Work pays off for Continental, Raycom



JOHN D. SIMMONS - STAFF PHOTO Jim Mayfield (left), marketing director for Continental Tire North America, and Ken Maines, president and CEO of Raycom Sports, led the effort to bring a bowl game to Charlotte.

BOWLED OVER BY SUCCESS

Local companies reap benefits of sponsoring sold-out game: name recognition, economic boost

> By To Reed S. Writer

Quick, what's the best-known tire company in Charlotte?

Two years ago, the answer wasn't nearly as obvious and Jim Mayfield, marketing director for Continental Tire North America, was trying to find a way to increase the company's visibility.

find a way to increase the company's visibility. In 2000, Mayfield initiated talks with Ken Haines, president and CEO of Charlotte-based Raycom Sports. He had heard Haines was brewing plans for a hometown bowl game. Mayfield figured a collegiate spectacle was a lood a way as any to pump his tire company.

Today, the game is sold out. Raycom Sports

Today, the game is sold out. Raycom Sports and Continental Tire are both better known. Their business relationships are benefiting. Thousands of people are visiting Charlotte at a normally slow time. And Mayfield and Hainestwo executives who might have been mocked for creating yet another bowl nobody wanted – seem to have known what they were doing.

"Recognition of the (Confinental) name has increased substantially in the past three to four weeks," Mayfield said.

"In conversations in my neighborhood or at church or the grocery store, people ask me, What do you do?" And I say I work at Continental Tire, and people start talking about the bowl game and how excited they are," he added.

Continental Tire, a division of Germany's Continental AG, moved its North American head-quarters to Charlotte in 1996 and employs about 2,000 people locally. Before this month, it was best known locally for a yearlong strike that

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ended in 1999.

The primary business of Raycom, which has about \$40 million in annual revenue, is packaging and marketing Atlantic Coast Conference basketball gemes none played in the company's hometown.

To be sure, Haines and Mayfield were well aware that to stage a game, Charlotte had to get in line behind about two dozen other cities.

Some had long-standing bowl traditions. Some had lots of tourist attractions. Some had consistently warm December veather. Some had all three. Charlotte didn't have any

didn't have any.
Raycom, the organizer and financial backer of the game, hoped for 45,000 people – a bit beyond its break-even level of 38,000. More than 73,000 tickets were sold.

"We are still dazed at the response," Haines said recently. "Trn glad it's not summer. There have been so many jaws dropping, the flies would be flying into our mouths."

Making money in the first year was not a priority, Haines said. But ironically, having a sellout not only means more work, it also reduces Raycom's profit because of unanticipated costs for security, entertainment and food.

Among Raycom's goals:

□ Promote a significant sporting event in Charlotte to boost morale among its 45 employees as well as other local residents.

n Improve its business relationships with the ACC, its primary partner, and the Big East, a new partner.

o Grow the bowl. If the ACC decides to have a conference football chempionship, or if the Bowl Championship Series decides to expand, Charlotte will have proven itself as a site.

Boost the local economy. A bowl can lure fans, and Charlotte hotels and restaurants henefit

during a normally slow period.

It was the opening of Ericsson Str dium in 1996 that made a Charlotte bowl seem possible, Heines said. Raycom was a natural participant.

Continental had explored other options, including a golf tournament, before agreeing with Raycom to support the bowl.

Haines worked with ACC Commissioner John Swofiord, a one-time chairmen of the NCAA committee that certifies bowl games. Swofford realized Charlotte would be a good site for a bowl matching ACC and Big East teams because most schools in both confevences are within driving distance.

It helped that Continental Tire became the title sponsor, said Swofford. Only a handful of bowls have local title sponsors

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"The one thing the NCAA is looking for more than anything else is local community support," he said. "It's a great thing when schools sell the number of tickets that Virginia and West Virginia have sold this year, but you won't have that every year."

Raycom has invested about \$2.5 million in the bowl, including about \$1 million to put the game on and \$750,000 for each team. On the revenue side, Continental is paying an estimated \$600,000 to \$800,000 for naming rights. Neither company would specify the amount.

Mayfield said Continental has a three-year contract to back the game, and plans to spend it million annually for the rights plus related marketing expenses.

TV revenues will be negligible, Haines said, so gate revenues are key. Tickets average about \$40 cach. Beyond the break-even mark, Raycom gets 25 percent of profits; the teams get 75 percent.

Both Continental and Raycom have found themselves with too few tickets for the game, and unable to buy more. Raycom also has extra work.

Raycom also has extra work. For example, it has spent \$200,000 to order T-shirts, partially to make a profit but also to avoid disappointing fans, which would create a peor impression of Charlotte and the game.

Haines, a driven menager with a desire to be involved in every aspect of the game, has resolved disputes regarding tickets that we ren't as good as buyers empected and hotel guests displaced by groups such as West Virginia's alumni association.

On Ividay afternoon Haines was downtown, dealing with such issues as a hotel vending site that ran out of \$5 game pins. He walked to a central vending site to collect more pins, then carried them back to the hotel.

After the game breaks even, the teams should get at least \$1 million each, Haines said. But the 75/25 split limits the financial gain for Raycom, even though staffers have worked dayn to dusk through the holidays comforting ticket holders, contracting for vendors and security and working with the city to cordon off streets.

The bowl rush came even as Raycom was gearing up for its busiest time of the year: the ACC basketball season. Haines said a half-dozen staffers were valled off from bowl duties to concentrate on packaging and selling ads for those games, which are the company's primary business. "I told them to concentrate on our bread and butter." he said

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Meanwhile, Mayfield found himself in the uncomfortable position of turning down ticket requests from co-workers and customers.

Continental sponsorship includes more than 100 seats for key tre industry retail executives, including 14 in a skybor suite. In all, Continental purchased 300 tickets, including 200 for employees who wanted to buy them.

"Some of our colleagues were not quick enough," Mayfield said. "Next year we will have to look at increasing the number of tickets we get."

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