

Business



Royal Bank of Canada made a 20-year, \$80 million deal in 2002 to turn Raleigh's Entertainment and Sports Arena into the RBC Center. Above, the Hurricanes' Eric Staal scores in the playoffs.

STYLING: JILL PERDUE; PHOTO: CHRIS STANARD

CUP RUN PUTS RBC ON THE MAP

Bank benefits from arena deal, with name spread across U.S.

By Jack Stoen
STAFF WRITER

RALPH — The Carolina Hurricanes aren't the only ones generating cold cash from the on-ice battles that have taken them to the NHL's Stanley Cup finals.

Royal Bank of Canada, which sponsors the team's West Raleigh arena, is reaping its own rewards: Millions of dollars worth of exposure from having its name associated with hockey's biggest stage.

"It's really about brand building. We're in a place in the Southeast where there are still a lot of people not familiar with RBC," said Ron Day, chief operating officer of RBC Center, the company's U.S. banking subsidiary.

That's changing with every game. Brand awareness is just what RBC

was looking for when it struck a 20-year, \$80 million deal to turn the former Entertainment and Sports Arena into the RBC Center in late 2002 — shortly after the Hurricanes lost to the Detroit Red Wings in the Stanley Cup finals.

Some thought RBC overpaid for the right to emblazon its blue-and-gold logo on the arena. The \$4 out-of-pocket deal was about 80 percent above comparable naming-rights deals around the country, according to some estimates at the time.

The deal has paid off at a crucial time for RBC, which is attempting an ambitious expansion in the Southeast. Last year, the company decided to move its U.S. headquarters from Rocky Mount to Raleigh. Construction on its skyscraper downtown headquarters is to begin

in a few months. And the company has outlined plans to open at least 20 Southeastern branches per year.

The Hurricanes have only helped. Tonight will be the team's third nationally televised home game in less than two weeks.

"The thing that brings the most value is broadcast exposure," said HEE Carraway, chief executive of Sports & Properties, a Raleigh firm that advises RBC Canada and other companies on naming rights deals.

RBC has not yet realized the dollars-and-cents gains from this year's Stanley Cup.

But the 2004 Stanley Cup final between Calgary and Tampa Bay — two markets that are similar to Durham and Raleigh — may offer

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some hints. Joyce Julius & Associates, an Ann Arbor, Mich., firm tracked branding exposure in the first game of that series.

The company counted the length of time the logo of the sponsor of Tampa Bay's arena, the St. Petersburg Times, was shown on air and the number of times the newspaper's name was mentioned. The total, 11 minutes and 17 seconds, translated to \$817,200 worth of on-air advertising, enough for almost two dozen 30-second spots.

"That's not taking into account ESPN highlights, local news highlights, all the local programming that's going on," said Eric Wright, vice president of research and development at Joyce Julius.

Added up, the company could have easily raked in \$1.5 million in exposure per home game, said

Wright, who estimated that RBC is doing just as well.

With three home games in the finals, RBC may cover its annual cost with change to spare.

"We're getting the same level of exposure as you would in any sort of commercial for a lot less dollars, given what's happened with the Canes this season," Day said.

Analysts say it's difficult to link sales to the exposure — it's not as if fans leave the RBC Center and head straight to a branch to open an account.

But in the past year, there has been a 35 percent increase in sales of RBC Centura checking accounts, Day said.

He attributes some new accounts to the arena — "a huge advantage for us, considering the Triangle is our home market now."

Staff writer Jack Hagei
can be reached at 829-8917
or jack.hagei@newsobserver.com.