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This Week's News

Virgin Mobile nears ArenaBowl title deal

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Virgin Mobile USA is close to signing on as the first title sponsor of the Arena Football League's championship game. The Virgin Mobile ArenaBowl will be played July 27 in New Orleans and telecast on ABC.

AFL team sources said preliminary approval has been given and that a one-year deal was undergoing final approval by attorneys last week.

Terms were not immediately available

A league spokesman would only say, "We are close to finalizing an agreement with a high-profile corporate partner for entitlement of ArenaBowl XXII."

Under the deal, Virgin Mobile gets inclusion in the AFL's championship name and logo, ads on the game broadcast on ABC and logos on the field, dasherboard and on uniforms at ArenaBowl XXII, which will be played at the New Orleans Arena. The deal does not include title rights of the Foster ArenaBowl Trophy, an idea the CFL is floating for the Grey Cup (SBJ, June 9-15).

For the AFL, the deal represents its first significant sponsorship sale in some time and comes during an economic squeeze that is affecting second-tier sports more than larger U.S. sports properties. In the last two years, the AFL has seen the departure of Glenn Horine, AFL Properties president, and Will Wilson, executive vice president of sales.

"Sports properties are feeling the pinch," said Scott Becher of Sports & Sponsorships, Boca Raton, Fla. "The burden is theirs to create assets that spur response, that provide a sense of ownership to prospective sponsors. The Arena Football League Championship game title rights is just the latest example as buyers have the leverage. It's a great time to be shopping, and it's even a better time if you can take advantage of the soft economy [to get] ...a pre-emptive sponsorship presence."

Sponsorship consultant Larry Weil, who handled the deal that put Amigo Energy on the jerseys of the MLS Houston Dynamo, said selling naming rights to the ArenaBowl shouldn't spark any problems for the league. "The AFL is not about tradition; it is an affordable and fan-friendly experience," Weil said. As long as the AFL doesn't become so cluttered that it diminishes the experience, it probably doesn't matter."

For Virgin Mobile USA, founded in 2002 as a joint venture between Richard Branson's Virgin Group and Sprint, the sponsorship represents a radical shift from past marketing platforms that have been built around music. About a month ago, SK Telecom, South Korea's top mobile operator, confirmed it was in preliminary talks to buy Virgin Mobile USA, so any sports deals, such as the ArenaBowl title rights, would allow it to gain perceived stature and increase brand awareness, similar to Nextel's rationale when it titled NASCAR's top racing circuit. However, Virgin Mobile USA is spending in a very noisy category, as wireless brands have joined auto, beer and soda over the last decade as the bigger spenders on sports sponsorships and media.

"This kind of entitlement positions certain partners as a major player in a category with a national marketing platform for a period of time which they may not be able to sustain on an annual basis," said Marc Bluestein, who heads consultancy Aquarius Sports Group, Fulton, Md. But Bluestein added that like any other sponsorship, activation is critical.

