

CAMPAIGN For TOBACCO-FREE Kids®

RACING TO ADDICTION Tobacco Company Auto Racing Sponsorships

Auto racing is the number one live spectator sport in the United States, the second most watched sport on TV, and "the hottest, fastest-growing spectator sport in American."¹ With disproportionate numbers of youth viewers, auto racing offers prime marketing opportunities to promote products to kids -- and the cigarette and spit tobacco companies have been taking full advantage. Winston, Marlboro, Kool, and Skoal are all prominent brand-name sponsors of racing events and teams. But auto racing could easily thrive without tobacco dollars, and switching to other sponsors would significantly reduce the amount of tobacco marketing that directly reaches and attracts kids.

Auto Races are Popular Family Events With Large Youth Audiences

Contrary to tobacco industry claims, kids are a big part of both the crowds at auto races and their television viewers. While 12-17 year olds make up less than 11 percent of the total 12+ population, they are almost 14 percent of those who attended NASCAR auto races in 1996 and over 18 percent of those who attended sports car racing. In 1996, more than 25 percent of 12-17 years olds, or over 100 million kids, watched auto racing on television.²

The racing industry also aggressively reaches out to kids. Race weekends often include live music, rides, contests, racing-related merchandise sales, and hospitality areas. Beyond the races are NASCAR Thunder stores, featuring a children's area called NASKids with toddler and youth apparel, the new NASCAR Café family restaurants with racing menus and memorabilia, NASCAR speed parks, racing video games, and a new animated series on the Fox Kids Network, "NASCAR Racers." There are also six nationally licensed NASCAR magazines and five radio shows.³

As the president of the Hanna-Barbera cartoon company stated to explain why his company was sponsoring a cartoon racing car, "In NASCAR we found a great kids' business. I was astounded by their information, statistics, and demographics regarding kids."⁴

Tobacco Companies Use Racing Sponsorships As A Major Marketing Tool

The tobacco companies sponsor auto racing events (Winston Cup, Winston Select, Marlboro Grand Prix) and specific racing cars or teams (Smokin' Joe's, Skoal Bandit, Marlboro, Kool, Kodiak), which enables the companies to promote their brands through well-known drivers in media stories and on posters; emblazon their logos on race cars, team uniforms, and infield equipment; post brand-name signage at and outside racing events; and put logos on related promotional items that particularly appeal to kids, such as caps, T-shirts, and toy cars.

Going further, tobacco brand entertainment complexes at auto races include live rock music, pit-stop contests, merchandise exchanges, and racing simulators. These simulators, at which kids line up to ride, expose youngsters to television-style ads for Winston and Camel products. The auto racing sponsorships of the cigarette and spit-tobacco companies also take full advantage of the remarkable sponsor-brand loyalty of auto racing fans. More than 70 percent of NASCAR fans say that they prefer NASCAR sponsors' products over non-sponsors' products.⁵

Most importantly for the tobacco companies, their racing sponsorships not only get their brand names, logos, and colors into newspapers and magazines but also onto television and radio -- despite the fact that cigarette ads have been legally banned from both -- thereby reaching hundreds of millions of additional kids and adults.

- ◆ In the 1999 NASCAR Winston Cup Series, alone, Winston received more than 19 hours of clear, in-focus brand display on television and over 3,300 on-air brand mentions for more than \$94 million worth of television brand and name exposure. Camel, Marlboro, and Players also garnered valuable television exposure through NASCAR sponsorships.⁶
- ◆ The 1.4 million 12-17 year olds who watched the 1996 Daytona 500 on television potentially saw more than seven minutes or over a million dollars worth of in-focus exposure time of tobacco product logos.⁷
- ◆ In just the 1989 Marlboro Grand Prix, the Marlboro logo was shown on TV over 6,000 times in 90 minutes.⁸

All totaled, racing sponsorships gave the tobacco companies more than \$122 million worth of TV exposure in 1999 -- along with millions more of radio, magazine, and newspaper exposure.⁹

This massive media exposure for the tobacco companies through racing sponsorships could increase in the years to come. NASCAR is already growing twice as fast as any other sport in the country, and it has recently completed a brand-new eight-year TV deal with Fox, NBC, and Turner Sports.¹⁰

Auto Racing Does Not Need Tobacco Company Sponsorships

While tobacco companies have been major sponsors of auto racing for many years, the sport now attracts more than 250 sponsors. According to an RJR sports marketing executive, "There was a time when this sport was almost completely dependent on the tobacco and beer companies. Today, the sport would continue whether we were there or not." More recently, the President of RJR's Sports Marketing Enterprises admitted that "NASCAR has grown beyond the need or dependence on any given sponsor, including us as a title sponsor."¹¹

New racing sponsors have always been easy to find. For example, Exxon quickly filled the void when Camel cigarettes ended its long-standing support for IMSA GT racing. According to Jim Andrews of the *IEG Sponsorship Report*, "If Winston were forced to leave, I don't think [NASCAR] would have too hard a time finding a Coca-Cola, a Kodak, any number of companies to replace it."¹² In fact, NASCAR isn't worried: "We don't want to look like we're not grateful for Winston's involvement," says John Griffin, NASCAR's managing director of worldwide communications, "but let's just say we have a savvy marketing team and a game plan that would go into effect pretty quickly."¹³

The tobacco lawsuit settlements between the states and the tobacco companies will soon limit each of the major tobacco companies to only one brand-name sponsorship per year (after their current sponsorship contracts expire). But a tobacco company's single brand sponsorship can be a sponsorship of an entire series of related events (such as all Winston Cup races) or of a single team that competes in numerous races (such as the Marlboro racing team). So, unless new restrictions are established, the cigarette and spit-tobacco companies will be able to continue using auto racing sponsorships to effectively market their products to kids despite the multistate settlement agreement, and they currently plan to do so.

¹ Heavy, B., "The New Sport of Kings," *American Way* (June 15, 2000).

² Simmons Market Research Bureau; Nielsen Media Research. NASCAR runs three major auto racing series or leagues.

³ Nascar Website, www.NASCAR.com; Heavy, B., "The New Sport of Kings," *American Way* (June 15, 2000).

⁴ *U.S. Federal Register* (August 28, 1996) at 44528.

⁵ Heavy, B., "The New Sport of Kings," *American Way* (June 15, 2000)

⁶ Joyce Julius, *Sponsors Report*.

⁷ Joyce Julius, *Sponsors Report*.

⁸ Blum, A., "The Marlboro Grand Prix: Circumvention of the Television Ban on Tobacco Advertising," *New England Journal Of Medicine* 324(13) (1991).

⁹ Joyce Julius, *Sponsors Report*.

¹⁰ Joyce Julius, *Sponsors Report*; Heavy, B., "The New Sport of Kings," *American Way* (June 15, 2000).

¹¹ *The New York Times* (2/21/1996); Svrluga, B., "NASCAR and Winston: A Partnership that Endures," *Raleigh News & Observer* (5/20/2000).

¹² Svrluga, B., "NASCAR and Winston: A Partnership that Endures," *Raleigh News & Observer* (5/20/2000).

¹³ "Up in Smoke: Will U.S. sports be forced to kick the cigarette habit?," *Sports Illustrated* (8/21/2000).