

# Industry Insider Interview: Ray Katz



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*Interview conducted by Steve McKelvey, associate professor in the Mark H. McCormack Department of Sport Management at the University of Massachusetts Amherst and Vice President of Industry Affairs for the Sport Marketing Association.*

**SMQ:** When you look at the roster of official sponsors for the 2013 World Baseball Classic (WBC), one would expect to see the typical consumer-facing product/service companies on a roster that included MetLife, Subway, and Delta Airlines. Yet, your company was involved in representing a fairly atypical sponsorship category in the form of our nation's tourism bureau, Brand USA. How did the idea of Brand USA sponsoring the WBC originate?

Katz: Ultimately, it came about through previous business connections. One of our former clients was on the board of Brand USA and he asked for a pro bono assessment of the WBC, which we provided. We found that a potential Brand USA sponsorship of the WBC was on target, but what would be needed was a substantial multi-platform activation that could deliver on multiple objectives, including but not limited to driving traffic to Brand USA's website, discoveramerica.com.

**SMQ:** One could argue that the WBC has some drawbacks as a sponsorship property. For one thing, it seems to be much more popular outside the United States than within. For whatever reason, US baseball fans haven't historically embraced the concept of the WBC as a global-style competition. Secondly, it occurs when the majority of baseball fans are more focused on spring training and following their own favorite teams.

Katz: Ironically, this is exactly why we felt that Brand USA's sponsorship of the WBC was not only right on target, but the type of opportunistic property that would be flexible in its asset mix to adapt to Brand USA's needs. It is hard to find a US-centric sport or any other property which has the US as its origin, but at the same time offers the majority of its asset value abroad. For Brand USA, there was no value to promoting the "travel to the US" message in the US.

**SMQ:** The WBC is a relatively short-term event, versus sponsoring a team or league for an entire season. What factors were most important for you in justify-

ing that Brand USA sponsorship of the WBC was a good fit?

Katz: First, the WBC made sense because Brand USA was looking for a property that had a strong American heritage and which could drive tourism to the US, but at the same time the value of the sponsorship and media assets were concentrated abroad. Inherently, the WBC achieves much higher television ratings abroad than in the US. For instance, the television ratings in Japan were above 40, in Korea about 25, and in the double digits in Taiwan and Puerto Rico—all key target markets for US tourism. The WBC sponsorship afforded the ability to strip out the television units airing in the US and focus on sponsorship and media assets abroad including broadcast signage, digital impressions, and engagement. Furthermore, MLB.com, which operated the WBC website, was able to geo-target the international share of media impressions for Brand USA.

Secondly, we felt the WBC had high impact and limited clutter, having only four national global sponsors, with unsurpassed ratings in target countries, and the ability to deliver brand messaging on-air, online, and on site. Second, the fact that the event was compressed into a three-week period was viewed as a benefit. While it is hard to imagine here in the US, in Japan, as well as Taiwan and Mexico, this event delivered all of the excitement level on-site and in-market as the US Open Tennis tournament, perhaps the greatest multi-day sports festival of all in the US.

**SMQ:** Can you share with our readers, in a bit more detail, Brand USA's goals and objectives with its WBC sponsorship?

Katz: The primary goal was to drive tourism to the US by effectively securing and activating a meaningful sports property that was strongest outside the US yet presented the US as a destination to drive endemic travel. It was essential that the sports property provide enough scale to begin to reverse US share of international travel which

had declined 30% since 9/11. As a quasi-government organization, any sponsorship investment by Brand USA would have to have superior return on assets to justify sports marketing spending, versus traditional pure advertising, to government constituents. Other key factors were the ability to engage both B2B travel constituents and general consumers driving awareness and affinity for both the US in general and co-op opportunities for host US states/cities such as New York, California, Arizona, and Florida. Geographically, key targets were Asia, Brazil, Puerto Rico, and Canada, as well as Europe-driving “brand” stature abroad.

**SMQ: Based on these goals and objectives, what were some of the primary strategies you developed for Brand USA?**

Katz: Strategically, Source Communications was able to maximize the impact and resulting value of the sponsorship by leveraging hospitality, capitalizing on experiential marketing which drove viral social sharing, and cohesively using in-stadium signage both for on-site and on-air viewers and fans. We were able to develop a range of dynamic creative for use on-line and in-stadium. For instance, an in-stadium scoreboard message would appeal to event attendees (the most avid national baseball fans) by engaging them, tying to baseball, and also promoting a broad range of US travel destinations. Most importantly, this was all pulled together by the one individual who was a compelling and almost obvious choice as a brand ambassador who could amplify branded content via social and digital media. That individual was Bobby Valentine, better known as “Bobby V,” a legend in Asia, and more specifically in Japan as the only American-born, Nippon Professional Baseball League championship-winning manager.

**SMQ: How did you activate this sponsorship program internationally? What worked best and why? What didn’t work as well as expected?**

Katz: Brand USA achieved strong prominence by starting with a compelling and highly relevant brand ambassador in Bobby V, who over-delivered in time, effort, fan engagement, and proactive ideas, as well as social sharing and securing of media coverage. This was helped by the fact that there were only four rather than the six projected global sponsors, leading to greater than expected share of voice, particularly with regards to signage, and digital/social/mobile impressions and low clutter. This provided for much more equity transfer to Brand USA.

We were also able to negotiate for the strategic placement and scheduling of in-stadium home plate and LED signage to optimize message-sequencing in-stadium and to optimize viewer impact and engagement on television. Signage behind home plate in Japan and Taiwan were physical signs, so this had the benefit of

appearing in replays and secondary programming such as ESPN’s SportsCenter, providing added value. For virtual insertions, at all other tournament sites in Puerto Rico and the US, green screen showed in replays rather than virtual signage. In Arizona, San Francisco, and Florida, co-op advertising featuring these states as tourist destinations was also developed.

In digital media, Brand USA focused on Fan Cave activation for the WBC. WBC Cave Dwellers participated in the DiscoverAmerica.com Photo Challenge. During the WBC, 16 international fans took part in the WBC Fan Cave in New York City and were given the opportunity to explore the city while their country was competing in the tournament. The four finalists (Dominican Republic, Puerto Rico, Japan, and Netherlands) traveled to the WBC Finals in San Francisco, and along the way, they participated in the DiscoverAmerica.com photo challenge.

On the B2B side, digital content was preloaded on branded thumb drives which included a fact sheet on Brand USA, and some photos of Bobby V. The goal was to drive press and other constituents to the website, and allow for timely additional content to be loaded later. These thumb drives were distributed through formal MLB International channels and informally to bloggers, press, teams, and fan groups. Also on the B2B side, Brand USA hosted events featuring Bobby V that enabled intimate and personal interaction between Brand USA executives and a substantial number of leading constituents within the travel industry in Japan.

We also developed on-site activation in the form of high-touch fan engagement using our so-called “Studio Booth” to generate excitement and fuel for social media sharing and viral messaging. The Studio Booth iPad app created a platform that tapped into the power of social media to effectively increase brand recognition for Brand USA beyond the World Baseball Classic.

After being captured on video alongside Bobby V, event attendees viewed their videos on iPads in real-time and could then share them via email, Facebook, and Twitter. Our agency was then able to acquire emails, signed release forms, insert branded messages, build Twitter followers and Facebook fans, and upload images directly to a company Facebook page via Brand USA. Green screen functionality also allowed guests to select from multiple backgrounds before sharing their videos, creating and sharing stop-motion animated GIFs.

With regards to what could have been improved, while the entire program worked extremely well, it could have been improved by more lead time, which would have led to increased social sharing, even more earned media, and B2B engagement in Taiwan and Puerto Rico as well as Japan. Additionally, more lead time would have allowed putting social media KPI’s

**Table 1****Projected Brand USA WBC Sponsorship Valuation vs. Actual Value**

*Note that television units were eliminated due to inclusion in overall brand media plan, and to dramatically improve Return on Asset ratio*

ASSET TYPE	Projected	Actual
Television Units – Japan and Korea assuming 50% as many games	\$2,200,000	NA
Television Units (International outside of Japan and Korea)	\$487,500	NA
Virtual Behind the Plate Signage (plus brand in highlights-bonus)	\$873,497	\$1,931,068
Rotational Baseline Signage and LED Signage	\$85,313	\$192,727
Outfield Signs	\$513,750	\$448,331
Bonus Signage (Dugout, LED outside stadium, light posts, etc.)	NA	\$188,157 (plus)
Digital (Overall traffic +24% but only 4 sponsors)	\$340,707	\$340,707
Hospitality	\$123,000	\$123,000
In-stadium signage	\$80,000	\$88,000
In-stadium advertising assets, commercial and scoreboard feature	\$64,000	\$70,400
Print program	\$25,000	\$25,000
<b>Total - Asset Value</b>	<b>\$4,767,767</b>	<b>\$3,407,390</b>
<b>IP Value (10% of Asset Value)</b>	<b>\$476,777</b>	<b>\$340,739</b>

(Key Performance Indicators) into place in a more comprehensive way to attach a value to Facebook and Twitter posts and shares, as well as videos emailed.

**SMQ: How did your agency, on behalf of Brand USA, assess and measure the results for this sponsorship of the WBC?**

Katz: First and foremost, this sponsorship demonstrated to Brand USA and its various constituents that sport marketing is an efficient and effective high-engagement, organic marketing vehicle to establish Brand USA in targeted countries—driving interest in US travel and traffic to DiscoverAmerica.com. Overall, this was a strong program and appropriate fit for Brand USA, which included strong Return on Objectives.

Table 1, for instance, shows the differential in our projected Brand USA Sponsorship Valuation vs. the Actual Value. Initially, television units were included in the proposed package. However these were negotiated out, in return for reduced price and additional promotional considerations, in optimizing the Brand USA marketing and media plans, as well as ROI. In sum, the assets which were part of this sponsorship over-delivered by 46% in total.

Table 2 shows the Signage Value by Market for Broadcasts as reported by Repucom, the leading company in measurement of on-screen signage. This accounts for the on-air and on-line signage assets measured for the top countries in terms of media coverage, and reflects a discounted value from the full :30 second commercial rates based upon the size, duration, and location of the Brand USA logo on-screen.

In total, in considering overall sponsorship ROI, one must consider direct sales in the form of specific vol-

**Table 2****Signage Value by Market for Broadcasts (reported by Repucom)**

Market	QI Media Value
Japan	\$1,496,402
USA	\$369,904
Venezuela	\$188,815
Canada	\$153,332
Puerto Rico	\$110,963
South Korea	\$100,688
Taiwan	\$88,395
Dominican Republic	\$73,443
Pan Middle East & Africa	\$30,214
Mexico	\$30,084
Australia	\$3,734
China	\$3,115
Brazil	\$1,189

ume generated, return on assets relative to the size of the investment made, and improvements in key brand KPI's and other metrics. An in-depth post-analysis of this sponsorship revealed that the B2B efforts effectively drove increased tourism interest and activity, the assets over-delivered on our projections by 46%, and interest in travel to the US as well as conversation about travel to the US was stimulated by this WBC sponsorship. While the increase in total digital traffic was 30% vs. our projected 50%, there were only four rather than six global sponsors, so digital valuation was as projected, and sponsor share of voice was optimized.