corporate name linked with an event they enjoy. For example, sponsoring a race car, motorcycle, or boat enables manufacturers to place cigarette brand names and logos on the vehicles and drivers' uniforms; by sponsoring the event itself, the manufacturers may also place cigarette brand names and logos on the event and on official's clothing.

IEG, the leading source in the United States for sponsorship information and consulting services, is also the only company that tracks and analyzes sponsorship of sporting and other events and causes. It publishes the IEG Sponsorship Report, an international biweekly newsletter on sponsorship, as well as an industry report titled, "IEG's Complete Guide to Sponsorship: Everything you need to know about sports, arts, event, entertainment and cause marketing."205 In this primer for companies considering sponsorship, it defines sponsorship as "a cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment, or causes) in return for access to the exploitable commercial potential associated with that property."<sup>206</sup> According to the IEG, "[s]ponsorship, the fastest growing form of marketing, is unregulated in the U.S."207 In North America, total sponsorship grew from \$850 million in 1985 to more than \$4.2 billion in 1994 and is done by thousands of companies.<sup>208</sup> The IEG further notes that for the cost of a 30-second spot on the Super Bowl telecast, a company can sponsor a NASCAR Winston Cup car and receive more than 30 hours of television coverage.209

The report states that companies can link sponsorship directly to product usage or sales. <sup>210</sup> The Chairman and CEO of R.J. Reynolds summed up the underlying purpose of sponsorship for his company by saying, "We made it clear from the day we announced our sponsorship of the Grand National Division that we were in the business of selling cigarettes, not the racing business." <sup>211</sup>

The cigarette 212 and smokeless tobacco industry 213 has been involved in sponsorships for many years and was at one time one of the dominant sponsors of events. More recently other industries have become increasingly involved in sponsoring events and causes and today the packaged goods, retail, and financial service industries are the leading sponsors of events. Although the tobacco industry accounts for only 4 percent of all sponsored events,214 FDA has concluded that sponsored events are a significant part of the successful marketing of tobacco products and that sponsorship should be regulated under this proposal.

Companies often choose to sponsor events in order to heighten their visibility, shape consumer attitudes, communicate commitment to a particular lifestyle, and to drive sales.215 The IEG reports that sponsorship offers several advantages over traditional advertising. According to the IEG, sponsorship is generally more effective in "establishing qualitative attributes, such as shaping consumers' image of a brand, increasing favorability ratings and generating awareness."216 IEG also states that companies with huge advertising budgets and high consumer awareness (such as tobacco companies). "are looking to the event to have a ruboff effect on their image and ultimately their sales."217 One marketing executive of a company that sponsors professional beach volleyball said, "Consumer attitudes are the hardest thing to change \* the more our brand is part of events that are part of a consumer's lifestyle, the more we can affect his or her attitude toward the product."218

Image compatibility is listed by IEG as the number one factor in determining which events to sponsor. IEG encourages companies to consider whether the event offers the imagery it is trying to establish and whether it depicts a lifestyle with which the company wants to be associated.219 A senior Philip Morris executive explained how the sponsorship of racing car events by Marlboro is consistent with the cowboy imagery associated with Marlboro: "We perceive Formula One and Indy car racing as adding, if you will, a modern-day dimension to the Marlboro Man. The image of Marlboro is very rugged, individualistic, heroic. And so is this style of auto racing. From an image standpoint, the fit is good."220

The tobacco industry's sponsorship of events also can lead to associations (often referred to as "tie-ins") with youth-oriented items that extend the imagery. A sponsored event "can bring excitement, color, and uniqueness to a [point-of-purchase] display and can be merchandised weeks or months in advance." 221 For example, auto racing's popularity with children led one toy manufacturer to sponsor a Sprint car team in the 1991 "World of Outlaw" series, sponsored principally by UST. The toy company made toy racing cars with Marlboro and Camel decals. Another toy company made toy cars with Copenhagen and Skoal decals; Copenhagen and Skoal are the two major smokeless tobacco product brands for UST.222 Additionally, "Inside Winston Cup Racing Sports Club Magazine" reportedly included a page

called Kids Korner with puzzles and games for children.<sup>223</sup>

Sponsorship's impact can be measured by the amount of "free" advertising that appears on television. The amount and financial value of television exposure gained by a firm can be substantial. According to one study, Marlboro cigarette's sponsorship of a Championship Auto Racing Team in the 1989 season gave Marlboro nearly 3 ½ hours of television exposure and 146 mentions of the brand name. This exposure had a value of \$8.4 million. In the Indianapolis 500, Marlboro received more than \$2.6 million in advertising exposure. In the Marlboro Grand Prix, race officials wore Marlboro Grand Prix shirts and caps, and the Marlboro logo or name appeared 5,933 times during the broadcast.224

Another study used the "Sponsor's Report" to estimate the value of all product exposure for most U.S. auto races. In 1992, 354 motorsport broadcasts were measured. These programs had a total viewing audience of 915 million people, of whom 64 million were children and adolescents. Exposure value for all sponsors was \$830 million. Tobacco products accounted for 8.2 percent (\$68 million) of the total. The impact of sponsoring televised events such as these automobile races is perhaps most apparent when one realizes that over 10 million people attended these events, while 90 times that number viewed them on television.<sup>225</sup>

Sponsorship's effectiveness also can be measured by a change in consumer awareness of or attitudes toward a product or company. Evidence regarding sponsorship's impact on young people is somewhat limited, but reports indicate that cigarette manufacturers' sponsorship of sporting events can lead young people to associate brand names with certain life styles or activities or can affect their purchasing decisions.

One study of children in Glasgow found that one-third of the 10- and 11vear-old children surveyed correctly matched cigarette brands to the sports that their manufacturers sponsored. Many children between the ages of 6 and 17 surveyed could specify a brand and the sponsored sport or game, and nearly half of the children associated a life style or image (such as "excitement" and "fast racing cars") to cigarette brands, even when the cigarette advertisement made no reference to the sport.226 Another study also found an increase in awareness of the sponsored brands and concluded that even fairly brief exposure to tobacco-sponsored sports on TV may increase considerably