

IFEA/Festival Media Corporation Sponsorship Success Award

Kroger's Fest A Ville on the Waterfront

Sponsorship Program Description

Overview

Kentucky Derby Festival offers a wide variety of different sponsorship options including title and presenting event sponsorships, contributing event sponsorships, pin program sponsorships, official product sponsorships, parade entries(floats, inflatables, specialties), hospitality options, etc. We pride ourselves in tailoring partnerships to the specific sponsors' needs and objectives while maintaining the overall mission of the Kentucky Derby Festival. Our charge is to raise approximately 3 million dollars in gross cash sponsorship each year with another \$500,000 worth of in-kind products and services. Approximately 50 percent of our annual budget is garnered through corporate sponsorship.

This particular sponsorship program was completely developed as a new title sponsorship opportunity for the 2007 Kentucky Derby Festival – Kroger's Fest-a-Ville on the Waterfront. Further detail on the event title sponsorship is included below and on the following pages.

Initiation

The Derby Festival Marketing Team worked directly with the Event Team in drafting a title sponsorship proposal encompassing on-site signage and exposure benefits, an overall media/advertising package including television, radio, print, outdoor and website, hospitality benefits for national concerts, et al. (see details in sponsor follow-up presentation attached)

Innovation

The execution was innovative in that we were expanding an existing event into a 500,000 square feet mega-entertainment venue featuring national concerts,etc. We created the sponsorship proposal knowing that it would be a huge effort by our event and operations staff, our third party food/beverage vendors, KDF board, and volunteers to implement the plan. We also knew that it would require "just the right sponsor" that could draw on extensive sponsorship activation and promotional resources to implement a successful plan. Kroger certainly has proven they have "the right stuff". The event program made even more sense given that the relationship with Kroger was built on a successful sponsor partnership with selling Pegasus Pins in Kroger stores for many years.

Execution

Kroger was pitched the overall title sponsorship of the new event, later named "Fest A Ville" and signed a five year contract for title sponsorship. This resulted in a commitment of \$500,000 in cash sponsorship to the Festival over 5 years. In addition, Kroger provided a paid advertising campaign including Fest-a-Ville promotion valued at over \$250,000.

The Festival staff and volunteers were delegated responsibilities within program areas. The Event Team and volunteer committee handling operations and logistics, the Marketing and Communications Team(s) handled overall promotion, advertising, deliverables, and earned media. We also enlisted the help of our advertising agency.

Kroger featured Fest-a-Ville promotional advertising in print, radio, television, and direct mail. In addition, several of Kroger's vendors made use of the Festival's logo with in-store promotions featuring POP taking advantage of the new event--Kroger's Fest-a-Ville -- branding and logo.

Target Identification

Kroger has sponsored various events and programs of the Kentucky Derby Festival during the mutually beneficial relationship for many years. In 2006, the Derby Festival Marketing Team met with Kroger to discuss the 2007 partnership. It was then that the marketing staff uncovered new marketing objectives. Kroger wanted to continue to increase the brand awareness to families and show their commitment to the Kentuckiana community on a larger scale. Kroger wanted to be involved with the Derby Festival and to be involved with a flagship event with great growth potential. Kroger also wanted to reach out to a very broad demographic base – all area grocery shoppers.

During the 2006 KDF Board Workshop several Derby Festival staff members and Derby Festival Board members brainstormed on the idea. The Festival had been looking for a way to bundle more events together into one centralized location. A Horizon research study had shown that the Kentuckiana community wanted to be able to go to one location and participate in several different Derby Festival events. They wanted a place where mom, dad and the kids could all have a good time doing activities that they enjoyed. At the time, many of the Derby Festival events were held at various places throughout the city. The Derby Festival Chow Wagon was also in need of a makeover. The community loved the event geared towards predominately 21-34 year olds, but the event venue had the opportunity to expand and reach a more family friendly demographic. At the end of the workshop, the new event venue called Fest-a-Ville was born.

The Great Lawn and ancillary infrastructure is the next door neighbor to the Chow Wagon at Festival Plaza. Together, these two areas along the vast Waterfront Park on the Ohio River have become an Ultimate Entertainment Venue where concerts and family-oriented events take place. Fest-a-Ville was a perfect opportunity for Kroger to achieve both marketing goals. So, in 2007 Kroger's involvement reached a new level of success with the five-year sponsorship of the new event venue called Kroger's Fest-a-Ville.

This nine-day entertainment venue included new programming and promotions to target different demographics and speak to specific sponsor and Festival goals.

It proved to be a great marriage as both the Kroger and Kentucky Derby Festival brands respectively are very significant in the Kentucky/Indiana market area. Kroger also utilizes the extensive activation tools through brand image ties as it is one of the top five overall advertisers in the 28 county DMA.

Results

Kroger's Fest-a-Ville on the Waterfront was attended by over 175,000 patrons in 2007 according to turnstile counts – it's inaugural year. The goal of providing a "mega-entertainment" event venue to draw a very broad and diverse demographic base was accomplished.

All the entertainment was free with the purchase of a \$3 Pegasus Pin – that you could purchase at any one of Kroger's 43 area stores. Kroger stepped up its "tie-in" advertising efforts with Pegasus Pins with the addition of the Fest-a-Ville title sponsorship. Kroger took the opportunity to significantly bolster their monthly paid advertising campaign by promoting one simple message "Buy your Pegasus Pins at Kroger and go to Kroger's Fest-a-Ville on the Waterfront". Kroger created additional store traffic and sold over 135,000 Pegasus Pins between March 15 and May 4 – an increase of approximately 6 percent over prior years. This resulted in \$415,000 in revenue back to Derby Festival in addition to the annual title sponsorship fee over 5 years.

The Kroger Great Stage at Fest-a-Ville featured national entertainers throughout the nine-day run reaching broad demographics with the following musical acts: Selah (Christian Contemporary), Cameo (urban), Jonny Lang (Blues), Joe Nichols (country), and Gin Blossoms (alt. rock). Two family movie nights were featured airing the blockbuster movies "Grease" and "Jaws" on a 40 ft. inflatable screen for families and children to view movies on the Great Lawn.

Themed areas of the event included "Pegasus Play-Ville" kids area, Vill-Age Market (Festival souvenirs and merchandise vendors area), Feast-a-Ville (food and beverages), and Bourbon Country (full-service bar area). The Fest-a-Ville side of the venue featured international food and more diverse food choices – which directly accomplished one of the goals that came forth in the Horizon research study in 2006.

KDF staged several traditional and established events at the venue including the U.S. Bank Great Balloon Glimmer, Arison Run For the Rose', Great Steamboat Race (viewing party), AT&T Volleyball Classic, Texas Hold'em Tournament, Winefest, and more.

The traditional Chow Wagon patrons also came "in force" and supported the Festival Plaza side of the venue with local and regional music acts on the stage for 9 days. Food and beer sales increased on the Chow Wagon side of the venue as well.

In addition, several of Kroger's vendors paid sampling fees to the Festival (such as M & M Mars) to stage product displays and coordinate promotions with "bounce-back" activation to Kroger stores.

Presentation*

Each year the Marketing Department of the Kentucky Derby Festival works to renew more than 400 sponsors whose collective investments make the two-week, 70-plus events possible. Sponsors of the Derby Festival receive a binder containing ancillary materials and a PowerPoint presentation summary showcasing the impact of their sponsorship. In the slide format, extensive information and visual elements combine to produce an effective presentation, which cite the benefits and exposure opportunities within each Festival sponsorship.

The format of each report is organized to allow for a cohesive and comprehensive book that can be easily followed by the sponsor. The follow-up reports are a team effort requiring feedback from event managers, advertising/promotions managers, communications managers and marketing managers which provide specific knowledge and expertise to provide a better-focused and all encompassing follow-up report.

The beginning and end of each report are identical for every Derby Festival sponsor:

- The Festival Overview recounts the two-week programming and is considered the starting point for each report.
- The Media Report details the overall impressions generated by the Festival's core publicity campaign.

The rest of the follow-up report reflects the specific sponsorship summary, in this case Kroger's Fest-a-Ville on the Waterfront Title Sponsorship. The sponsorship summary provides a listing of all the things delivered to the sponsor per their agreement. This section of the follow-up report is customized for each sponsor and is a great tool used to help them see the value of their specific sponsorship. Digital photos are included in the presentation as well as electronic scans of various event materials and specific data regarding the following: the event, the festival electronic media, the festival print components, the festival news media coverage and the festival's sighting of press releases. In addition, the attached folder contains actual tear sheets and copies of the print materials discussed in the follow-up report.

The follow-up reports have proven to be a very effective tool for sponsors and have helped the Kentucky Derby Festival marketing team set themselves apart from the competition.

*A copy of the Power Point summary presentation for the Kroger sponsorship has been submitted as an addendum to this award entry.

Sponsor Reaction

Kroger was extremely pleased with their partnership and the title sponsorship in year one. At the time of this submission, we have just completed the 2008 Derby Festival, and year two of the Kroger agreement. I am including an excerpt below of an email that I received from David Nett, Marketing Manager with Kroger just this past week:

I am just forwarding this along to you so you can share with other members of your KDF team as you see appropriate.

Several of you frequently ask me ... "Is Kroger happy with our support?"

I just want to pass on to you that we are very pleased with all of our participation with KDF, ... and trust that we did our part for you as well. We truly view this as a partnership ... it only works when we both succeed!

We enjoy our sponsorship of Kroger's Fest-a-Ville and look forward to that getting bigger and better each year.

(It's already pretty awesome after just two years) We work well together in Pin sales, advertising / marketing, Balloons (when we don't ignite them) and you allow us to be involved in many other events.

I have asked various members of our team for feedback and all of the responses have been resoundingly positive.

So my answer to your question is "yes" ... we are very happy with the support we receive from KDF, and we look forward to the 2009 Kentucky Derby Festival!

David

The excerpt above demonstrates the desire of all event marketers and "Sponsorship Success" with Kroger and their view of the partnership with Kentucky Derby Festival.