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Can ad auction site take brands to the big leagues?

he easiest way to think of Instant Sponsor is as the eBay of sports advertising but without the second-hand merchandise and garage sale leftovers.

The California-based company runs an online auction platform that sells short-term, limited or highly defined sponsorship packages to the highest bidder, enabling brands to capitalize on specific high-visibility events, teams and athletes without the risk and the price tag usually associated with long-term advertising or endorsement contracts.

Sports marketing is a big — and risky — business. Many branding and advertising opportunities can be perishable. Most major sports have short seasons. Individual games or matches (and the associated TV broadcasts) have dates, times and opponents scheduled sometimes far in advance, and once that game or match has been played, that opportunity is gone for good.

And there is always the potential for losing streaks, injuries and the occasional lockout or strike, all of which can significantly lessen the value of a sponsorship or endorsement contract.

Global brands such as Nike, Samsung, McDonald's and Coca-Cola know the benefit of advertising during major sporting events, sponsoring teams or leagues and having celebrity endorsements. Many of these brands not only have the ad budgets to dedicate to those opportunities but the ability to weather the risks (and deal with them via contract) in a way that many smaller brands and startups cannot.

As a result, the major players in the sports marketing arena dedicate an enormous amount of time and energy into attracting and negotiating with these big companies in order to generate sponsorship and advertising dollars for their league, team and athlete clients.

Instant Sponsor founder and

CEO Anthony Puntoriero is trying to level the playing field — or at least that's the pitch. Puntoriero says he wants to open up sports sponsorship to startups and small businesses.

"With traditional sport sponsorship, sponsors participate in long-term contracts at high cost/risk in an inefficient model whereby sponsors miss out on valuable branding opportunities," Puntoriero explains on his LinkedIn profile. "Athletes and teams are also missing out on being sponsored as the current model does not allow for large, medium and small companies to compete on the same playing field and cashed up business[es] looking for branding opportunities do not know how or where to source them."

By breaking sponsorship into smaller bites and lowering the barriers to entry, Puntoriero hopes to make it more accessible for more brands.

Rather than negotiating a multi-year sponsorship with a team or an endorsement contract with an athlete, brands can choose and bid on well-defined, short-term sponsorship packages with a team or athlete for a game or a series of games based on timing, geographic location, audience demographics or even to capitalize on a winning streak.

For companies with small advertising budgets, Instant Sponsor gives them a cost-effective opportunity to capitalize on high visibility sponsorships without as much of the risk that normally accompanies a long-term sponsorship or endorsement contract — injuries to athletes, poor performance and unsuccessful seasons ending without post-season play, to name a few.

Instant Sponsor also stresses that its auction model allows companies to be more nimble in their sponsorships, acquiring packages tailored to new strategies and new marketing efforts. According to its website, Instant Sponsor claims to have 257 national and international

SPORTS MARKETING PLAYBOOK

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sporting events with 489 opportunities for advertising and sponsorship through which brands can reach 20 million people across the globe.

These opportunities reportedly include Major League Baseball, the NBA, NHL, PGA and the ATP and WTA tennis tours. Brands can "pre-book" opportunities that fit their marketing strategy and budget, secure their first-choice sponsorship packages or take advantage of unfilled or surplus opportunities by placing last-minute bids on auction items.

Here's how it works.

The Instant Sponsor website displays an auction list of sponsorship opportunities — currently the site has an opportunity to display advertising on the dasherboards behind both goals during the Carolina Hurricanes' season home opener at PNC Arena in Raleigh, N.C., on Oct. 10 and a sponsorship opportunity for the Wimbledon championships.

Each item provides specifics about the sponsorship opportunity, information on the estimated audience, including the number of fans both in the stadium and TV viewership, and demographics.

For example, the Carolina Hurricanes auction item notes that the dasherboards average 26 minutes per game of TV exposure in both the Hurricanes' regional market and the opponents' regional market as well as great visibility within PNC Arena.

The fan viewership is an estimated 20,000 fans in the arena and another 1 million on TV with a demographic that is 59 percent male and 72 percent married. More than 60 percent of the audience is between the ages of 18 and 49, 47 percent have an average income of \$75,000 and about 25 percent have an average income of \$100.000.

Each auction item lets you make a starting bid (a suggested \$150,000 for the Hurricanes' dasherboards), the current bid and a "buy it now" button (\$160,000) that ends the auction as well as the time left on the auction. Depending on the opportunity, the auction item may include specifics for the advertising artwork, which the sponsor can upload directly through the platform.

Instant Sponsor also offers endorsement packages with individual players. And while there are no second-hand items on Instant Sponsor, such as there are on eBay, the company does offer opportunities with both marquee athletes and other, less well-known players. Puntoriero stresses that deals with lower-tier players can be valuable opportunities that keep costs down for advertisers who would never be able to afford to an endorsement deal with a top player, while still getting the benefits of the exposure.

"Instant Sponsor approaches agents and individual players regarding what we call 'Just in Time' sponsorships," Puntoriero explained in an interview on moneynsports.com. "For example, in Grand Slam tournaments where Rafael Nadal is playing an unknown player, we will approach [the] opponent's

manager with a list of sponsors we have on our books and offer branding on his shirt, wrist, bags, etc."

Is some of what Instant Sponsor is doing a legitimized form of ambush marketing?

Does Instant Sponsor cheat big brands like Nike out of the coup it earned for paying large endorsement money to Nadal to have him wear its iconic swoosh on his headband by allowing smaller brands to ante up substantially smaller amounts to get the same TV exposure? (The "buy it now" amount for the Wimbledon package on the Instant Sponsor auction site is \$5,000.)

Or is it just good old competition — and does eliminating the lock that global brands have on event sponsorships level the playing field to the benefit of all, as Puntoriero seems to believe?

Those questions may be irrelevant, however, if Puntoriero and Instant Sponsor can't convert people to their way of thinking. So far, the only sponsorships Instant Sponsor appears to have placed were ones it offered not on its auction platform but during a live demonstration for the first USA Start Up Weekend.

Still a startup itself, Instant Sponsor offered other attending startup companies short-term sponsorships with the Oakland Athletics (namely, a half-inning slot on the rotating ad board behind home plate). The asking price was \$5,000.

And, in the meantime, no bids have yet been placed on either the Carolina Hurricanes opportunity (which runs until Oct. 1) or the Wimbledon package (which closes June 23).

Time will tell as to whether the Instant Sponsor concept will stick around for longer than an "instant." Stay tuned.