

## SPONSORSHIP PROGRAM DESCRIPTION – BORDERFEST, HIDALGO, TEXAS

### OVERVIEW:

HEB is the leading grocery store chain in South Texas, with more than 300 stores total, 30 of which serve the needs of the more than 1.1 million residents of the Rio Grande Valley. With more than 100 years of service, HEB's dedication to giving customers excellent service, low prices, and a consistent shopping experience has fueled the chain's growth, making it one of the nation's largest independent food retailers. This, coupled with the company's deeply engrained philosophy of community involvement and service has made HEB a key alliance for BorderFest. When HEB first partnered with BorderFest in 1993, their sponsorship consisted simply of sampling at the festival. After two years, they recognized the growing importance of the festival as a way to grow their brand and by securing co-op funds from vendors, along with marketing dollars from their self-branded product line, HEB tripled its cash sponsorship to BorderFest. Key components include: 1) An HEB in-store display 2) Register-to-win sweepstakes with media tie-in 3) Tri-branded In-store POS 4) Tools to educate, motivate, and instill a sense of ownership amongst HEB store associates and management 5) Leveraging other sponsor relationships for the mutual benefit of each party.

### INITIATION:

In 2002, BorderFest began looking for a presenting sponsor and approached HEB about a partnership with Kraft. BorderFest brokered the deal, in which Kraft agreed to be the presenting sponsor and HEB agreed to support Kraft as part of its sponsorship. This marked the first year of the HEB/Kraft/BorderFest alliance and the beginning of the sponsorship model. The partnership has evolved over the years to the point where Kraft has just renewed their agreement for an additional 3 years through 2011 due to positive additions to the sponsorship model.

### INNOVATION:

One of BorderFest's main sponsorship goals is to bring multiple sponsors together in ways that leverage each sponsor's assets, creating a synergistic sponsorship model for all parties. BorderFest brought HEB and its presenting sponsor Kraft together in an innovative way by beginning sponsorship activation inside local HEB stores before the event, taking advantage of each store's average 28,000 customers that visit one of 30 stores an average of 2.5 times a week, exposing them to at least one of six possible HEB/Kraft/BorderFest in-store POS, creating a total minimum 4.2 million impressions that may or may not have been made through mainstream media. Through festival relationships, partnerships were created in 2008 between local & national sponsors such as Dodge Arena, Telemundo, CHL Team Killer Bees, Colgate/Palmolive, The Monitor, Disney High School Musical and Coca Cola. Telemundo has the exclusive to the opening night VIP Red Carpet Premier Party that included limousines, spotlights, front-row seats, and a meet-and-greet party for the show. Telemundo & HEB hosted a High School Musical Wii Karaoke contest at BorderFest to award VIP tickets to their premiere. HEB also wished to promote its photo labs, so they sent volunteers to take photos of the contest participants, and gave coupons that would entitle them to pick up a free 4x6 photo at HEB photo labs. HEB was given naming rights to the food court, and to a new attraction, the HEBuddy Kids Club which featured the store's mascot. HEB/BorderFest partnered with volunteers from HEB, the Hidalgo Youth Center, Hidalgo Library and the Hidalgo Police Department for arts & crafts, dress up photo ops and kids fingerprinting & photo ID's. BorderFest and Dodge Arena both leveraged another partnership with the CHL team, the Killer Bees. The Bees host a "Bees' BorderFest Game" the Saturday before BorderFest, at which they wore special jerseys designed to reflect the theme of BorderFest. HEB sponsors this game, purchasing 1,500 seats, hosting an employee sports party to get everyone in the BorderFest spirit. Another new partnership formed this year was one initiated by HEB. Because of their positive experiences with the festival over the course of the past 15 years, when approached by Coca Cola for a Spring 2008 promotion during the Summer of 2007, the grocery director of the HEB Border Region told Coca Cola that in order to have an in-store promotion with HEB, they had to partner with BorderFest. To leverage its clout with its vendor in support of BorderFest, HEB made its in-store support of Coca Cola's promotion directly correlated to Coca Cola's level of support of BorderFest. The result was a Coca Cola sponsorship of BorderFest for a new product rollout, Full Throttle Blue Demon, that included HEB in-store appearances by Mexican wrestling star *Blue Demon*, along with radio remotes and advertising in support of the promotion. These are just a few of the innovative approaches BorderFest took to bring pre-existing and new sponsor programs and messages together in meaningful way.

### EXECUTION:

Rather than activate the sponsorship only at the festival, BorderFest proposed to activate *prior to* the festival inside of HEB's 30 local stores, taking advantage of the stores' 28,000 average weekly shoppers. HEB highlighted Kraft product by creating a Kraft/BorderFest-themed endcap display, building brand awareness for the sponsor and festival. BorderFest also tied in a register-to-win sweepstakes at the display for a trip to the festival's celebrated country (China), which HEB included in over 500,000 in-store circulars. BorderFest proposed to incentivize store associates to procure more sweepstakes entries. By doing so, registrations quadrupled, from 3,000 to 12,000 in just one year. To ensure all HEB associates were informed of all partnership details, BorderFest hosted a luncheon meeting for HEB store managers and key personnel in advance of the promotion. With the proven results of store incentives, the festival implemented a Kraft/BorderFest display contest. By providing each store with requisite POS elements that promoted the sweepstakes, the sponsors, and the festival (4 posters per store, bilingual registration forms and entry box, and cash register pole wraps totaling 30 facings per store) and leaving room for personal creativity, each store grew their sense of ownership in the festival, while raising awareness for the sponsors and the festival in the two-week time period leading up to BorderFest. By implementing non-tradition forms of advertising, BorderFest extended the reach and frequency of its message in the marketplace. BorderFest gave the consumer a compelling reason to visit the displays found *exclusively* inside HEB stores by creating the sweepstakes, and drove traffic to the stores by tying in two key media partners—KGBT TV (CBS affiliate), and KKPS radio. KGBT's promotional schedule valued \$30,000 and KKPS's valued \$15,000. The Monitor, our regional newspaper, promoted the sweepstakes for a two week run valued at \$12,000. In addition BorderFest created a new event called *Cocina Kraft* (Kraft Kitchen), at which celebrity chefs from both HEB and Kraft offered cooking demonstrations using Kraft & HEB products. BorderFest brought in a food sculptor to carve a 350 pound block of cheese (which incorporated the Kraft logo, HEB and BorderFest mascots) that is later donated to the local food bank and receives media coverage. Another key addition to the sponsorship model was HEB's agreement to bring in 2,516 extra cases of Kraft product (which represents incremental sales of \$119,188 for Kraft), giving Kraft a measurable and profitable way of measuring R.O.I.. Kraft in turn offered HEB customers special savings on these products, which were prominently featured in the endcap display and in-store circular. In 2008, HEB and Kraft helped solicit and BorderFest closed on another new sponsor to include in this winning mix. Colgate Palmolive was added to the successful sponsorship model, receiving inclusion on the sweepstakes promotion and all related advertising, inclusion in the endcap display, and incremental sales of 168 pallets & 420 floor stands of Colgate-Palmolive, growing the presence of festival sponsors in HEB to include both grocery and drug departments. By bringing Colgate-Palmolive on board, an additional 6 digit sponsorship was added to the BorderFest sponsorship portfolio. This year, HEB was able to partner with other BorderFest sponsors and other local connections in new and creative ways that extended its brand's top of mind awareness.

## TARGET IDENTIFICATION:

The Rio Grande Valley has more than 2.8 million people (1.1 million U.S., 1.7 million northern Mexico), the majority of which are Hispanic and young. Eighty six percent of the Rio Grande Valley's population is Hispanic, and the average age is 27. In Hidalgo County, 11.7% of the population is under the age of 5. The average household size is 3.5, which is well above the state of Texas' average of 2.7 persons. As HEB's research has found, mothers are the decision-makers in the household when it comes to grocery shopping. The primary demo for the HEB/Kraft/Colgate partnership this year was mothers 19-45. The secondary demo was the grocery shopper in general, adults 18-75. With larger-than-average household sizes and a median income of \$28,660 in this market, these targets were going to be people interested in value—a cost-conscious consumer. As BorderFest is a widely publicized and well-attended family event (79,773 visitors in 2008), it provides HEB the opportunity to connect across all segments of the population—from the 19-45 year old mother, to the 18-75 year old adult grocery shopper.

While building the sponsorship model, BorderFest worked together with HEB, and subsequently with Kraft and Colgate, to identify the program goals of the alliance—ensuring that all aspects of the sponsorship provided a win-win situation for everyone. The program objectives were to:

- Increase sale of Kraft and Colgate products
- Raise awareness of and build trial for partner brands / products
- Drive traffic to HEB stores
- Drive in-store traffic to the Kraft/Colgate/BorderFest display
- Raise awareness of BorderFest, thus increasing festival's attendance
- Raise awareness of HEB, Kraft, and Colgate's involvement in BorderFest, thus the perception of good corporate citizenship
- Leverage existing partnerships in the creation of new ones
- Ensure a successful sponsorship model that delivers positive results and feedback from sponsors

In meetings with HEB, we discovered that they wanted to promote their Plus! Stores, which offer home electronics, music, and videos. To promote this offering, BorderFest partnered with Telemundo, Dodge Arena, Disney, and HEB. HEB provided the Wii gaming system, large screen HD LCD TV, and the High School Musical Karaoke game, Disney provided posters and other swag, and Telemundo promoted their contest at BorderFest and their opening night premier of High School Musical at the Dodge Arena with a 300+ GRP schedule on their station. Because their partnership was so successful, HEB and Telemundo extended the promotion, taking it to HEB Plus! Stores the first two Saturdays in May. Telemundo bonused High School Musical, an additional schedule to promote the HEB contests, thus expanding upon an alliance formed through BorderFest. For its part, BorderFest will participate by thanking customers for visiting the festival in 2008, and announcing the theme and dates for BorderFest 2009.

Another partnership that was leveraged was that of the local paper, The Monitor. One of their key initiatives in 2008 is increasing traffic to their website, and HEB's to grow their photo business. BorderFest brought the two together in a joint promotion, creating a BorderFest, The Monitor and HEB photo op on the grounds. The Monitor passed out cards with their website and information on how to upload pictures to the site for a special "Best of BorderFest" photo competition to be held online. Patrons had 3 weeks after BorderFest to upload their photos followed by another 2 weeks to tell their friends and family to visit the Monitor's website and nominate the Best BorderFest Picture. Prizes included a year's online newspaper subscription from the Monitor, a family four pack of tickets to BorderFest 2009, and a Kodak digital camera from HEB. HEB received a banner ad on The Monitor's Best of BorderFest website that linked through to HEB's website, where visitors could upload their digital pictures and send to their nearest HEB photo lab to print, thus driving traffic to HEB.

Dodge Arena, also a key BorderFest sponsor, provided the setting for the first-ever HEB-BorderFest Leaders Dinner, at which HEB store directors, district managers, purchasing directors, and other company management, together with their spouses, gather to recognize the top store directors in the region. HEB selects different criteria each year to determine which store directors will be recognized. The event was proposed by BorderFest with the ultimate goal of growing HEB management's sense of ownership in the festival. The Leaders' Dinner has become an annual tradition and is taken advantage of by both HEB and Kraft to roll out new store and/or program initiatives. After the dinner, attendees are invited to one of BorderFest's hard-ticket concerts inside the Dodge Arena (separate from the free entertainment offered on the grounds). Concert-goers are treated to either floor or party suite accommodations again raising awareness of the alliance.

The Dodge Arena also facilitated networking opportunities for HEB and Kraft by hosting BorderFest sponsors in a party suite during a concert later in the year. BorderFest brought together a purchaser from HEB and a sales rep from Kraft that had previously been unable to make contact. In the social setting provided by the Arena, both parties came together marking the start of a long and fruitful business relationship.

In December 2007, BorderFest hosted its first-ever Sponsor Summit, bringing together all sponsors and media for a day-long summit facilitated by TFEA's Penny Reeh and Steve Schmacher. The summit was part educational (speakers presented information on the benefits of event sponsorship and ways to maximize their ROI), and part fact-finding (different sponsors spoke of their sponsorship, their assets, and their program goals), with the ultimate goal of finding sponsors that had similar goals, or assets that could work well together to create synergistic relationships. During the summit, representatives from Kraft and HEB spoke passionately about their participation in and support for BorderFest and their win-win partnership brokered by the festival. From this summit surged the ideas and enthusiasm to form new alliances like the ones between Dodge Arena, Disney, Telemundo and HEB, and between HEB and The Monitor.

**RESULTS: BorderFest 2008 had a 20% increase in attendance. All goals set met and/or exceeded expectations.**

- 2,516 extra cases of Kraft product into HEB stores, totaling over \$119,000 in incremental sales for Kraft
- 168 Pallets & 420 Floor Stands totaling 23,184 additional pieces of Colgate-Palmolive product in HEB stores
  - **GOAL ACCOMPLISHED: INCREASE SALE OF KRAFT AND COLGATE PRODUCTS**
  - **GOAL ACCOMPLISHED: RAISE AWARENESS OF AND BUILD TRIAL FOR PARTNER BRANDS / PRODUCTS**
- 12,000+ sweepstakes entries per store (administered and tracked by an outside marketing/promotions company)
  - **GOAL ACCOMPLISHED: DRIVE IN-STORE TRAFFIC TO THE KRAFT/COLGATE/BORDERFEST DISPLAY**
- 79,773+ Record-breaking attendance to BorderFest
  - **GOAL ACCOMPLISHED: RAISE AWARENESS OF BORDERFEST, INCREASE ATTENDANCE**
- 39 % sponsor recognition for HEB, Kraft & Colgate promotion (Survey done by UTPA Marketing Dept.)
  - **GOAL ACCOMPLISHED: TO RAISE AWARENESS OF HEB, KRAFT, AND COLGATE'S INVOLVEMENT IN BORDERFEST, THUS THE PERCEPTION OF GOOD CORPORATE CITIZENSHIP**
- CREATING SYNERGY BETWEEN SPONSORS
  - HEB –KRAFT –COLGATE (IN-STORE DISPLAYS, INCREMENTAL SALES, SWEEPSTAKES)
  - HEB – HIDALGO LIBRARY, YOUTH CENTER , POLICE DEPARTMENT (HEBUDDY KIDS CLUB)
  - HEB – COCA COLA (BLUE DEMON IN-STORE PROMOTION)
  - HEB – DODGE ARENA (LEADERS DINNER / CONCERT / NETWORKING / SPONSOR SUMMIT)
  - HEB– KILLER BEES HOCKEY TEAM (BEES / BORDERFEST / HEB KICK-OFF)
  - HEB – DISNEY- DODGE ARENA - TELEMUNDO (HIGH SCHOOL MUSICAL PROMOTION)
  - HEB – THE MONITOR- BORDERFEST (“BEST OF BORDERFEST” PHOTO OP)
  - **GOAL ACCOMPLISHED: LEVERAGE EXISTING PARTNERSHIPS IN THE CREATION OF NEW ONES**
  - HEB & KRAFT FACILITATING SPONSORSHIP WITH COLGATE
  - HEB FACILITATING SPONSORSHIP WITH COCA COLA
  - **GOAL ACCOMPLISHED: ENSURE A SPONSORSHIP MODEL THAT DELIVERS POSITIVE RESULTS AND FEEDBACK FROM SPONSORS**

**PRESENTATION:**

In 2008, BorderFest will move from web-based multimedia sponsor fulfillment reports to a comprehensive multimedia report generated through SponsorPro software. In our quest to deliver sponsors hard facts that speak directly to their sponsorship goals (attendance, incremental sales, return on investment, etc.) in a concise and user-friendly manner, we chose to invest in software that facilitates this process, keeping our sponsors' needs and busy lifestyles foremost in mind. They will be able to view, at a glance, the overall categories of BorderFest Overview and Results, Sponsorship Overview, Goals, Elements, Strategy, Results, Market Overview, Marketing Campaign and Results, and Program Deliverables. Should they wish to explore any area further, they can click through the presentation to find radio, TV, and print ads, newspaper articles, sales figures, traffic count reports, photos, and video of the event in general and their sponsorship in particular.

## SPONSOR FEEDBACK:

At HEI, we facilitate building partnerships between Sponsors, Retailers, and Event Organizers across the country. I am pleased to report that the BorderFest staff sets the national standard for building sponsor relationships. They continually challenge us to raise the bar to a much higher level each year. The result has been a strong Seven-Year partnership that has established our client as a leader in the market and a friendly face in the community.  
**Hernandez Events, Inc. – A National Event Management Company**

The 2008 BorderFest was a tremendously successful marketing opportunity for us here at KTLM. Our programming has a core audience of Women, 25-54, and the association with HEB and High School Musical was right on target for our marketing goals. We felt so good about way our booth went at BorderFest that we decided to continue the promotion with HEB, running an in-store contest that was similar to the contest we held at BorderFest. HEB helped us with in store signage, and we helped HEB with an on-air schedule, creating a win-win promotion for all involved.

**Chad Garcia, KTLM General Sales Manager**

BorderFest provides HEB an opportunity to interact with its customer, to truly be seen as part of the community. We use BorderFest as a means of establishing an emotional connection with our customer, while at the same time raising an awareness for such key initiatives as health and wellness, education, and overall HEB branding.

As far as partnerships go none are second to BorderFest. We had never attended a sponsor summit in any of the markets we serve and found this experience to be particularly helpful in the creation of new initiatives with new partners at BorderFest 2008. We are looking forward to the next one!

**Julie Lara, HEB Marketing**

As the exclusive entertainment and sporting facility in the Rio Grande Valley, the Dodge Arena manages several very important relationships with media, sponsors, and vendors throughout the year. It was our pleasure to help bring some of them together in support of BorderFest, particularly as the host of the first-ever BorderFest Sponsor Summit. From this meeting came the idea to tie in Dodge Arena's upcoming Disney On Ice Show (High School Musical), Telemundo, and BorderFest. It was such a pleasure to see all the elements come together in a way that left each sponsor pleased. From the sponsor summit, I learned that this is the case with most BorderFest sponsors.

From an image and public relations perspective, the Dodge Arena benefits enormously from its sponsorship as the home of BorderFest, and home of the best concerts related to any festival in South Texas. Our public *knows* that there will be *great* concerts during BorderFest, and look forward to them all year. As far as the return on our investment, it is indirect. We report BorderFest's attendance numbers to our industry magazines, and at almost 80,000 in 2008, that sent us to the top of the charts for venues our size. This makes promoters sit up and take notice of the Dodge Arena in Hidalgo, Texas, which will ultimately bring us more shows!

**Shalimar Madrigal, Dodge Arena Director of Marketing**

One of Kraft's most successful multicultural programs is with BorderFest. The reason it is so successful is because BorderFest offers a **fully integrated** campaign from the ground up, beginning with the targeted merchandising through a key retailer (HEB) four weeks in advance of the festival. The display and sweepstakes helps build brand awareness among a key consumer group—Hispanic mothers. The partnership with BorderFest also provides the grassroots experience that is relevant to our customer—it provides sampling of Kraft products and food solutions through the Cocina Kraft, along with couponing opportunities. The Kraft signage on the grounds and inside of HEB build brand awareness, linking Kraft to a very successful festival in a market that we seek to grow our share in. The partnerships are what make this event so successful.

**Judy Anderson, Kraft Marketing**