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Event Retailing Is An Integral Part Of The Event Itself

by Jon Last, Tuesday, August 9, 2011 8:39 AM

With the PGA Championship teeing off this week in Atlanta, I can't help but think back fondly to my years building and overseeing the business operations side of that event's on site event merchandising program, which began modestly some 16 years ago. The event retailing business has grown from an ancillary activity to a major revenue and branding engine for any sporting event. Here then, I reflect on some of the critical success factors that any sponsor or property can put in place to maximize their event retail program.

- 1. Support a brand -- don't run a store:** The most compelling event retail programs embrace all that the event they support is about. The term "edutainment" still applies as strong visual merchandising elements can make your shop(s) a destination that enhances the event around it, creating an appetite for fans and spectators to want to own a piece of it. The old real estate adage of "location is king" applies as well. Think the Disney approach, where your retail outlet is melded into the experience itself.
- 2. Provide something for everyone -- and pre-test price elasticities:** We built a fairly rigorous point of sale capability at our events that fed our analysis and assessment of appropriate merchandise mix. Certainly understanding the demographics of your attendees can drive these decisions, as should pre-event price elasticity and competitive market analysis, both of which we do regularly. We've found that spectators often reach above their normal price elasticities at a well-merchandised event, but at the same time, having that \$5 deck of logoed playing cards is an important enticement that drives sales of higher priced and higher margin items.
- 3. Logos:** A memorable, well designed and thoroughly consumer pre-tested logo goes a long way towards driving event retail sales ... but, so do secondary or alternative logos. The simple take-away is to recognize upfront, how the logo will and can be used in event merchandising. Further, consider how sponsors will leverage the logo as well. At the PGA Championship we ran a separate program exclusively for corporate partners that marketed dual logoed product, allowing event sponsors and their guests to take away unique items that reinforced both the event and the sponsor host. All must be carefully planned and considered upfront.
- 4. They aren't vendors, they are partners:** A vendor sells something to a retailer. A partner is there for the full ride. We implemented strong just in time replenishment systems and boutiques, supported by product partner staff. We integrated our off-site licensed product program with event product sales, thus allowing for carefully controlled and managed post event distribution of unsold product that didn't dilute the brand or hurt onsite margins. None of this is possible without a true partnership.
- 5. Take advantage of the retail environment to know your customer:** We find that incredibly high percentages of overall attendees pass through the merchandise pavilion, thus the venue provides a rich source of customer information. This ranges from transactional data that any good POS system can provide, to more formal exit surveys that can be executed to enhance future retail efforts and to support sponsor ROI measurement needs and other operational research around the event itself. As a researcher, I'd strongly advocate that these be well designed by professional research firms. Place based survey kiosks may appear to be cost effective, but their self selecting nature introduces bias and respondent abuse that can corrupt or skew data in directions not reflective of a representative sample, garnered by well trained teams of professional interviewers. The latter also will assure that these data collection efforts do not detract from the overall event experience.