



UNIT 7 – CASE STUDY

The \$750 Million Cold Call



Name _____

Class Period _____

**** Sales in Sports & Entertainment: A Case Study ****

In 2004, Nextel inked a 10-year agreement to participate as a NASCAR sponsor. The partnership, believed to be the largest sponsorship deal in the history of sports marketing, provides Nextel with numerous opportunities to market and promote the NASCAR Nextel Cup Series. The total investment for Nextel was a whopping \$750 million over the 10-year life of the contract.

Perhaps the most intriguing element to the story pertains to how the deal was ultimately brokered. NASCAR's chief executive officer, George Pyne, called the deal "the sales story of the century".

What makes this so interesting? The dialogue for discussions regarding the sponsorship opportunities was opened with a simple cold call, followed by a brief email to Nextel's director of sports and event marketing, Michael Robichaud that read:

"Michael,

I hope all is well. I thought I would check in.

The entitlement is heating up big time to replace Winston. I have not been able to keep my feet on the ground with all the travel.

I will be down in DC the week of March 24th. Perhaps we can get together?

Would it be worth the time to present the entitlement and/or NASCAR to you and perhaps Mark?

Regards, BC" ¹

That simple exchange would provide the spark that would ignite the sales cycle in NASCAR's effort to replace Winston as the title sponsor for their cup series of events. Within four months, the cycle would come to a close when Brian Corcoran, director of corporate marketing for NASCAR, received an e-mail stating "the papers are signed". The deal would be announced shortly there-after.

Ultimately, it was NASCAR's superior television ratings and creative inventory that made the partnership a reality. Nextel officials also saw a unique platform for effectively marketing their products and services. Without the cold call that started it all, however, the deal would never have come to fruition.

**** Case Study Questions ****

- 1.) *Is the NASCAR / Nextel partnership example a testament to the effectiveness of personal selling? Why or why not?*
- 2.) *Do you think the title sponsorship for the NASCAR cup would have been sold without a sales process in place? Why or why not?*
- 3.) *Do you think Nextel is pleased with the results of their sponsorship? Why is that important?*

¹ Information from this case study obtained from the June 23-19, 2003 issue of *Street & Smith's Sports Business Journal*.