The Washington Post

Redskins Go to Market

Team to Make Pitch to Bring in Sponsors

July 6, 1999

By Thomas Heath, Washington Post Staff Writer

The record-setting $ 800 million sale price of the Washington Redskins likely will prompt the team's new owner, Bethesda businessman Daniel M. Snyder, to market the franchise much more aggressively than the low-key style of the late Jack Kent Cooke and his son, John, according to sports industry experts.

Faced with interest payments on loans of more than $ 300 million, the 34-year-old Snyder and his partners are expected to forge lucrative sponsorship deals worth millions once the purchase of the team from the trustees of the Cooke estate is completed. The sale is expected to close any day.

Snyder is moving quickly to assemble a top marketing staff to accomplish his goals. Last month he hired David Cope, one of the hottest sports salesmen in the country, to be the team's executive vice president. More recently he added Dan Cohen, formerly with Washington Sports & Entertainment, which owns MCI Center and the NBA Wizards.

Mark Burdett, formerly of WJLA-TV, will oversee the team's in-house television. The Redskins now control all the commercials for the team's preseason games on its new outlet, WRC-TV, which allows the Redskins to offer more comprehensive and lucrative sponsorship packages.

Snyder has spent hours walking the stadium's corridors with members of his staff from Snyder Communications Inc. to find ways to add value to a team situated in the country's eighth-largest TV market.

The upshot is likely to be a local and national marketing push aimed at selling out the stadium and solidifying the image of the Redskins as one of the NFL's elite teams, as well as one of the most profitable.

"Snyder's now got an $ 800 million franchise he has to market and fully exploit," said Robert Erb, head of marketing at shoe giant adidas, which has a multiyear sponsorship deal with the Redskins worth millions. Snyder declined to comment through a spokesman.

Snyder's swift moves are a big change compared with the traditional ways of the Cooke family, who, according to several sports marketers, failed to take full advantage of marketing opportunities at the $ 180 million, privately built stadium that they opened in September 1997.

Former team president John Kent Cooke chose to name the stadium after the late owner, who died in April 1997, rather than sell the naming rights, which would have been worth at least $ 5 million a year, according to marketers. Snyder probably will change that and get millions in naming rights fees, although he has said he would like to retain some tribute to Jack Kent Cooke at the stadium.

The Redskins also will be looking to sell additional lucrative sign positions on the end zone scoreboard, on the facade of the upper deck and throughout the rest of the stadium. According to marketers and team sources familiar with the situation, the club failed to exploit sponsorships with many big companies.

"What the Redskins have failed to do with that new stadium is make their fans consumers of the sponsors' products," said E. J. Narcise, vice president of team and venue marketing at Integrated Sports International, whose clients range from the University of Maryland to the Denver Broncos.

The result is one of the lowest stadium advertising incomes in the league, at around $ 3 million, according to sources. The new owners, who include media and real estate mogul Mortimer Zuckerman and his business partner, Fred Drasner, could boost that number to around $ 10 million in the first year, sources said.

John Kent Cooke, son of the late owner, could not be reached to comment, according to a spokesman.

Erb and others said the reason the Redskins haven't developed expertise in marketing is because they didn't focus on it. They relied on the franchise's tradition and on-field success instead. The team sold out all of its games starting in 1966 at the 55,565-seat Robert F. Kennedy Memorial Stadium, boosted by Super Bowl victories in 1983, 1988 and 1992. And the waiting list for season tickets grew to more than 40,000-plus names. The NFL's $ 17 billion television contract brought the team tens of millions without the Redskins lifting a finger.

"The Redskins felt they were doing everything perfectly," said Narcise, who once worked on the team's marketing. It didn't pay to spend time selling advertising at RFK because nearly all of the non-ticket income went to the D.C. Sports Commission, which is RFK's landlord.

When the Redskins moved to their new, 80,116-seat stadium in Landover in September 1997, they became one of the richest teams in the league, due mostly to the stadium's huge size. Its 208 luxury suites, 2,000 loge seats and 15,000 club seats -- more than any other team in the NFL -- earned the Redskins at least $ 50 million a year before interest and taxes, according to team documents. The team's reputation still allowed it to charge top dollar for seats: an average of $ 74.28 last season, $ 10 more than the next highest in the league.

The money flowed even though the team began to lose on the field in the past decade and did not keep up with some basics of sports marketing. For one thing, the Redskins didn't emphasize the game-day experience for fans, which includes live entertainment, state-of-the-art visuals and sound, contests and pre- and postgame shows.

"The only experience people came away with was traffic gridlock," said Chris Dunlavey, a principal in Brailsford & Dunlavey, a District-based sports marketing firm.

Snyder said in a recent interview that improving the game-day experience was a high priority.

Dunlavey said the team made a crucial mistake by not performing sufficient market studies on how big a stadium to build. The result was thousands of unsold club seats, which could have cost the Redskins their reputation as one of Washington's hottest tickets.

Another problem was the timing of the opening. The Redskins were forced to compete for suite sales and sponsorships with MCI Center, which opened three months after Cooke Stadium. That made it more difficult to attract sponsors and sell the expensive club seats.

Narcise said the Redskins are no different from most other teams that have gone from being tenants in municipally owned stadiums to becoming landlords in their privately built stadiums, which changes the business equation. "It's no longer just showing up, teeing up the ball and winning the game," Narcise said. "They have to manage parking, manage the building, fill the pipeline with new revenue."

Snyder's staff believes that polishing the team's image as one of a handful of elite NFL clubs will attract sponsors who will pay millions in exchange for the rights to put the Redskins' logo on their products.

Snyder "needs to create a national franchise . . . something that drives the value of sponsorships up," Erb said. "He needs to create events and properties outside the normal course of marketing to create more value."

That means attracting more concerts, NCAA championship events, college football games and other events that will fill the stadium -- even trying to lure the Army-Navy game from neighboring PSINet Stadium, home of the Baltimore Ravens. With a waiting list of about 40,000, fans have continued to flock to Jack Kent Cooke Stadium since it opened in September 1997. The Redskins' average ticket price is the NFL's highest. Filling luxury suites and loge seats is a priority at 80,116-seat Jack Kent Cooke Stadium, which the late owner built with private funds at a cost of $ 180 million. The Washington Redskins initiated several changes to the club level at Jack Kent Cooke Stadium, including a helmet mosaic, but parking remains a bigger issue for the fans. "The only experience people came away with was traffic gridlock," says Chris Dunlavey, an area marketing expert.