reader service cards which allow readers to request free additional information. And, of course, magazines are increasingly selling their lists of readers to other direct marketers, becoming an extension of the direct mail marketing industry.

As printing technology advances, so does the ability to target even further. *Advertising Age* reports that Meredith Corp., a major American magazine publisher, will soon offer its advertisers "selective binding and ink-jet printing capabilities."¹¹¹ This will effectively allow advertisers to send specific versions of magazines (ie those with a special insert), with specific advertisements (ie personalized with the reader's name, address, etc) to specific readers who meet calculated demographic, psychographic and geographic conditions. William Kerr, President of Meredith Corp 's magazine group, sums up the need for this enhanced technology:

By the time we get into the latter part of the '90s, any publisher will have to be proficient in database marketing if they want to remain competitive.¹¹²

The Internet -- fledgling and interactive

Finally, no mention of interactive media in the 1990s would be complete without mention of the Internet. What the Internet now lacks in speed, image quality and reach, it makes

¹¹¹ Scott Donaton, "Publishers Find Gold in Databases", *Advertising Age*, June 7, 1993, p. 27

¹¹² *Ibid*

up for in its global reach and interactive potential. Sophisticated websites such as The Sport Network invite consumers to register, order products, complete questionnaires, enter contests and join clubs. Information flows back and forth, carefully tracked and recorded. For all its potential, the Internet is still very much in its infancy. A mere 24 million consumers are said to be using the Internet¹¹³, with 18 to 20 percent¹¹⁴ of companies now prepared to offer information and products to them. If we accept that the majority of these users are in North America, we can estimate that fewer than 10 percent of consumers currently have access to the Internet. This would place the Internet as a commercial medium at roughly the same stage as television in this country in 1953¹¹⁵ (one year after the first broadcasts by the CBC). The number of Internet users is expected to double within six to nine months¹¹⁶, if that prognostication holds true, the Internet will experience a rate of diffusion equal to or greater than television, which quadrupled its reach in two years¹¹⁷. For our purposes, it is worth noting that the Internet is showing itself very adept at complementing event marketing efforts. Most professional sport leagues, major motion picture releases and popular music artists now feature websites. The following chapter will explore in some detail how event marketing can capture both traditional media (television, magazine) and alternative media (direct mail, Internet) and spin them into its orbit.

¹¹³ Michele Matassa Flores, "Apple must survive, Sun chairman says", Ottawa Citizen, February 15, 1996, p. C11.

¹¹⁴ Associated Press, "US companies flock to the Web", Ottawa Citizen, February 15, 1996, p. C11.

¹¹⁵ Op cit., Jowett, p. 170.

¹¹⁶ Op cit., Matassa Flores.

¹¹⁷ Op cit., Jowett, p. 170.

Computers and Databases -- Storing, Sorting and Collecting More

Both targeting new customers and retaining old ones have been made largely possible and much more powerful with the advent of relational databases. The process of exploiting the database has been coined predictive modeling and is basically founded on the same principal as most social sciences research -- the law of large numbers. Predictive modeling basically says that if you can study a large enough group and find correlations between certain demographic, psychographic, geographic variables and specific behaviour, you can predict with some certainty the behaviour of people who share those variables. The role of the database is to both store all of this information and sort through to determine patterns of behaviour and variables.

Predictive modeling can be used to discover which existing customers are the most profitable (heavy users). Databases then help retain those customers by allowing organizations to effectively evaluate their needs, communicate with them more directly and generate new business to further strengthen the relationship.

Knowing their current customers intimately allows organizations to go further and seek out new prospective customers who are most like their current customers, thus increasing the likelihood that the latter will respond to the communication with the desired action.

A good example of the database's dual role in retaining current customers and attracting new ones is British Airway's recent weekend retreat with 100 of its most frequent flyers (in itself a highly targeted and interactive event). At the retreat, the frequent flyers

identified through BA's database shared their priorities and concerns with 40 of BA's customer service managers. Based on the results of the interchange, BA was able to enhance its in flight service to meet the needs expressed by the group (helping to retain current customers) and create a new advertising campaign designed to resonate with the needs and concerns the current customers expressed (helping attract new customers who share those psychographic variables) ¹¹⁸

It is only recently that most companies began keeping track of their customers in a systematic fashion and exploiting that data. Even banks and life insurance companies recently switched from keeping track of customers instead of policies or accounts. Transamerica Life, for example, only began converting its database to one that is customer centred in 1990. The difference is that a database organized around policy or account numbers doesn't allow the organization to know who its top customers are -- the heavy users with multiple accounts or policies. Knowing who the heavy users are, communicating effectively with them and identifying the key independent variables which heavy users share so that new prospects can be identified is what database marketing is all about.

From a fledgling, untested process which began in the late eighties and early nineties, database marketing has grown to the point where now 93 percent of Canadian corporations report that they use database marketing as part of their marketing strategy ¹¹⁹

¹¹⁸ Laura Medcalf "British Airways Stops Stress", Marketing, May 17, 1993, p. 3

¹¹⁹ Alex Coles, "Spreading the Word About Databases", Marketing, May 17, 1993, p. 20

This rapid growth in the use of relational databases for marketing was certainly accelerated by the economic and sociocultural conditions we discussed earlier. It has, however, been fueled by dramatically enhanced technology which has made the collection of data and its transformation into useable information both easier and less expensive. As Alex Coles reports in *Marketing*

Employing the technology is becoming easier and less expensive. Having the data and knowing how to use it can change your basic marketing plans.¹²⁰

In a recent issue of *Marketing*, Tim Falconer identified the three technological requirements for true relationship marketing which have now come of age

First, truly relational databases now allow marketers to correlate multiple factors at once (ie age, income, credit card use correlated to purchases of \$100 or more in the cosmetics department). These databases are housed on inexpensive PCs which have the speed and memory necessary to sort quickly through massive databases. With the dropping prices of both hardware and software, Falconer reports that organizations can purchase everything they need for as little as \$14,000.

Second, a graphical user interface (ie pull down menus on the screen accessed by a computer mouse) now make the database easier for marketing decision makers to use themselves (rather than relying on computer specialists). The enhanced software brought to the desks of what is really the first generation of computer literate decision makers has made for rapid acceptance.

¹²⁰ Ibid

Third, networks now make it possible for many users (store managers, brand managers, marketing directors, etc) to access the same data. The networks also make it possible for head office staff to access sales data in real time, in many instances, as an item is entered into the cash register in the store, the network database is updated immediately

Finally, the technology to capture this data has improved dramatically in the last few years. Most supermarkets now use bar code scanners to keep track of which products are sold and in what combinations. And programs such as chequing cards and membership cards go further and allow retailers to track which of its consumers are buying which products in which combinations.¹²¹

This data collection technology is also coming down in price. Klein Electronics and Software Engineering recently launched SHOPTECH 2000, a PC based system which allows shopping malls to issue affinity cards which consumers can use to collect points by shopping at participating stores in that mall. The technology is aimed at "smaller retail groups, dispensing with the high cost of better-known customer retention schemes."¹²²

Relationship marketing on the scale of Pepsi's *Pop Life* effort would simply not be possible without these technological advances. It can be argued that database technology has allowed the full exploitation of the marketing potential of events by allowing corporations to carefully track the identity, preferences and actions of each individual in attendance. That information serves as the starting point for a long, profitable relationship.

¹²¹ Tim Falconer, "Technology Meets Needs for Niche Marketing", *Marketing*, April 12, 1993, p. 17

¹²² David Chilton, "Loyalty Program for Small Business", *Strategy*, July 12, 1993, p. 4

In effect, what this new technology has allowed is what marketing guru and Kellogg Graduate School of Management professor Philip Kotler has termed "mass customization" Consumers, once they are part of a database, are once again being treated individually, we are told in *Advertising Age*, with "database marketing performing as a neighbourhood store"¹²³ Events serve as the grand opening of that store, complete with music, balloons, window displays and, of course, the inescapable signs out front.

The Agencies React or Lose Out

Striving for higher return on investment and searching to reach elusive consumers directly, advertisers have started the move away from traditional advertising and, consequently, away from traditional advertising agencies Consider the case of Peter Palmer, President of Database Management International, Inc According to Palmer, he left his job at a traditional advertising agency after, as he puts it, "observing the shift of dollars from advertising to promotions "¹²⁴ Palmer now heads the firm which administers what is widely regarded as a Canadian leader in relationship marketing -- Zeller's Club Z program Similarly, Adrian Sark, VP Marketing for Hershey Canada issued the following warning at a recent seminar for the Canadian Advertising Research Foundation and the Association of Canadian Advertisers: "If advertising cannot be proven to be cost-effective, advertisers will further abandon equity (brand) building "¹²⁵ David Crowell, brand and advertising consultant for Shell Canada sums up that company's involvement in the Air Miles affinity

¹²³ Kenneth Wylie, "Database Development Shows Strong Growth", *Advertising Age*, July 12, 1993, p S1

¹²⁴ Paul Brent, "Zellers Opens Up the Clubhouse", *Financial Post*, April 29, 1993, p 12

¹²⁵ Randall Scotland, "Wanted Fresh Ad Ideas", *Financial Post*, May 6, 1993, p 14

card program as "a fantastic way to reach customers without ad campaigns " ¹²⁶ Finally, long a trendsetter in traditional image advertising, Apple Computer is reevaluating its marketing strategy. The result, as reported in *Advertising Age*:

the heat is particularly high for BBDO (Apple's worldwide agency of record) Apple is turning to more targeted communications through such agencies as Wunderman Cato Johnson, San Francisco, its direct marketing agency of record and CKS Partners, San Francisco and Cambell, Calif CKS is producing co-op ads, packaging, direct mail and in-store ads for Newton, Apple's new PC/electronic organizer ¹²⁷

The result of this shift in marketing dollars away from traditional advertising and towards vehicles which better support relationship marketing is a rate of growth in direct response advertising of 16.9 percent in the US ¹²⁸ Event marketing's growth rate is consistent with direct response and estimated at 18 percent. ¹²⁹ Database marketing grew by 17 percent in the same period ¹³⁰ By contrast, growth in traditional advertising expenditure is estimated at only 6.8 percent ¹³¹

Advertising agencies are reacting to the change. Much as they did with public relations and marketing research in the third and fourth eras, many legendary agencies are opening new divisions or spin-offs to capture the growing business in relationship marketing. Some

¹²⁶ Angela Kryhul, "Marketers Learn the Card Tricks of the Trade", *Marketing*, May 17, 1993, p. 13.

¹²⁷ Bradley Johnson, "As Apple Slices Costs, Agency Efficiency is Core", *Advertising Age*, June 28, 1993, p. 3.

¹²⁸ *Op Cit.* Wylie, p. S1.

¹²⁹ Scott Hume, "Sponsorship Up 18%", *Advertising Age*, March 23, 1992, p. 4.

¹³⁰ Patu Summerfield, "MDC Adds DM Associated Firm", *Strategy*, July 12, 1993, p. 14.

¹³¹ *Op Cit.* Wylie, p. S2.

recent examples include Ogilvie & Mather Direct, Lintas Marketing Communications, and the event marketing arm of Canada's Palmer Jarvis agency -- Event One

In other instances, however, agencies have been eclipsed by newer firms that were quick to seize the opportunity. Examples of firms which do not rank as major advertising agencies but do significant business in relationship marketing abound. Wunderman Cato Johnson in New York, for example, ranks as the world's number two direct response agency. In Canada, Christopher Lang and Associates has become the dominant event marketing firm (having acquired Coca Cola's US account in anticipation of the Atlanta Olympic Games) while not doing any traditional advertising. Finally, *Advertising Age* reports that mergers and acquisitions are the order of the day as more and more firms seek to position themselves as one-stop shopping, offering traditional media advertising, direct response and other promotional services.¹³²

The end result is an industry whose services will be more appropriately called marketing communication, rather than simply advertising. In keeping with the needs of their clients, agencies will offer services ranging from traditional advertising to promotion to direct response and event marketing. The key to their success and the success of their clients will be the extent to which they can integrate all of these primary communication activities to produce measurable results for the client.

¹³² Op Cit. Wylie, p. 51

Conclusion

This chapter had two complementary objectives first, to trace the history of event marketing by borrowing a model developed by Leiss, Kline and Jhally to trace the development of the trajectories I consider most relevant to event marketing creative strategies, research methods, segmentation and the range of available media. Second, this chapter set out to argue that it is time to extend Leiss, Kline and Jhally's history of media, marketing and advertising -- that a fifth era founded on a relationship marketing strategy is underway and that the growth of modern event marketing is intimately linked to this fifth era

The link between these two objectives is essential. Economic and social conditions have contributed to the demise of mass marketing as the principal strategy for corporations. Research methods have evolved to point to the shortcomings of the mass marketing strategy. Creative strategies have consistently evolved to take attention away from the product and towards the consumers and corporations coming together to form a new social world. All of this change and evolution has created a powerful need for new media with which corporations can reach and engage a precise group of consumers -- a market segment. Modern event marketing, as we have seen, has its roots firmly planted in early 19th century advertising. It would not come of age, however, until marketers were forced to explore its virtues more carefully in light of the failure of traditional mass media.

Chapter Four: Corel Corporation -- a case study

Introduction

We now turn our attention to the study of a specific corporation and the particular event marketing tactics it has put into place over the past several years. The objective of this chapter is to determine to what extent the theoretical ground covered up until now helps to explain the decisions of corporate executives operating in a very real environment and to perhaps uncover new forces which help to shape those decisions and so determine the progress of event marketing as a discipline

It must be said up front that the corporation we have selected for this chapter is not intended, in any way, to represent the corporate community as a whole. Our findings are not to be interpreted as laws of behaviour which can simply be extrapolated or projected on to other corporations. Indeed, one of the principal findings of this chapter is precisely that corporate behaviour is very much driven by individuals and by the specific competitive conditions which are particular to any one industry sector at any one time

Nonetheless, the experience of the corporation on which we focus attention can help to shed light on the applicability of concepts such as reach, image, market segmentation and relationship marketing which we have introduced to this point. The experience can also bring into clearer focus the myriad actors involved in the event marketing industry

Corel Corporation

Ottawa-based Corel Corporation is widely considered as a world leader in the development and marketing of PC-based graphics software. The company was founded in June of 1985¹ by Dr Michael Cowpland, a proven veteran of the high technology industry who had previously co-founded Mitel Corporation and developed that entity into a telecommunications world leader. Dr Cowpland is known to many in Ottawa as a “fitness fanatic”² who excels at tennis, squash and karate. His interest in sports is reflected in his business. Employees receive memberships in a local tennis club and allowances for home gym equipment. Furthermore, as we shall see, Corel is heavily involved in the sponsorship of sporting events and organizations.

Although not originally focused on the graphics software business, Ottawa-based Corel quickly developed a reputation for excellence for its CorelDRAW product. The first version of CorelDRAW was launched in 1989, with four major upgrades following over the course of four years.³ The product has won hundreds of technical awards around the world and is marketed widely via 100 distributors in over 60 countries.⁴

In addition to its flagship product, Corel also markets a host of complementary graphics software packages, SCSI (Small Computer System Interface) software, a library of stock

¹ Corel Corporation, “1996 Corporate Profile,” [http://www.corel.ca/corp/profile.htm], accessed April 13, 1996, p. 1.

² Wayne Scanlan, “Sporting good business sense,” Ottawa Citizen, December 16, 1995.

³ *Op. Cit.*, Corel, 1996, p. 1.

⁴ *Ibid.*

images on CD-ROM, software to create CD-ROMs and a family of interactive children's software, also on CD-ROM ⁵

For 1994, Corel reported sales growth of 56 percent and a similar rate of growth in after tax profit to US\$32.5 million ⁶ Growth in 1995 was also strong, with total sales recorded at over US\$196 million -- a 20 percent increase ⁷ Sales activity is concentrated in the US (47 percent in 1994), Europe and Asia (47 percent in 1994), only 6 percent of sales originate in the company's own, national market ⁸

As the sales figures suggest, Corel Corporation has grown far beyond its roots in Ottawa and Canada Corel Corporation Ltd, a subsidiary, has its head office in Dublin, Ireland The subsidiary has tripled in size since opening in 1993, focusing on manufacturing, translation, ad placement and customer support for Europe and Asia ⁹ The recent acquisition, for US\$200 million, of the WordPerfect family of software programs, has brought with it WordPerfect's Orem, Utah head office and a solid presence for Corel in the US ¹⁰ That same purchase has vaulted Corel and its now 25 million users to the

⁵ Ibid

⁶ Corel Corporation, "1994 Message to Shareholders," [http://www.corel.ca/finance/message.htm], accessed March 27, 1996, p. 1.

⁷ Corel Corporation, "1995 Consolidated Statements of Income," [http://www.corel.ca/finance/fiscal95.htm], accessed March 27, 1996, p. 1

⁸ Op Cit., Corel, 1994, p. 1

⁹ Ibid., p. 2

¹⁰ Sean Eckford, "Corel plans big marketing relaunch for WordPerfect", Marketing, February 19, 1996, p. 5

number-two position in the independent personal application market, behind Microsoft, adding further to the global reach of the now-expanded product line ¹¹

Corel is a highly unbureaucratic corporation, with no vice-presidents and a small number of Directors reporting directly to Dr. Cowpland. The company also prides itself on a lean workforce of only 350 employees (prior to the WordPerfect acquisition). The small workforce achieved a staggering rate of sales per employee in 1994 of US\$406,000 ¹². Owing perhaps to the high technology nature of the company's products and to the lean organization, Corel is a corporation marked by fast turn-around and limited reliance on formal, written planning documents. Decisions are made quickly by a small group of executives and legal advisers ¹³.

Marketing at Corel

As a survey of Corel advertisements will show (three are included as an appendix to this paper), Corel Corporation's marketing and advertising strategy is aggressive, consistent, highly competitive and hugely successful. It is a style of advertising which, on the surface, appears to be rooted firmly in what Leiss, Kline and Jhally referred to as the rational marketing strategy of the turn of the century¹⁴. Emphasis is on price, product features,

¹¹ Corel Corporation. "Corel Acquires WordPerfect Products." [<http://www.corel.ca/novell/mike.htm>], accessed March 25, 1996, p. 1.

¹² Op. Cit., Corel, 1994, p. 1.

¹³ This observation, along with many others to follow, is drawn from a conversation with Patrick Reid, Director of Sponsorship with Corel, who generously agreed to dedicate the morning of March 1, 1996 to meeting with me, despite a breathless schedule of meetings in myriad countries. Mr. Reid is one of the hand full of Directors reporting to Dr. Cowpland and is responsible for all of the corporation's event marketing efforts around the world.

¹⁴ Op. Cit., Leiss, Kline and Jhally, p. 6.

comparisons with the competition and, whenever possible, reference to the technical awards the product has garnered. Corel's pricing is also highly aggressive, with certain CD-ROM titles, for example, retailing at less than half the price of major competitors. It is worth noting that upon acquiring the WordPerfect family of products, Corel moved quickly to apply its style of marketing to stem the decline of the product's sales. Bolder graphics were designed, several new features were added by bundling existing Corel software with WordPerfect's flagship word processor, the retail price of the new and improved product was reduced and an aggressive advertising campaign begun which attacked head-on the "myths" surrounding Microsoft Word and Microsoft Office.¹⁵ At time of writing, it is too soon to tell what results this bold approach will yield in the competitive word processor and application suite marketplace. If nothing else, Corel's approach stands in sharp contrast to Microsoft's softer, lifestyle approach, ensuring a distinct position for Corel and its products in the minds of potential customers.¹⁶

Although ostensibly a feature of Corel's production strategy, the company's ability to issue major upgrades of its flagship products on an annual basis has several marketing implications. The rapid turn around allows Corel to vault ahead of its competitors and raise the price of competing in the market place -- those who cannot keep up with the furious pace of research and development are quickly left behind. The quick pace also

¹⁵ As detailed in an ad for the new Corel WordPerfect Suite published in the Ottawa Citizen March 20, 1996, p. B12.

¹⁶ In fact, Corel's emphasis on price comparison has become even more distinct from Microsoft, which announced in a 1994 press release that it would no longer publish a manufacturer's suggested retail price in its advertising. Microsoft Corporation, "Microsoft to Eliminate Suggested Retail Prices in North America Beginning July 1, 1994," [<http://www.microsoft.com/corpinfo/press/1994/94may/srp.htm>] accessed April 13, 1996, p. 1.

helps to create almost continual trade media coverage and excitement for the products. No sooner have the dozens of computer and software publications around the world finished reviewing Corel's latest offering than an upgraded version is being tested before release. Finally, the pace of upgrading helps to confirm Corel's image as an aggressive technological leader, few software companies in any field of software development have been able to match the annual upgrade tempo -- a source of considerable pride and competitive advantage for the company.¹⁷

Corel's marketing strategy is also defined by the company's partnership with a network of distributors and retailers around the world. Several advertisements are co-op ventures, through which a retail outlet agrees to share the price of an ad with Corel, in return for specific visibility within the ad (see appendix for samples). In light of the considerable competition which Corel faces from much larger software companies with well established brand names (Lotus, IBM, Microsoft), visibility at the point of purchase and the sales support of the retailer are essential to ensuring consumers don't simply settle for the names they know best.¹⁸ As we shall see later, partnership with retailers around the world figures prominently in Corel's approach to event marketing as well.

¹⁷ Indeed, Corel boasts that its "aggressive development schedule" even allows it to continue selling older versions of its CorelDRAW programs (CorelDRAW 3 and 4), not as outdated technology but as entry level software with aggressive pricing from which users can later upgrade to the state-of-the-art version. As described in Op. Cit., Corel Corporation, 1994, p. 1.

¹⁸ This is precisely the "sales push" which Wendel Smith observed was in decline in 1956, thus contributing to the emergence of a strategy of market segmentation (Op. Cit., Smith, p. 6). Corel, however, appears to be fostering the sales support of its retail network, while still recognizing the segmented nature of its market.

Finally, no discussion of Corel's marketing strategy is complete without a mention of the share of resources allocated to advertising. In 1995, Corel's advertising budget was US\$55 million -- representing no less than 41 percent of the corporation's expenses for the year. In fact, advertising represented the single largest item on Corel's list of expenses for the year, absorbing more than twice the amount set aside for Corel's considerable research and development budget (US\$27.2 million). This is not to suggest that Corel leads the high technology industry in total ad spending. IBM, for example, spends nearly ten times the amount -- over US\$500 million in 1994 -- advertising its software and hardware around the world.¹⁹ Corel's chief rival, Microsoft, allocated no less than US\$1.895 billion to sales and marketing in 1995 (fueled, of course, by the inescapable launch of Windows 95 and an upgraded Microsoft Office to take advantage of the new operating system).²⁰ Nonetheless, Corel's emphasis on advertising, expressed as a proportion of its overall operating budget, is important to note. Corel clearly recognizes the importance of brand name recognition and has consistently allocated the resources required to establish a level of brand awareness that defies the company's small size in comparison to other software leaders.

All of the above information is offered not only as background, but also as a foundation to understanding how event marketing is planned, executed and evaluated at Corel. Event marketing is a tactic which forms part of an overall marketing mix. As such, it is subject to

¹⁹ Jonathan Bury and Ira Sager. "Big Blue Twister Rocks Madison Avenue." Business Week, June 6, 1994, p. 33.

²⁰ Microsoft Corporation. "1995 Annual Report - Income Statements." [<http://www.microsoft.com/msft/html/income.htm#to>] accessed April 13, 1996, p. 2.

the same competitive pressures and personal forces which give rise to any corporation's marketing mix at any given moment. What follows is a detailed look at event marketing at Corel Corporation, with particular reference to two properties which the company is currently sponsoring.

Event Marketing at Corel

Event marketing has grown steadily in importance at Corel. From a largely philanthropic effort which focused the \$300,000 budget on the Ottawa area, event marketing has grown to a \$6 million per year undertaking reaching audiences around the globe. The reason for the exponential growth, as Patrick Reid, Corel's Director of Sponsorship and Promotion, explains it, is the broadening of Corel's product line from highly specialized products aimed at sophisticated computer users, to a wide range of consumer-oriented products. Reid describes the change in orientation:

When I joined Corel, I found them to be a computer niche company. Everybody in the computer industry knows Corel. On the IBM (PC) platform they have 95 percent market saturation. In their industry, they don't need people to know Corel because they've got such a hold on the graphics software market -- they couldn't get any higher. However, in the consumer area, I don't think they're known very well at all and I come from the consumer area. So, it's a completely different strategy that I'm trying to interest Corel in pursuing.

The list of events which Corel sponsors in a given year (some 360, by Corel's own count²¹) can truly be said to cover the widest possible range -- from small, community-oriented arts and sporting events, to the global reach of women's professional tennis. Corel's contribution varies from free products to be given away as door prizes, to small ads on event programs (see appendix) to the multi-million dollar commitment required to rename the Ottawa Palladium (home of the National Hockey League's Ottawa Senators franchise) to the Corel Centre.

The emphasis is clearly on sports: tennis, bobsled, hockey, football, swimming and rugby appear to receive the most attention. Part of that emphasis can be traced back to Dr. Cowpland's personal interest in sport. As Ottawa sports writer Wayne Scanlan has asserted:

Corporate involvement in professional and amateur sport is business for the Ottawa-based Corel. It is also part community involvement, part philanthropy and part lifestyle of the rich and famous fitness fanatic who founded Corel, president and chief executive Michael Cowpland.²²

This would not be the first case of a president making or influencing marketing or philanthropic choices based, in part, on personal vocations and beliefs. Sponsorship can be one more avenue for a chief executive to make his or her mark on a corporation. As well, by sponsoring an event or organization with which the executive is already familiar, the learning curve to understanding and fully exploiting that event can be shortened and

²¹ Op. Cit. Scanlan, p. G2.

²² Op. Cit. Scanlan, p. G1.

accompanying risks decreased. All this is to say that the very personal role of marketing decision-makers in the selection of one event to sponsor over another cannot be denied. This role is likely to vary from one corporation to another and over time, given the varying levels of authority and interests in marketing which executives will experience.

This is not to say, however, that the decision to make use of event marketing in the first instance and the decision to continue sponsoring a given event can be subject only to the personal preferences of any corporate decision-maker for very long. Marketing is a high stakes undertaking and mistakes can reverse the fortunes of almost any corporation very quickly. Michael Cowpland's interest in sport may well have oriented Corel towards sport sponsorship in the first instance, the proven ability to build brand recognition for Corel around the globe is what drives Corel's continuing use of event marketing and its selection of new properties to sponsor.

Reid sums up his role and the role of sponsorship at Corel as "Media, media, media -- my job is to get the Corel name tastefully done locally, nationally and internationally." Citing a recent bobsleigh world championship which Corel sponsored, Reid highlights the importance of brand name recognition and international reach via television.

I wanted to make sure our signage (on the course) was perfect. I went into the TV truck and checked out what all the camera angles were. If our signs weren't perfect, I changed them. I backlit some signs, which had never been done before, so they would show up better on TV. Everyone else put their signs up during the day, I put ours up at night, since the event ran at 6 00 p m

I put a sign up at the bottom of the hill, at the big curve I made it 40 feet long but the cameras were so far back you couldn't quite see it So I went out and bought a halogen light and a battery, set it up as a big spot light and 60 to 80 million people saw it on television -- it was Corel all over We had phone calls from Germany and England from our resellers.

We don't want to get involved in the small stuff (the additional 20 percent which a sponsor can spend on VIP receptions, product sales on site, etc). So many details, so many phone calls We're into the TV impact -- the 80 percent

Clearly, for a company whose sales are spread out around the globe, sponsorship's ability to reach global audiences via satellite television is of principal importance Indeed, the very selection of which events to sponsor points to the global objectives of Corel's marketing plan Sports such as rugby, ski jumping and bobsleigh receive considerably more coverage in Europe and Asia than they do in North America It is clear that Corel's strategy is to focus on an event's ability to reach a pre-determined audience over an event's ability to build symbolic value The audience must meet two important criteria First, it must be large, amortizing the cost of the sponsorship over as many viewers or participants as possible As Reid explains

What we look for is television exposure, particularly in our leading markets US, Germany, the UK and Japan I find a marketplace and I go through my contacts in the television industry in Europe and find out what shows, historically, have the highest viewing audiences. Then we get into a formula how many viewers per dollars of exposure . . . You have to really check the viewing audiences and work backwards to find out which of those events you can get your hands on to sponsor

The second criterion an audience must meet is the resources and potential to buy Corel's products Reid summarizes this criterion by stating simply.

The events we try to hook up with are events with an audience that is interested in buying There's certainly an audience that watches yachting that wants to spend money Yachting is highly technical. The trick is to get on channels where viewers have the mind set of technology and want to discover the future Our market shows that this is exactly the case -- these people buy

As much as an interest in the future might predispose an audience to buy computer software, ownership of modern computer hardware would appear to be an even better precursor This fact is not lost on Corel, whose decision-makers are quick to point out that the most visited website in the world today is ESPN's SportZone. Internet users are ideal potential customers for Corel and two to three million of them from around the globe visit a sport-related site every day

The ability of an ad or event to reach consumers who are ready to buy is carefully measured by Corel. Ads in programs or postcards distributed at events all contain tags for local retailers. The evaluation process is quick and decisive. As Reid describes it

Everything is done at Corel so it can be measured. Every ad has a 1-800 number or has a specific reseller and a certain window -- call within the next ten days and get a specific discount. We tag all our ads so we know if people are one, seeing it and two, buying. People have to see it and they have to react. The ones that don't work, we just move on.

Despite the obvious emphasis on event marketing's ability to deliver global reach to the right people, there is also a sense that Corel's image will also benefit from sponsorship. The simple building of world wide brand recognition bestows important familiarity and credibility to Corel and its products. Software being an intangible and relatively new product, brand name recognition and the consumer confidence it generates are the principle driving force behind the purchase decision -- more so, even, than price.²³ Reid hints at the credibility of being a major sponsor of an international sporting event when he says of Corel's sponsorship of the WTA Tour "As a tour sponsor, it puts you in a certain league in the eyes of people, it gives you immediate brand awareness."

Corel decision-makers also realize to what extent sponsorship of sport can enhance the image of a company and its products beyond simple brand awareness. As a series of ads summarizing Corel's recent sponsorship accomplishments states, "Corel's sponsorship of

²³ P. M. Rao cites "vendor reputation" and "whether the vendor is considered a specialist in the product area" as the most critical factors contributing to software sales in Industrial Marketing Management vol 23 no 1, February 1994, p. 35.

such high-profile events is inspired by the company's ongoing commitment to recognize and encourage outstanding achievements and standards of excellence at both a global and individual level."²⁴ As we shall see below, many specific properties in which Corel invests come with unique symbolic values from which Corel can benefit as a sponsor. In the end, though, the image, the symbolic value which Corel strives for most is brand awareness and the confidence in Corel products which it precipitates in consumers around the world.

The WTA Tour

The WTA is the international association which represents women professional tennis players and organizes the 60-event tour in which players participate. The WTA owns all marketing rights to the tour, calculates the rankings of the 500 or so players who participate in a given year, and coordinates the activities of players, sponsors, VIPs and spectators at each of the Tour events. For a major event, as many as 20 WTA personnel will be on site to ensure everyone's expectations are met.

The WTA was formed in 1970 by *Tennis Magazine* publisher Gladys Heldman and nine women professionals in response to the growing disparity between men's prize purses and women's prize purses awarded at events sanctioned by the US Lawn Tennis Association. In addition to Heldman's financial contribution, the purse for the inaugural event of the

²⁴ Corel Corporation, "Corel World News," as published in the Ottawa Citizen, February 14, 1996, p. F5.

WTA came from Philip Morris Inc., in support of their new cigarette aimed at women consumers -- Virginia Slims. The Virginia Slims Circuit was born.²⁵

For nearly twenty-five years, women's tennis grew in attendance and media interest. Throughout that time, the Virginia Slims brand was nearly synonymous with women's tennis. The decision in 1995 that the WTA and Virginia Slims should part ways, driven no-doubt by the declining allure of smoking and of cigarette companies in the US, left the WTA without a sponsor for the first time in its history. Given the global reach of the tour and given its considerable resources, the WTA turned to an agency -- the Advantage Agency -- to secure a new title sponsor for the tour. When Advantage's efforts failed to secure a suitable sponsor (Reid reports that a feminine hygiene manufacturer showed interest but was turned down for fear the athletes would not support the sponsorship), the WTA turned to the International Management Group (IMG). IMG has a solid reputation in sport sponsorship, having been founded by best-selling author Mark McCormack and his first client, golfer Arnold Palmer.

The Sponsorship Agreement

While IMG approached a number of multinational electronics firms with which it had existing relationships, Reid, sensing the price for this property would be attractive ("We moved in and picked it up when it was in a valley"), approached IMG directly.

²⁵ WTA, "COREL WTA TOUR Story," [<http://www.corelwtatour.com/intro/corelwt&html>] accessed February 2, 1996, p. 1.

The WTA Tour seemed to fit well with all of the criteria which Corel uses to select events. To begin with, it is a sport property and the sport is tennis -- long a focus of Corel sponsorship efforts in Canada and a personal passion for Dr. Cowpland. The reach is truly global, with play taking place in 25 countries, from the United States to Russia, Japan and Germany. Attendance during the year-round, 60-event Tour is reported at 3.3 million. Moreover, television coverage of the Tour is broadcast into 130 countries, reaching a potential of 1.6 billion homes.²⁶ Finally, the Tour features leading players from the US, Germany and Japan -- all key markets for Corel products.

The sponsorship brought with it several opportunities to display the Corel logo and the logo of its key products: banners at the back of the court, a patch on the players' sleeves, television advertising (one 30 second spot per half-hour of programming), advertising in the event program and opportunities to sample products and entertain on site. Based on the strength of the attendance numbers and television viewership in key markets, Reid and Cowpland made the decision to put in a bid of US\$12 million for a three-year sponsorship of what was to become the COREL WTA Tour.

Although the deal was put in place over only two days of meetings in Cleveland, New York and Ottawa, the details of the benefits which Corel would receive were negotiated over the next several weeks. Reid explained his role in these negotiations:

²⁶ Op. Cit. WTA, p. 3.

The job for me was to find advertising that would be more effective for us. In tennis, you don't see the back of the court unless the players are serving. Once the players start moving, you see the players and you see the net in front of them. What I asked is to put the name Corel down the side of each net post. Now the logo is seen on TV all the time because it's on both sides of the post. The players' patch -- we changed the colours and dropped the word "Tour". We changed the colours to black on yellow -- the most visible colour combination. We also moved the patch to the front of the chest on the non-racquet arm so it is visible while they serve.

The end result is maximum visibility of the Corel logo for event spectators and television viewers around the world.

Corel and the WTA Athletes

Like most sport sponsorship properties, the WTA also offers the opportunity to associate a sponsor and its products with athletes. In many cases, these athletes are held as role models, admired for their talent and recognized in countries around the world. All too aware of the risks of linking a corporation to the fate of one athlete, however, Reid steers Corel away from long-term endorsement agreements with any one athlete. Other, shorter-term opportunities to associate Corel with those same athletes, however, are carefully exploited. Corel publishes "postcards" bearing an athlete's photograph on one side and a Corel product shot on the reverse. Those cards are distributed to the athletes to be autographed and given away to fans -- a convenience which many of the athletes appreciate. Corel's hot air balloon travels to each major city on the tour and, for the three or four days leading up to the event, displays a giant photograph of the leading player in

the tour along its side "That balloon is on all our product boxes now," reports Reid, "so the tie in between corporate and product is there "

Corel also makes use of one-time endorsements with individual athletes when the fit between an athlete and the promotion is appropriate. For example, Mary Joe Fernandez, one of the top players on the tour and possibly the most computer-literate, was chosen to appear in a special advertisement in the *TigerSoftware Catalogue*. The promotion offered a chance to win tickets to major tennis events, thus linking Corel's sponsorship to its product. The photograph on the cover of the catalogue featured Fernandez posing next to Corel President Cowpland and the President of TigerSoftware, thus linking the athlete's image and reputation to the reputations of the two firms involved in the promotion.

Perhaps the most ambitious effort to link Corel's brand and products to the athletes on the Tour is the presentation of laptop computers, software, Internet accounts and training to the top 25 players on the Tour. Whereas the sponsorship by Virginia Slims offered little opportunity for athletes to interact with the sponsor and visibly use its products, the sponsorship by Corel offers exactly that opportunity and Corel is eager to realize that potential benefit. On the first day of training, all 25 athletes came forward to begin their computer training. "The WTA people couldn't believe it," reports Reid. With their training complete, these athletes can become powerful ambassadors for Corel as a technologically

sophisticated and caring corporation.²⁷ Reid, for example, stresses that the athletes appreciate the technology they've been given by the new Tour sponsor:

There are 52 weeks in a year and 60 tennis events. It's the most year-round, intensive professional sport circuit there is. The computer gives players the freedom to do school work, stay in touch with their families and friends and look after the stocks and investments. This is a life skill that will go well beyond their careers in tennis so they're very interested in getting all of this information and product free.

Sponsorship and Corel Retailers

Given the importance of the retail network discussed above, Corel is careful to integrate its retailers into the WTA Tour sponsorship. That integration begins with an invitation for retailers in all cities hosting a WTA Tour event to receive a free store-front sign, featuring one of the top seeded players who will appear at the event. That store-front sign comes with a similar end of aisle display which the retailer can place in the store to draw more attention to Corel products. Customers who purchase Corel products receive a COREL WTA Tour postcard, featuring a photograph of a popular player and information on Corel products. The retailer receives tickets to the event to be given away to purchasers of Corel products whose names are drawn at the end of the promotion. Finally, the retailer has the opportunity to promote Corel products and his or her store on site for the duration of the tournament, creating what Reid describes as a "local workforce in 60 countries."

²⁷ In an early example of the importance of ensuring athletes know and appreciate the sponsor, Steffi Graf appeared on *The Late Show with David Letterman* and, when asked what Corel was, was able to reply that they were "another name for Microsoft." While Cowpland and Reid expressed satisfaction at being placed in "pretty good company" at that early stage in the sponsorship, one can see how the effort to reach out to athletes might lead to a more informed answer today. As reported in *Op. Cit.*, Scanlan, p. G2.

The logic behind Corel's efforts to provide all of this material and promotional opportunity to retailers is described by Reid

If you're a computer store owner, you're asking why you should carry Corel instead of Microsoft or Digital or IBM. We come along and say, 'the biggest event in your community this year is this tennis event. We're going to do your end of aisle display free. We'll do your store front free. We'll give you the tickets free. All you have to do is run the promotion.' You say to yourself, 'we better carry more Corel products.'

In certain cases the participation of retailers is extended to the television advertising which Corel receives as part of its sponsorship agreement. The Corel spot can be quickly modified to include a strip across the top of the screen which features the name of a large retail chain which carried Corel products. The objective, once again, is to generate the sales support at the point of purchase which is so critical to Corel's success.

Tennis and the World Wide Web

As Patrick Reid reported, the community of women's tennis fans around the world is home to a large number of computer owners. When the WTA expressed interest in establishing a website on the Internet, Corel offered to bring its expertise to bear on the task, recognizing that the website would represent a vital link between the WTA and Corel's products -- a link that would be visible to a potential audience of millions of computer users. As Reid expressed it to the WTA, "image is everything, let us put together the website." Corel's in-house designers, using Corel software, designed the site and a webmaster was hired to work out of Corel's Ottawa headquarters. And, as it had

done for websites constructed for other events which Corel sponsors, links between the WTA site and Corel's own homepage were established

Drawing on its growing sales of stock photography on CD-ROM, a photographer was hired to shoot 25 pictures of the top 100 players on Tour. The photos feature both action shots and photos of the athletes off the court. The media covering the Tour are invited to download these images from the WTA website and file them electronically along with their stories. In this way, the media are encouraged to visit the website, Corel is able to highlight one of its product lines and media coverage of the athletes, many adorned with COREL WTA Tour clothing, is enhanced (see appendix)

Of course, the website is also designed to appeal to tennis fans and includes biographies on the most popular tour players, ticket information, statistics, general information and access to Corel's photographs. Plans for the future include hourly updates during events. Throughout, lush graphics and the Corel logo abound, rendering once again the link between tennis, the WTA, Corel and its graphics software.

Conclusions from the COREL WTA Tour

Corel's experience with the WTA Tour is in keeping with many of the points made in earlier chapters. The WTA Tour serves as a vehicle to reach a pre-selected, global audience in a very cost-effective way. The brand awareness, the association with a major, global sporting event and the association with popular athletes all help to add important symbolic value to Corel's mix of utility and material value. Not only are Corel's powerful

programs packed with more features than the competition, offered on a sophisticated CD-ROM and sold at a lower price, they are offered by a firm whose name you know and, therefore, trust -- a "big league" firm reputable enough to sponsor a major sporting event which you like to watch. In short, while event marketing is not completely integrated into Corel's advertising activities, it is used as an effective backdrop to its product-oriented advertising.

The WTA example also draws our attention to the important roles of athletes and agencies in the event marketing industry. Powerful crowd crystals who can make or break the image-enhancing efforts of a corporation, athletes play a pivotal role and their participation must be carefully cultivated by the sponsor. The agency, acting on behalf of the organizing group or property owner, brings contacts, credibility and marketing know-how which are essential in the competitive sponsorship marketplace. Agencies not only help to sell a sponsorship property, they are often retained to service the client, ensuring that expectations are met and that short-term, modest agreements can be "upsold" into long-term, multi-million dollar agreements.

Finally, the WTA examples point to the limits of the attractiveness of a crowd as a site to conduct business. The logistics of one company offering its products at 60 events around the globe in one year are staggering. Moreover, Corel recognizes that, with a few exceptions, people will not likely purchase computer software while attending a tennis event. The price and bulk of software often make the immediate sale unrealistic. For this reason, Corel limits its own involvement in on-site sales to the production and distribution

of the postcards featuring athletes and product shots, complete with discounts at the participating retailer. "The idea is to give them a delayed sale," explains Reid. That sale will take place, ultimately, in the participating retailers' shop. That retailer will likely be the same retailer providing the local workforce to work at the Corel booth and the same retailer whose shop features the Corel WTA Tour shop front display, end of aisle display and ticket giveaways. In short, while Corel recognizes the value of promoting products on site at events, the logistics are such that the execution of this part of the sponsorship is left to local retailers and integrated into a larger effort to foster the sales support of these partners.

The Corel Centre

Opened in 1996 as the Palladium, the new 20,000-seat sports and entertainment arena in the western suburbs of Ottawa will close the year known widely as the Corel Centre. In investing over \$1 million per year over the next 20 years,²⁸ Corel has assured itself of a prominent place in all the major events to take place in the building well into the next century.

There are several similarities between the title sponsorship of the now-Corel Centre and the title sponsorship of the WTA Tour. First, both agreements are sport-related. Although the Corel Centre will host concerts, trade shows and other events, the bulk of attention is focused on the building when NHL and international hockey is played there.

²⁸ Allen Panzeri, "Corel draws on Palladium's rising profile," Ottawa Citizen, February 28, 1996, p. B1.

Second, like the sponsorship of the WTA Tour, the chief benefit which Corel hopes to derive from its title sponsorship of the Corel Centre is reach -- massive, global reach. As Reid explains

The Corel Centre is really part of the international program. I checked this out first and the NHL will be holding a draft here within the next three years. They will host the All Star game in the next five years. This is the only arena with three world cup games this year -- that's international television, all coming from the Corel Centre

And, of course, NHL hockey is increasingly becoming an international event, with the majority of teams in American cities and increasing numbers of players from Eastern Europe and Scandinavia. With the appearance of NHL players representing their respective countries at the 1998 Winter Olympic Games in Nagano, Japan, the League's global profile will grow even higher. Appropriately, the document which the Palladium's marketing executives prepared in order to woo Corel's sponsorship was titled "Making a World-Wide Impression" ²⁹

On top of the two to three million visitors expected in the Corel Centre each year, the fact that the facility is named after the sponsor is expected to generate some 80 million impressions per year. Drivers on two of Ottawa's major highways will see the Corel logo glowing. News reports of a hockey game -- whether print, radio, TV or on the Internet -- will mention the Corel Centre. Advertising will carry the name and often the logo of the

²⁹ A copy of this proposal was graciously provided to me by marketing executives at the Palladium Corporation. It, along with complementary presentation material, will be quoted from throughout the remainder of this chapter.

Centre Announcers on television will welcome fans to the Corel Centre. True to Corel's tradition of measuring effectiveness, Michael Cowpland reflected on his calculation that every 1,000 mentions generated by the Corel Centre would cost \$1.60, compared to \$20 to \$30 in traditional media and concluded, "This is a very economic way to get the mentions."³⁰

The Corel Centre and Symbolic Value

As impressive as the world wide reaction may be for Corel, the company also senses that its image stands to benefit considerably, on four levels I have dubbed brand, prestige, high technology leader and local/national roots. As was the case with the WTA Tour, all those impressions will help to create widespread brand identification, bestowing a measure of comfort and respectability to the company and its products. And, like the WTA, sponsorship of a major league sports facility brings with it the prestige of joining the ranks of Coors, Pepsi-Cola, Delta Airlines and General Motors in the league of corporations that have acquired naming rights to a major sports facility. Corel has entered the big leagues of sport sponsorship. The appeal of that prestige was not lost on the Palladium's marketing executives who featured a long list of these and other corporations and their respective venues on page one of their proposal to Corel.

On top of brand recognition and prestige, the Corel Centre also offers an opportunity for Corel to associate itself with what is undeniably a very new building, and a building which makes ample use of modern technology. The ad announcing the name change, for

³⁰ Op Cit Panzeri p B1

example, refers to the link between the “world leader in graphics and publishing and the world’s leading sports and entertainment facility” and welcomes fans to “a building for the 21st century ”³¹ Similarly, Michael Cowpland commented, “It is very appropriate that this state-of-the-art sports and entertainment facility will be associated with Corel.”³² Similarly, bright signs within the Corel Centre now welcome fans to “the world’s highest technology sports and entertainment facility.”³³

On a fourth level, sponsorship of the Corel Centre associates Corel with its roots in Ottawa, Canada. This has two important implications for the symbolic value the corporation can offer its customers. First, as Patrick Reid explains, “This is Ottawa and Ottawa is a high tech community and we’re not the biggest in town.” The Corel Centre is a vehicle for Corel to take its place among, and be associated with, a number of globally recognized high technology leaders with operations in the city. The second implication of Corel’s Ottawa and Canadian roots and their reflection in the Corel Centre is the simple fact the Ottawa is also home to the vast majority of the Canadian federal government’s operations, that government, the Palladium’s own sales literature reminds us, is the country’s largest purchaser of high technology goods and services. As the proposal summarizes

³¹ From an advertisement published by Palladium Corporation in the Ottawa Citizen, February 29, 1996, p. D8.

³² Corel Corporation media release, “Palladium Becomes Corel Centre.” [<http://magi.com/~senators/corelcentre/pall0227.htm>] accessed April 9, 1996, p. 1.

³³ This and other observations are based on a visit to the Corel Centre on April 11, 1996 to witness an NHL hockey game and a capacity crowd at the facility.

corporate naming also provides an unparalleled chance to literally own a market. In Ottawa's case, that market is the most affluent, well-educated segment in Canada, home to the largest purchaser of goods and services in the nation -- federal government -- and a cradle of emerging technologies for the world.³⁴

In this case, the particular aspect of federal government business about which Corel is most concerned is the lucrative word processor market. Once again, Corel's competitive position *vis à vis* American giant Microsoft enters into the equation. An article announcing the name change makes specific reference to the threat of government departments currently using WordPerfect succumbing to considerable sales pressure and switching to Microsoft Word. "The Microsoft threat," the article quotes Cowpland, "is precisely why we need this kind of marketing."³⁵ The Corel Centre is a further reminder to federal government purchasers that this very global company has strong links to the community and to the country.

The symbolic value which Corel can generate by way of the Corel Centre is considerable and timely. The agreement was made possible by Corel's acquisition of WordPerfect, offering both the combined resources and competitive need to enter into a \$25 million agreement. In this respect, it is a move driven by competitive pressure both in the Ottawa market and around the world as Corel positions itself as a recognizable, reputable, high

³⁴ As quoted from the Palladium Corporation's sales proposal. "Making a world wide impression

³⁵ Roy MacGregor. "Deal makes the perfect word . . . Money." Ottawa Citizen February 29, 1996, p. B1.

technology leader with roots in a high technology centre in order to prepare for battle against Microsoft

Corel and Palladium Corporation -- Forging an Agreement

One of the important differences between the WTA Tour agreement and the Corel Centre agreement is the role of agencies. Contrary to IMG's role in the WTA Tour, the Palladium Corporation chose to deal directly with potential sponsors. The success which Palladium enjoys, generating some \$5 million per year in sponsorship revenues before the Corel Centre agreement,³⁶ is not to suggest that any organization can easily forgo the expertise of an agency and solicit sponsorship. The Palladium Corporation essentially established an in-house agency of experienced marketers in order to meet the demands of sophisticated sponsors. That department includes a Vice President, Manager and no fewer than six Corporate Account Managers to sell and service the considerable roster of sponsors whose logos and advertisements now cover a significant amount of space in the facility.³⁷

Despite having generated \$5 million in sponsorship revenue, as of February 4th, 1996, the Palladium Corporation had yet to sell its most lucrative property -- title of the building. An article in that day's *Ottawa Citizen*, for example, questions whether such a sale would be possible until the Ottawa Senators' on-ice performance improved dramatically. "Being so closely associated with losing," the author wrote, "is not part of the average corporate

³⁶ Chris Cobb, "Advertising is the big player in the Palladium experience," *Ottawa Citizen*, February 4, 1996, p. B1

³⁷ These findings are based on two telephone interviews, one with the Vice President of Sales at the Palladium Corporation, the other with the Manager of Corporate Properties

ambition”³⁸ Palladium Corporation’s marketing team had already presented its proposal to a number of leading high technology and financial services companies in the region and, indeed, in the country. Corel had been approached but had rejected the offer of title sponsorship of the Palladium, opting instead for a lesser package of benefits two on-ice logos valued at \$140,000 per year and rink boards valued at \$90,000

By early February, spurred by the success of its WTA Tour sponsorship and fresh from its acquisition of the WordPerfect family of software, Corel began to re-evaluate its existing sponsorship in the Palladium. Driven by the recognition that a more global orientation was required now more than ever, and perhaps frustrated by the equal presence of Microsoft -- now a chief rival -- in the Palladium, Patrick Reid met with the Manager of Corporate Properties at the Palladium and expressed his dissatisfaction. Reid recalls his frustration and the solution Corel and Palladium Corporation ultimately arrived at

You’ve got Newbridge, you’ve got Digital, you’ve got Northern Telecom and you’ve got Microsoft in the building. You can’t see the forest for the trees. We’re all in there saying, “I want my sign on that tree, I want my sign on that tree.” I just sat back and thought, “wait a minute, why don’t we buy the forest?” I went to Mike (Cowpland) with the idea and said “all those people will be in *our* building.” The biggest thing you can have in Ottawa is a \$280 million entertainment centre. And we’ve got it.

Once again, negotiations were carried out quickly and a deal was ready to be signed by February 21 -- less than three weeks later.

³⁸ Op. Cit. Cobb p. B2

A Visit to the Corel Centre: the benefits to Corel

The best way to understand the benefits to Corel of sponsoring the Corel Centre is to visit the facility, ideally in the company of nearly 19,000 other sports fans. On April 11th, the Ottawa Senators played their last home game of the 1995-1996 season, facing a powerful opponent whose line-up featured a number of NHL superstars. The Corel Centre was sold out. Approaching the Corel Centre from one of two highways in Ottawa, the building is solitary against the skyline which, until recently, was marked only by corn fields and suburban housing. Lit on all sides by powerful lights, the copper sides of the Corel Centre glow. The Palladium signage has been removed, but an artist's impression on display inside the building gives a hint of what will greet spectators next year: a giant "Centre COREL Centre" sign on both sides of the building, complete with Corel's red "C" logo. The signs will be twice as tall as the "Palladium" sign had been and will be lit by intense blue and red laser lights, ensuring visibility from miles away in all light and weather conditions.

Then, in a fashion reminiscent of the Sir Walter Raleigh Review discussed in chapter three, the Corel "review" begins. The ticket handed to the usher bears the Corel Centre name.

Upon entering the front doors, fans are greeted by a 16 screen, 15 feet high

"COREL Video" screen displaying highlights from the last time these two teams met. Cold beer comes in a plastic cup with a Corel Centre logo featured prominently on both sides.

The beer is served by Corel Centre staff wearing t-shirts and caps bearing the Corel Centre

logo.³⁹ On the way down the concourse to the seats, one passes a series of ten foot, backlit signs, one of them features Corel across the top border. Once seated, the "arenamation" screen is in full view, stretching some 96 feet across the front of the middle seating deck. Vibrant colours and constant motion draw our eyes continually. "Welcome to the Corel Centre" the sign reads in its dazzling display. The giant, \$4 million clock is equally inescapable. Each of four faces is home to a 15 feet by 15 feet television screen, which also rotates through a series of messages including, of course, "Welcome to the Corel Centre." Each of the four corners on all sides of the clock are also graced with a corporate logo: the Corel Centre and Corel WordPerfect are among them.

As the opening face-off draws near, the public address announcer once again welcomes the crowd to the Corel Centre in both official languages -- a gesture of good will and brand identification he will repeat no fewer than five times before the first puck is dropped. As the players skate on to the ice, they pass over one of two giant Corel logos painted on the ice between the two blue lines, the bright yellow background on which they are painted is remarkably effective at lifting the logos from the clutter and drawing our attention. For sheer size, these signs pale in comparison to the Corel Centre/ Centre Corel painted around the perimeter of the centre-ice face-off circle. Next to the Senator's own logo, it is the dominant image on or near the ice surface.

³⁹ At present, the cups and uniforms still bear the Palladium logo. These will be updated to the new Corel Centre logos for the start of the 1996-1997 NHL season. See Appendix D for a sample of that logo.

As the players emerge from their dressing room amid thunderous music and search lights, they skate by a series of rink boards, two of which bear the Corel logo. As those players return to their bench to prepare for the national anthem, they sit in front of two, backlit, rotating signs, each 10 feet wide. The Corel logo is one of four that will beam from behind the seated players at regular intervals all night long.

Lulls in the action are quickly filled with loud music, the booming voice of the public address announcer and his countless references to the "Corel Centre lobby" and "Corel Centre gift shop" where fans can purchase the official Corel Centre CD-ROM, full of photos detailing the history of the building and packaged with Corel screensavers, Corel CD-Audio, Corel Mosaic Visual File Manager and Corel Photo CD Lab. The clock's TV screen reminds us of upcoming events at the Corel Centre. And fans are reminded to check on page four of *Bodycheck*, the official magazine of the Senators to see if they have won a door prize. Among the many door prizes awarded that night are a number of Corel CD-ROM titles. That same magazine includes a calendar of upcoming events at the Corel Centre, an article promoting the upcoming Corel Centre homepage on the Internet and, of course, a full-page ad for Corel, complete with Corel's distinctive balloon, aggressive pricing, comparisons to competitive products and space set aside for a local retailer.

Upstairs in the media box, local radio announcers broadcast the game to the city and region. They, like their public address counterpart, are quick to promise fans they'll be "right back to the Corel Centre action after these commercials" and equally as certain to welcome fans back to the Corel Centre after each and every commercial break. During the

third period alone, there were five of those breaks, generating no fewer than ten mentions of the Corel Centre in a 45 minute stretch. Had the game been televised, the very same frequency and number of impressions would have been generated in that medium, adding to the effect of cameras constantly capturing the Corel logos on the ice and rink boards. Newspaper reporters huddle over their laptops and prepare to file stories that will include mention of how the game “saw the close of a successful debut for the new \$200-million Corel Centre”⁴⁰. Those stories will appear in newspapers throughout North America, as well as on Internet-based sports pages around the world.

Finally, the game is over and fans begin to empty from the stadium. The public address announcer expresses the thanks of the Ottawa Senators and the Corel Centre for the fan’s support. Fans pass by the giant COREL Video screen before exiting through the front doors and basking in the blue and red laser light of the Corel Centre.

The Corel Centre Experience

The overall effect of this festival of lights, sound, colour and motion is overwhelming. The sensory barrage is less “live event” and more “video game.” As much time is spent watching the giant screens, arena motion panels and signs, signs, signs, as it is spent watching the players on the ice. In a process well described by Susan Davis in her analysis of Seaworld in San Diego, the Corel Centre is “televisual”⁴¹, ensuring that the audience’s

⁴⁰ Toronto Sun Publishing Corp. “Penguins hold on to top spot in the East” as published in *CANOE on-line ‘Slam’* [http://www.canoe.ca/hockey/apr11_ott_pit.html] April 11, 1996, accessed April 12, 1996, p. 1.

⁴¹ Susan G. Davis, “Touch the Magic” in William Cronon, editor, *Uncommon Ground* (New York: W.W. Norton & Company, 1995), p. 208.

attention is captured as thoroughly and as continually as possible. The pacing and sensory load of action, announcements, contests and more action is equivalent to the frantic pace of modern television. The use of slow motion replays on the giant television screens, mere seconds after the original plays occurred, mirrors the process of "visual purification" which Davis describes at Seaworld.⁴² Even the experience of being part of a crowd is simplified and amplified by way of a roving camera which captures faces in the crowd and beams them back to the giant television screen.

Yet somehow, throughout the haze of lights, sounds, action and logos, Corel's position as title sponsor of the building manages to emerge. There are sponsors for every goal, every period summary, the zambonis and the "Fan of the Game" contest. Hundreds of billboards compete for attention. But at the end of the night, it is clear that despite all the signs on all the trees, this forest is very much owned by Corel.

Conclusions from the Corel Centre

The experience of Corel and the Palladium Corporation in arriving at the Corel Centre agreement yields a number of important insights into event marketing. Like the WTA Tour, the Corel Centre points to the importance of sophisticated marketing techniques and investment into human resources required to secure sponsorship in an increasingly competitive market. Whether that investment is in an agency or in an in-house team of marketing professionals, the entry price of big-league sponsorship is high.

⁴² Ibid. p. 209

The Corel Centre agreement also reminds us of the importance of cost-effective, global reach to a sponsor like Corel. Generating millions of impressions in a cost-effective way may well stand as the single greatest benefit which Corel will derive from this agreement. Perhaps more so than the WTA Tour sponsorship, this agreement also points to the importance of symbolic value, even for a corporation whose marketing strategy is so oriented to price and product features. Now, more than ever, the meanings which consumers ascribe to Corel and its products need to be imbued with connotations of reputability, credibility, global competitiveness and -- in certain cases -- Canadian nationality. It is evident from the ways in which Corel has exploited the Corel Centre agreement that it recognizes the potential of event marketing to deliver on these fronts.

Finally, the Corel Centre agreement, like the WTA Tour agreement, points to the important and often overlooked role which competitive pressure plays in the marketing decisions of a corporation. Event marketing is one of many tactics which marketers can add to their battle plan when preparing to engage the enemy -- the military metaphors are perfectly suited to the realities of marketing as a profession and of many globally competitive industries in general. A drop in price by the competitor must be countered in some fashion. The decision by a competitor to cease publishing suggested retail prices can be cause for a change in tactics. The acquisition of a competitor by a smaller, more aggressive firm can give rise to any number of changes in tactics on the part of both corporations.

If Corel's experience can be taken as any kind of an index to the state of modern firms in a globally competitive world, then it is fair to say that the speed of business has increased and the ability to predict market conditions into even the next financial quarter has declined. Any attempt to explain corporate behaviour based solely on concepts of long-term visions, schemes and plans is fraught with the pitfalls of ever-changing competitive conditions.

Conclusion: Corel and the Relationship Marketing Era

Corel's marketing strategy is clearly oriented more to the rational strategy defined by Leiss, Kline and Jhally than to any other strategy. This reality serves to underscore the extent to which event marketing can serve as a tactic in support of any marketing strategy. Sponsorship can be finely tuned in order to meet the specific requirements of each marketing strategy. For example, the criteria used to select events can be varied, as can the emphasis put on benefits such as entertaining and product sales versus simple brand identification. This is not to suggest, however, that Corel does not draw in any way from the relationship marketing strategy we defined earlier. Corel users are invited to make ample use of the company's website, complete with frequently asked questions and a discussion group. Many of those same users might subscribe to *Corel Magazine*, an American publication aimed at sophisticated users of CorelDRAW whose publishers are licensed by Corel. Finally, CorelDRAW users are invited in all Corel advertisements (see appendix) to enter the \$3 million Corel World Design Contest. The contest's centerpiece is a black tie gala at which prizes are awarded and the power of Corel's software is put on

display for trade media to see The Contest -- fundamentally targeted and interactive as the most dedicated users of the software send back to Corel the fruits of their collaboration -- is clearly drawing on the principles of relationship marketing strategy The gala reception, as a tactic in support of that strategy, is an example, then, of event marketing in its most developed form The night several thousand users of CorelDRAW gather to celebrate the software and their proficiency with it is truly the coming together of a consumption community

Strangely, there has been less of this attention to interaction and ritual in Corel's execution of the two sponsorship properties we have described As much as the WTA Tour and Corel Centre can be said to target segments of the marketplace more likely to own a computer and more predisposed to purchase software, there seems less emphasis on developing a database and pursuing repeat business There also appears to be less of the integration between Corel's advertising and its sponsorship programs All product ads make mention of the Corel World Design Contest, but none of the product ads reviewed for this chapter make reference to Corel's support of the WTA, Corel's sponsorship of the Corel Centre any of Corel's other myriad sponsorship properties In fact, Patrick Reid is clear in his approach to working independently of the other Corel directors

My job is to get the corporate and the product name as closely aligned as I can without touching the product or involving other people My job is not to change the focus of one person at Corel They're there to design and sell product My job is to do the promotion and sponsorship

With its lean workforce and fast-paced environment, one can begin to understand how Corel's directors might not have the luxury of meeting together to ponder the possibility of aligning the efforts of the database team, the promotions team, the product packaging team and the sponsorship team

One clause in the agreement between Palladium Corporation and Corel points to the possibility of that level of integration coming soon, however. The 1997 Corel World Design Contest will be staged in the Corel Centre. A program which draws on the very latest in relationship marketing strategy will come together with Corel's powerful event marketing tactics. The gala may well serve as a catalyst to Corel drawing more than ever on a relationship marketing strategy, while no doubt preserving its proven use of the rational marketing strategy. Given the increasing competition Corel faces and given the increasing number of its products aimed at the general consumer marketplace rather than the more technical design market place, that blend should prove timely. As Reid explained the situation, "We're starting to realize that we have to be more consumer-friendly. People who are buying software for three-year olds aren't necessarily reading PC World."

Chapter Five: Event marketing and political power

Introduction

In this chapter, we bring together the many concepts introduced earlier, belonging as they do to so many different eras and so many schools of thought. We also explore one last level of power which event sponsors exercise. In the preceding chapters, we portrayed events as managed sites at which corporate sponsors wield the symbolic power to influence the meaning which members of social worlds create for the corporate sponsor and its wares, events are where consumers come together to do the work of constructing symbolic value. We later explored how corporations, in the process of selecting one event or group to sponsor over another, also exercise significant cultural power, ensuring competing events pass through a hegemonic filter before earning the right to financial support. The Marketing Director not only shapes our collective image of Acura automobiles, he or she determines, often unwittingly, that the voice of *le Cirque du Soleil* should be heard while others -- perhaps because they are too critical or perhaps because they attract consumers with less disposable income -- will be silenced.¹

¹ Still another option is for an event organizer to radically alter the type of consumer it attracts. Stock car racing, for example, is "moving beyond its good-ole-boy roots and finding a new audience in yuppie America," and, reports *Business Week*, "plush speedway facilities have helped pull in this more upscale crowd." The reporter also confirms that "Some fans grumble that the modern speedways, charging more than \$100 for the best tickets, are driving out the down-home folks who helped build NASCAR in the first place." Adam Cohen, "Blowing the Wheels off Bubba", *Business Week*, February 26, 1996, pp. 46-47.

The third level of power which corporations exercise by the selective use of their resources to sponsor cultural, sporting, and charitable events I will dub social power. It is the power to shape much more than the purchasing patterns of any consumption community. It is nothing less than the power to contribute to the shape of our current social order and our collective image of the role each of us and our institutions should play in that order. Event marketing can and does play, I will argue, an important role in influencing the very structure of the social relations which define the current world order.

A Summary of Findings

It is useful here to review the findings of this paper in some detail, so as to clearly point out the trajectories which have carried us to this point. We began with the caution that event marketing was not philanthropy. Rather, event marketing is an emerging marketing tactic with two principle attributes: reach and image. By reach, we mean the ability to address carefully defined market segments -- many of which are elusive in a world of fragmented traditional media. Image, in turn, refers to the ability of events to convey, through association, a range of powerful emotions. These emotions provide an anchor to which increasing numbers of sponsors are tying all of their creative marketing efforts: advertising, public relations, trade promotions, etc. Fueled by government cutbacks, television fragmentation and a burgeoning new event management industry, double-digit growth continues to characterize this multi-billion dollar phenomena.

Event marketing's emergence as a dominant marketing tactic is also based on its effectiveness. We tied this effectiveness to a number of factors. On the level of the individual consumer, or micro-subject, we focused on the potential for sponsors to associate themselves with the powerful emotions inherent in the events, thus adding symbolic value to their existing mix of material and utility value. True to marketing's stated *modus operandi* of promising consumers what they want, symbolic value allows sponsors to add the promise of belonging to a social group, of prestige and of an enhanced self-image to their wares. While the concept of symbolic value is central to understanding event marketing, it is not unique to this tactic, traditional advertising operates in this capacity as well.

Drawing from the symbolic interactionist school as a bridge between the microphysics and macrophysics of event marketing, events were described as social phenomena, unique in their potential to foster the interaction among assembled participants so central to the creation of meaning in a social world. From there, attention turned to the qualities in an event which render the interaction there so different and so effective for marketers. That discussion began with an exploration of what crowd psychology had to offer. The description of crowd conditions such as collective excitement, contagion and suggestibility all help to explain the desire of marketers to secure a presence at more and more events. The work of Elias Canetti and Edward T. Hall were synthesized in order to propose that crowds -- and hence events -- represent one of the few occasions during which people will allow themselves to be touched by those with whom they are not intimate. This powerful

communicative act sets the stage for interaction which is profoundly different than that offered by any other medium

Finally, the fleeting conditions of the crowd were contrasted with the ability of events to generate lasting impressions -- deepening the relationship between consumers and corporations. This led to a discussion of the interpretative tradition in communications studies and of the event as a sacred ceremony during which people are drawn together to form a community. Sponsorship, then, is the privilege to play the communal drums around the bonfire to which so many are returning. It is the start of a deeper, more interactive relationship between marketers and consumers -- a relationship in which consumers will not only consume, they will also create meaning, produce value and participate in a value constellation with marketers, retailers and distributors.

Questions of Symbolic, Cultural and Social Power

All of the preceding leads inexorably to questions of power. Events, it was stated, are anything but neutral sites. Two levels of power were discussed, both residing chiefly with the corporate sponsors of events. The first level of power is the symbolic power to shape the interaction at events in order to foster the creation of meanings that will sell the sponsor's wares and maintain a profitable relationship over time. The second level is the power to amplify certain voices within society by sponsoring their events and, conversely, the power to silence other voices. It is cultural power which inevitably leads, as Schiller

reminded us, to self-censorship and the compromising of genuine cultural and historic experiences in order to secure much needed funding

Now attention turns to a more profound level of power -- the power to shape social relations. This power is exercised in two ways which are unique, I believe, to events and event marketing the creation and assembly of consumption communities in the first instance, and the presentation and celebration of an alternative model of social relations of production in the second. The very qualities which render events into ideal sites for the marketing of products, services and corporations, also render them important sites of consensus production -- sites at which the emerging social relations of our economic order are maintained and recreated

Synthetic Communities and the Decline of Social Capital

The creation of consumption communities is, in many ways, the ultimate realization of the market segmentation strategy. Not only can marketers identify market segments, they can call these segments together in a ritual ceremony which celebrates their commonality, in effect crystallizing that segment into a synthetic community.²

The ability to foster the creation of synthetic communities brings with it many important ramifications. Chief among these is the adverse impact such synthetic communities have on genuine communities. Robert Putnam, in his efforts to understand the social conditions

² It seems to me that the term "synthetic" better captures the true essence of these communities than Boorstin's consumption communities. "Synthetic" draws attention to the fact that consumption, while an element of commonality between members, is directed and manufactured by the very marketers who lead the community; the consumption is seldom some pre-existing condition which binds members together "naturally", in the total absence of any marketing effort.

which contribute to democracy, points to declining numbers of Americans who bowl in leagues as opposed to those who bowl alone. Rendering the link between the fate of bowling leagues and democracy, Putnam explains:

I care about whether we bowl alone because bowling in a league, even though it's a completely non-political activity, of course, provides an occasion if you're sitting there bowling with other folks, for talking about community affairs. The fact that we're bowling alone means we've lost yet one more opportunity in which we might have had a conversation with one another about how our communities are operating.³

Commensurate with the decline in league bowling is an increase in the number of Americans who belong to groups for which the only condition of membership is the time it takes to write a cheque. Citing his membership in the American Association of Retired People (AARP), Putnam states

But of course, I don't know any other member of the AARP, not one of the other 29 million members do I actually know, because their membership, as my membership, consists only in writing these cheques. It's not really social capital because it doesn't really involve people knowing one another, face to face.⁴

And social capital, argues Putnam, is essential to the maintenance of democracy in any society. I would argue that sponsored events (especially those created to meet the needs of an identified market segment), like bowling alone, offer little in the way of social

³ Robert Putnam, as quoted in *Ideas*, December 19, 1994, Canadian Broadcasting Corporation.

⁴ Ibid

capital. Quite apart from the relentless barrage of banners, flags, public address announcements and logos pasted upon every imaginable surface, genuine conversations about "how our communities are operating" are limited by the fact that the link between participants at an event are more likely to be shared consumption patterns than they are to be a shared concern for health care, education or cultural expression. To the extent that the need for belonging -- a need so characteristic of human beings -- is satisfied by events designed primarily to generate specific purchasing behaviour, it can fairly be said that the opportunity for genuine political discourse and cultural expression will have been compromised. Social capital will have been squandered. Stuffed full of synthetic interaction, we will find little time and energy left for genuine communities.

This essential difference between, if I may use the word, "real" relationships involving two or more actively participating individuals and the synthetic intimacy arrived at through relationship marketing tactics such as event marketing is perhaps best summed up by Gary Gumpert and Susan J. Drucker who write of the shopping mall that "it is a private environment that requires customers who spend money. Transaction eclipses interaction."⁵

The authors go on to ponder whether the emphasis placed in relationship marketing on transactions will reduce the amount of genuine interaction which was once made possible by the market and, to a lesser extent, the shopping centre. If, as individuals, we are satisfying ourselves with transactions at the expense of genuine interaction, argue the

⁵ Gary Gumpert and Susan J. Drucker. "From the Agora to the Electronic Shopping Mall" *Cultural Studies in Mass Communications*, September, 1992, p. 186.

3 of/de 3

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

authors, it may well be time to "question how such uses of the media of communication may be altering the development and continued existence of community affiliations"

Jean Baudrillard similarly laments the "strike of events" in which genuine events capable of real political or cultural impact have been replaced by festivals and jubilees which fail not only to produce new history, but also to ensure the symbolic reproduction of history

He writes

There are two types of forgetting either through slow or violent eradication of memory or via the advancement of spectacle, the passing of historical space into the space of advertising, the site where the media have acquired and, themselves have become, a temporal strategy of prestige This is the way in which we have constructed ourselves in countless reinforced advertising images, in a memory of synthesis that serves as our primitive point of reference, as our founding myth and, above all, distances us from the real Revolution ⁷

The laments of Putnam and Baudrillard both owe a good deal to the work of Harold Adams Innis, who long ago explored the link between media and their impact on power relations and democracy in society From an Innisian perspective, the tragedy of the imposition of marketing rationality and technique on events is that one of the last bastions of oral tradition, one of the last opportunities for "the stimulus which comes from contacts of one mind in free association with another mind in following up trains of ideas"⁸ has

⁶ *ibid.* p. 196

⁷ Jean Baudrillard, excerpted from *L'illusion de la fin ou la greve des événements*, (Galilee Paris, 1992) in *Ctheory*, [http://www.ctheory.co/a-strike_of_events.html], accessed March 6, 1996 p. 2

⁸ Harold A. Innis *The Bias of Communication* (Toronto: University of Toronto Press, 1951) p. 192

been lost. Whereas spectators at a hockey game might have found the opportunity to converse in the inevitable ebb and flow of the game, that opportunity has now given way to animated advertisements on score boards, loud music which seeks to fill every nook and cranny of conversation space and inescapable advertising messages woven into the very fabric of the modern arena. To draw on the analysis of power and architecture advanced by Michel Foucault, the once public space has become a "useful space."⁹ The aim, as Foucault summarizes, is "to set up useful communications, to interrupt others, to be able at each moment to supervise the conduct of each individual, to assess it, to judge it, to calculate its qualities or merits."¹⁰ Events, as sites in which corporations strive for managed interaction and carefully defined return on investment, are becoming more and more "useful" to their corporate sponsors.

Innis also brings to light another important social impact of event marketing. As was evidenced by the work of Corel Corporation and the various agencies and organizations that serve its needs, the level of spectacle, sophisticated marketing, publicity and television presence which is being integrated into modern events is such that the capital, expertise and ability to forge partnerships required to mount a successful event has grown exponentially over the last two decades. As Schiller has noted, "the amount of money (capital) required to enter a specific cultural industry has worked either as a constraint -- if the amount is considerable -- or as an encouragement -- if the amount was minimal."¹¹

⁹ Michel Foucault, Discipline and Punish (London: Penguin, 1977), p. 143.

¹⁰ Ibid.

¹¹ Op. Cit., Schiller, p. 32.

Increasingly, then, individuals and organizations who hope to produce events face a significant constraint. Those who attempt to enter the arena without having met the requirements for capital, expertise and the potential to find partners almost certainly lose money and jeopardize even further their presence and voice.

Armand and Michelle Mattelart have also pointed out, with reference to the new media in this case, how professional codes and high expectations in the public can serve as a constraint on new participation.

While technological expansion seems to promise nearly unlimited participation of the multiple social actors, professional codes, which regulate communication practices and have created habits and reflexes in the public, intervene and risk defeating other social actors who wish to express themselves through the new media.¹²

The end result of this rise in the requirements of event production will be a commensurate drop in the number of individuals and organizations willing to assume the risk and undertake a new event. Paraphrasing Innis, recent inventions in the organization and execution of events have compelled "a realignment" in the "oligopoly of knowledge".¹³

The requirements of modern events and the risks associated with such large capital outlays have rendered events into a medium which is both complex and difficult to revise (witness the increasing similarity, or formulaic approach, of professional sport events in countries around the world). As Innis has shown using historical examples dating back to the

¹² Op Cit. Mattelart, Armand and Michelle p. 80

¹³ Op Cit. Innis p. 4

emergence of cuneiform writing, media which are complex and durable tend to have a bias of extending messages through time, rather than across space.¹⁴ Events featuring few voices, all drawing from the same proven formula and facing less and less competition will serve to deepen hegemony through time, in much the same way as the events themselves were designed to deepen the relationship between consumers and corporations through time

The potential for event marketing to shape the social relations of our world is becoming clearer. Modern sponsored events and the synthetic communities they precipitate serve to constrain the genuine interaction undertaken in society -- the very interaction which is instrumental to real political and social action. The events have the potential to displace natural communities of common interest and needs and replace them with synthetic communities based solely on consumption patterns, taste preferences and income brackets -- hardly the kind of bonds which engender political action

Finally, and perhaps most importantly, the sophistication of modern event marketers is such that the entry barriers have been raised, the number of voices decreased and the range of forms of expression reduced. The result, as Innis has proven convincingly, is the extension through time of the power relations characteristic of modern event marketing. Corporate hegemony is deepened while real, participatory democracy suffers

¹⁴ In contrast, for example, Innis wrote that the lack of durability in papyrus "facilitated revision and restricted the influence of writing". (Ibid. p. 11) while the complexity of Chinese pictographs "emphasized the importance of a learned class, the limited influence of public opinion and the persistence of political and religious institutions" (Ibid. p. 18)

Presenting an Alternative Model

This critical examination of event marketing, while important, risks overprivileging the role of events and cultural power in society. Corporations and government wield powers other than those discussed above. For a broader perspective and an understanding of how events and event marketing fit into this larger mosaic of power relations, we turn to the work of Susan Strange and Robert W. Cox. Strange and Cox, in their respective models of the social relations which define a mode of production, offer a view of social relations and power relations which is both comprehensive and which fully theorizes the corporation as an independent actor in those relations. Both also recognize the role of intra-firm competition in those relations, a point whose importance is well illustrated by Corel Corporation.

In the aptly titled Production, Power and World Order (1987), Cox explores the links between modes of production, social power and world order. For the purposes of this paper, we will draw extensively from Cox's three-point map of the dimensions of the particular social relations which accompany historically specific modes of production. For each mode, Cox argues, we find objective factors, subjective factors and the accompanying institutional forms. The three points form a triangle, with arrows running in both directions from point to point, indicating the extent to which all forces interact. Cox is careful, however, to place objective factors and subjective factors at the top of his

triangle, reflecting his belief that the two forces are truly determinant of the real structure of relations ¹⁵

Cox defines objective factors as those real, measurable resources and forces which give shape to a specific mode of production. He lists some of these objective factors as social power, political power, technological and human organization of production and the methods used to determine the distribution of resources ¹⁶. Subjective factors, on the other hand, are those images, ideas and biases which people hold individually or intersubjectively and which, in their own way, shape the social relations of a particular mode of production. These subjective factors include the collective expectations we hold of what constitutes "normal" behaviour, work ethics, the rationalities of different social groups and the bias which favours dominant groups. In contrasting objective and subjective factors, one is reminded once again of Gramsci's concept of hegemony in which power is based both on measurable force and social consent ¹⁷.

One of the strengths of this analysis is Cox's recognition that the ideas we hold of power, resources and production are as important as their objective manifestations. In fact, ideas often linger longer than the objective factors which gave rise to them and take on a privileged role in shaping social relations ¹⁸.

¹⁵ Robert W. Cox, Production, Power and World Order (New York: Columbia University Press, 1987) p. 26.

¹⁶ Ibid., pp. 17 - 22.

¹⁷ Op. Cit., Gramsci, p. 170.

¹⁸ Consider, for example, the idea that working from 9 (00) a.m. to 5 (00) p.m. constitutes normal behaviour. That behaviour, of course, is only as old as the industrial revolution and was designed to maximize the

Cox continues his map by explaining that "to the configurations of objective and subjective factors constitutive of each mode there corresponds a typical institutional complex."¹⁹

Cox stresses that, while objective and subjective factors may be determinant, the formal institutions have an important role to play in legitimating the social relations which emerge.²⁰ The features which define the institutions typical of a particular mode of production include the size and level of bureaucratization, level of autonomous participation and tolerance for criticism and resistance. So, for example, the big government/big union/big businesses triad which has come to symbolize modern capitalism differs widely from the town guilds and small businesses which typified the early industrial era.

The power of Cox's map and analysis reveals itself as the author begins to trace the history of various modes of production (their rise and fall) by identifying the changes which were brought upon objective factors, subjective factors and institutions, in so doing, we gain an understanding of the forces which really drove the change from one mode of production to another. For example, in tracing the decline of feudalism, Cox lists a number of important changes to objective factors and, turning to changes in subjective factors, writes that "The existence of towns and of free citizens within them provided an

productivity of people and the industrial machines they operated. Although the age of coal fired, steam powered machines has past (ie the objective factor Cox defines as technology and control over production process), the idea of what constitutes a normal work day (ie the subjective factor) is only now beginning to fade and continues to give shape to the social relations of the emerging mode of production.

¹⁹ Op Cit Cox, p. 26

²⁰ Ibid

alternative image of social order, displacing the feudal order from the absolute to the relative."²¹ This quotation is important for the way in which it illustrates how a change to subjective factors (an image of social order) can have an impact on institutions and ultimately contribute to the decline of an entire mode of production. Event marketing, I would argue, contributes to the subjective factors which help define and maintain a mode of production. By presenting corporate sponsors as the providers and distributors of financial resources for cultural events, charitable causes, educational programs and the like, event marketing can and does influence our individual and collective images of what is normal behaviour for governments and corporations -- where the responsibilities of one end and the other begin.

Susan Strange also explores the relative roles of governments and corporations, of states and markets to borrow from the title of her book. Strange understands that the relative roles of states and markets are historically variable, offering an index of power relations at any one time. "It is power that determines the relationship between authority and market," she writes. "Markets cannot play a dominant role in the way in which a political economy functions unless allowed to do so by whoever wields power and possesses authority."²²

Strange also provides a model of the power relations which define human groups as small as families or tribes, and as large as the global political economy. In Strange's model, the four sources of superior power are control over security, control over finance, control

²¹ Ibid., p. 30.

²² Susan Strange, States and Markets, (London: Printer Publishers, 1988), p. 23.

over credit and -- most important to our discussion -- control over knowledge. Each source of power is conceived as one of four interacting structures through which power is exercised.

Strange's definition of the knowledge structure is similar in many ways to Cox's notion of subjective factors. She writes that the knowledge structure "comprehends what is believed (and the moral conclusions and principles derived from those beliefs), what is known and perceived as understood, and the channels by which beliefs, ideas and knowledge are communicated -- including some people and excluding others."²³

The important link between the two concepts is that both authors recognize the very real social power exercised by those who control the knowledge structure or who influence the subjective factors of a particular mode of social relations of production. Cox writes about how the mere presentation of alternative models can help to displace the current mode from the absolute to the relative. Strange, in turn, reminds us that changes to perceptions and beliefs can "influence value judgments and, through them, political and economic decisions and policies."²⁴ The veritable celebration of corporations and their appropriation of roles once reserved for the state has the proven potential to change our beliefs and perceptions of those sponsors. These new beliefs cannot help but influence our political decisions regarding what is the appropriate distribution of power in society. And if those corporations and their sponsorship budgets are worthy of celebration, then surely the

²³ Ibid. p. 115

²⁴ Ibid. p. 116

marketing rationality which permeates their decision-making process is also worthy of praise (and, for that matter, adoption by the state)

All of this, of course, begs the question do corporations choose to sponsor events in order to increase market share or in order to affect in some way the social relations of our current economic order? The answer, as the example of Corel clearly shows, lies in the unceasing competition which drives corporate decision-making in matters of marketing. Having said this, the ability to present an "alternative model" at a time when people are looking for alternative models, the ability to present beliefs and perceptions which can calm uncertainties over changes to the financial, credit and security structures of society can in itself be a powerful marketing strategy

Resonating with a Crisis

A marketing strategy which draws from a crisis in order to better position the advertiser's product or service should come as no surprise. In 1972, "ad man" turned theorist, Tony Schwartz, revealed how the success of his advertising campaigns was based on his ability to "strike a responsive chord"²⁵ by understanding what stored experiences people already had in their brain and creating messages which reflected those stored experiences closely enough to evoke strong feelings in a manner which positioned the product -- or in Schwartz's case, the candidate -- as the solution the individual was seeking. Schwartz

²⁵ Tony Schwartz, The Responsive Chord (Garden City, NY: Anchor Press/Doubleday, 1973) p. 26

wrote bluntly "We are not concerned with getting things across to people as much as out of people"²⁶

In the 1990s, the crises whose unfolding is stored in the minds of consumers and with which marketers can resonate are not only personal, they are social. Cox points to both an economic crisis -- "the economy must undergo some structural change in order to emerge from a crisis"²⁷ -- as well as a larger political crisis of which the economic crisis is but one manifestation "a Gramscian organic crisis"²⁸

Cox summarizes the economic conditions of the 1970s which precipitated the crisis and brought about fundamental changes in the mode of production we know as modern capitalism: high levels of inflation accompanied by mass unemployment, low growth, the emergence of substantial surplus capacity, and low rates of investment.²⁹ Making use of the three-point model of social relations, Cox describes how the economic conditions created a tension between objective factors and the prevailing institutions of the day. In response to economic down-turn, corporations attempted to assert more control over the cost of production. Their ability to exercise this greater degree of control over production (a change to an objective factor) was at first constrained by the institutional complex of the time, notably organized labour and government. The tension, Cox argues, was finally broken when governments of the day were forced to turn to private sources in order to

²⁶ Ibid., p. 96

²⁷ Op Cit. Cox, p. 273

²⁸ Ibid., p. 274

²⁹ Ibid

finance the growing public debts. That financing would come with certain demands attached to it.

While applauding wage restraints and state budget cutbacks, business also demanded a strengthening of managerial authority over the organisation of work and the freedom to restructure production so as to be able to make greater use of technology intensive processes and flexible employment of temporary and part-time non-established workers and support services.³⁰

Daniel Drache and Meric S. Gertler also describe how corporations were able to assert greater control over production and the kind of changes to the institutional complex which this new power precipitated.

They (corporations) want to invest and divest with minimal restrictions and establish their business with minimal regards for borders. Where existing programs are perceived as barriers to business, they have to be modified so as not to impede the trade in goods and services. Most importantly, firms and states are under pressure to institute greater flexibility in wages and benefits by deregulating the labour market.³¹

Echoing Cox's reference to state budget cutbacks, Drache and Gertler describe in some detail the reductions in nearly every area of Canadian government spending begun in earnest by the Conservative government of the 1980s (and continued vigorously by the succeeding Liberal federal government).³²

³⁰ Ibid., p. 283.

³¹ Daniel Drache and Meric S. Gertler, eds., The New Era of Global Competition, (Montreal: McGill-Queen's University Press, 1991), p. 3.

³² Ibid., pp. 17-18.

Taken together, these fundamental changes to the very notions of government spending and regulation, employment stability and national borders have thrown into disarray the collective notions which citizens of modern industrialised nations had of what constitutes normal behaviour for states, for corporations and for individuals. Under a section heading reading "Defending the Social Contract", Drache and Gertler call for "a new social consensus on how best Canadians can accommodate the adjustments brought about by the highly volatile global economy."³³ Cox similarly describes how that the social contract was broken in all advanced capitalist countries in the years following 1975.³⁴ Suddenly, the promises of work, of a steadily rising income, of accessible social services, etc. were gone. The collective expectations which had contributed to the maintenance of the modern capitalist mode of production were shattered as was, Cox argues, the entire mode of production.

In short, over the past twenty years, the objective factors constitutive of the modern capitalist mode of production have changed dramatically, with a new concentration of power being vested in corporations and a reduced role left to the state. Features of the institutional complex (collective bargaining, inter-state trade agreements, etc.) have also undergone fundamental change. What is required now is an equally fundamental change to the subjective factors -- a new consensus, a new social contract, an alternative model. Corporate sponsorship of events, organizations and causes presents just such an

³³ Ibid. p. 17

³⁴ Op. Cit. Cox p. 281

alternative model -- a model which positions corporations as a solution and which is greeted by relieved enthusiasm from the public

In answer to the question posed at the close of the last section, then, the decision to sponsor events is driven solely, I believe, by marketing and competitive considerations. To the extent, however, that such sponsorship contributes to the forging of a new consensus, a new set of subjective factors, it can be said that event marketing is a marketing activity with truly political implications. Cox writes that in order to resolve the economic and Gramscian organic crisis he describes, it will be necessary to "realize a realignment of social forces, either by consent (through hegemony) or by the more or less forcible stabilization of contradictory forces (through caesarism)"³⁵ By exercising the symbolic, cultural and social power made possible by their sponsorship budgets, event marketers are deepening corporate hegemony and, perhaps unwittingly, contributing to this realignment of social forces.

The decision by so many sponsors to focus on a social crisis as opposed to a crisis of identity points to the extent to which the crisis -- whether real or imagined -- has captured the attention and concern of consumers.³⁶ That this marketing effort should be so squarely positioned at the location where so many are turning for solutions -- the ritual

³⁵ Op. Cit. Cox, p. 274

³⁶ Politicians, it would seem have taken to drawing from this sense of crisis and the proposed corporate solution. In Canada, this has led to the ironic scenario of a government elected on a platform of "jobs, jobs, jobs" calling for corporations to create more jobs in its second throne speech. In the United States, Republican nomination candidate Pat Buchanan drew extensively on the changing expectations of corporations and economic uncertainties created by the kinds of developments described above. This was also an ironic approach, given the Republican party's traditional support from business interests.

gathering of people in commonality -- only adds to the effectiveness of the strategy and the political power which accompanies a sponsorship budget

Conclusion

My grandmother ran a modest ladies clothing boutique in a small Quebec village in the early years after the second World War. Every winter, she would travel to Montreal in order to purchase the latest fashions, always with a keen eye for what her patrons would likely buy and what they would simply never wear. The trip completed and the merchandise delivered, she would proceed to organize a small fashion show. Women from villages in the area would gather for what quickly became a spring time ritual which, after the isolation that can accompany long winters in Quebec, was always a welcome relief and occasion to rekindle old friendships.

This was event marketing. The fashion show, after all, was intended to generate sales. The glamour and excitement of a fashion show (considerable excitement for a town whose chief source of entertainment was a sole tennis court) was associated with my grandmother's store. A social world did exist and the members of that world did gather around a bonfire to construct the meaning which they would accord to my grandmother's small store and the clothing she had for sale. My grandmother was every bit a part of that social world. She created a value constellation wherein members were asked to attend the show, construct meaning, make sandwiches and, in many cases, model the fashions.

Of course, for all the similarities between my grandmother's fashion shows and Corel's sponsorship of the WTA Tour, an essential difference remains. My grandmother did not so much manufacture a community as belong to it. She did not so much buy her way into a social world, as participate in it -- some times as a retailer, some times as a volunteer, some times as a wife, mother or friend.

All that has changed. Modern event sponsors enter into relationships with participants from a position of considerable power. By understanding how event marketing yields the positive results it does for so many sponsors, we reveal the mechanics of its power. Cloaked as it is in the comforting robes of marketing rationality, event marketing appears as nothing more than an outstanding marketing tactic -- a cost effective part of any successful relationship marketing effort. Seen from the vantage point of the critical schools of thought drawn upon in this paper, event marketing emerges as a powerful force in the construction and maintenance of corporate hegemony. Every advance in the effectiveness of events to marketers, comes at the cost of genuine interaction, cultural expression and the opportunity to evaluate and debate the shape of the social relations which will come to define our economic order.

We may well be returning to the bonfire in a retreat from the political and economic crises which have marked the last two decades. What we find as we huddle around the fire, is that what has made events so powerful a site for refueling our sense of belonging has made events equally powerful sites for the delivery of ever more inescapable marketing

messages. The "cruelty of mechanized communication,"¹⁷ to paraphrase Innis, has become a feature of the sacred ceremony.

¹⁷ *Op Cit.* Innis, p. 192

Appendices

The following pages illustrate some of the benefits which Corel derives from its various sponsorship agreements, along with samples of Corel's unique advertising and retail strategy, as described in chapter four

Appendix A

This sample Corel advertisement was placed in *Bodycheck*, the official magazine of the Ottawa Senators, as part of Corel's title sponsorship of the Corel Centre. Note the emphasis on price, comparison of features versus the competition and the tag left open for a local retailer.

From the world leader in Windows graphics software

With an incredible selection of clipart, fonts, photos and phrases plus flexible design tools, Corel Print House is the fastest and easiest way for everyone to create great-looking greeting cards, stationery, banners and more!

COB

\$29.99

Corel Print House

- ☛ GREETING CARDS
- ☛ INVITATIONS
- ☛ CERTIFICATES
- ☛ LABELS
- ☛ ENVELOPES
- ☛ CALENDARS
- ☛ BANNERS
- ☛ BUSINESS CARDS
- ☛ LETTERHEAD
- ☛ POSTERS
- ☛ SIGNS
- Plus much more!

	Corel Print House	Other Brands
Clipart	10,000	1,000
Fonts	100	10
Photos	1,000	100
Pre-designed templates	100	10
Pre-written Phrases	1,000	100

Corel Print House: Fast! Easy! Powerful!

More great products from Corel:

24

The Complete Herman Collection

1-800-368-2222

24

Internet Mania

1-800-368-2222

24

The Interactive Alphabet

1-800-368-2222

Corel CO HOME

1-800-368-2222

COMPUCENTRE

1-800-368-2222

COREL

1-800-368-2222

Appendix B

This Corel advertisement was placed on the back cover of the program for a benefit concert by a local Ottawa symphony orchestra. This kind of advertising is often purchased more for philanthropic reasons than for the effectiveness of the media. Again, note the price comparison with the competition and retail tag.

90,000
movie and
video listings

The multimedia movie expert gives you interactive access to the world's largest movie database on CD-ROM plus online video purchasing. You will enjoy hours and hours of entertainment exploring the glamorous world of movie stars, directors and behind-the-scenes cast and crew.

\$24.95*

For Windows and Macintosh

COREL
**ALL-
NEW**
MOVIE
GUIDE
The Ultimate Guide to the Movies

	CD-ROM	CD-ROM + Video
Feature Film Video and TV Guide	\$0.000	\$9.500
Information on Cast and Crew	\$50.000	\$4.100
Feature Film and Video	\$2.000	\$6.400
Movie Recommendations Based on Your Movie Preferences	Yes	No
Video Available for Online Purchase	Yes	No

*Suggested Retail Price. Actual Price May Vary.

More multimedia fun from Corel:

Wild Cards
\$24.95

Wild Board Games
\$24.95

Red Rooms
\$24.95

Blue Rooms
\$24.95

Return of Hollywood's Master
\$24.95

1-800-368-2828
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Appendix C

This photograph was downloaded from the COREL WTA TOUR web site and illustrates the kind of photos made available to the media by Corel. The photo also illustrates the kind of signage which ensures Corel's sponsorship is evident to spectators, television viewers and readers of newspaper accounts of the tournament.

© Corel Corporation, 1996 [<http://www.corelwtatour.com/graphics/photos/graff1.jpg>]

Appendix D

This advertisement for an Ottawa Senator's game at the Corel Centre illustrates the "brand recognition" which the title sponsorship of the building can generate for Corel. Note the similarity of Corel's corporate logo (see earlier appendices) and the official logo for the building.

COOL KID PRICES

IN THE
**COOLEST
ARENA ON EARTH**

\$16.00
(incl. taxes)

If you're
a kid!

VS

WEDNESDAY, FEB. 28, 7:30PM

Special Youth Pricing

40% off in two price ranges for kids 18 and under. And, if you're a kid at heart, the regular price for the same seat in the Corel Centre is \$27.00 (all taxes included). A great seat in a magnificent building and the coolest game on earth. That's entertainment!

\$16 and \$19 Youth Tickets available for:

Buffalo	Feb. 28	Edmonton	Mar. 24
Dallas	Mar. 13	Florida	Apr. 3
Tampa Bay	Mar. 17	NYI	Apr. 5
Hartford	Mar. 22	Washington	Apr. 6

Visit any TicketMaster outlet, the Corel Centre Box Office, the Senators Ticket Office at 301 Moodie Drive, or the Hull Office at 725 H boulevard du Casino.

Appendix E

Part of a full-page advertisement for Corel WordPerfect which appeared shortly after Corel's acquisition of the family of software titles from Novell. Note the emphasis on competition with rival Microsoft as well as the use of testimonials from numerous trade publications.

Windows® 95 office suite
adding innovative features
in the process."
Windows Magazine,
April 1996

COREL WordPerfect Suite

THE WORLD'S BEST WORD PROCESSOR

WordPerfect also blazes
the way with "features."
Windows Magazine,
April 1996

"Now it's Microsoft's turn to play catch-up."
InfoWorld, March 18, 1996

THE FACTS SPEAK LOUD AND CLEAR

FICTION

Microsoft® Word is the best word processor.

FACT

When people choose a standalone word processor they choose WordPerfect. In 1995, WordPerfect captured 53% of the market compared to Microsoft® Word's 35%. The award-winning WordPerfect is the world's best word processor.

FICTION

Microsoft® Word is the most well-sorted word processor for Windows® 95.

FACT

WordPerfect has consistently outsold and outperformed Microsoft® Word for Windows 3.1x and Windows® 95. And Microsoft® itself stressed the mix and match capabilities of the Windows® platform. You don't need the Microsoft® product, you need the best product for your business needs—Corel WordPerfect.

FICTION

In the corporate arena, Microsoft® Word is the application of choice.

FACT

Corel WordPerfect is fully compatible with all leading spreadsheet applications, has the most powerful integration capabilities and the most versatile functions and features of any word processor on the market. This makes it the ideal program for employee productivity and seamless workgroup collaboration. The business application of choice is Corel WordPerfect.

FICTION

Microsoft® Excel is the best spreadsheet application for your business needs.

FACT

Corel Quattro® Pro is the only leading spreadsheet application that can import files from Microsoft® Excel and Lotus 1-2-3® and retain the functions and macros originating in both programs. This makes it a must for optimum corporate connectivity and the best program for your business needs. In addition, Corel Quattro Pro's powerful and flexible QuickFormat™ feature provides unbeatable spreadsheet printouts.

FICTION

Microsoft® Office Professional is the best office suite on the market.

FACT

Corel Office Professional gives you more power, value and features than any other business suite. It includes Corel WordPerfect, Corel Quattro Pro, Corel Presentations, CorelFLOW, Paradox, Sidekick, Envoy, Dashboard, GroupWise, InfoCentral plus Internet connectivity, 10,000 clipart images and 1,000 fonts. Incredible ease of use, OLE functionality and open network integration give you everything you need in one comprehensive package. Corel Office Professional is the best suite solution for your office.

Corel is a registered trademark of Corel Corporation. Microsoft and Windows are registered trademarks of Microsoft Corporation in the United States and/or other countries. Sidekick and Dashboard are trademarks of Starfish Software, Inc. Paradox is a registered trademark of Borland International. GroupWise and Envoy are trademarks of Novell, Inc. All other company and product names are trademarks or registered trademarks of their respective companies.

COREL 1-800-368-3733

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