

A top-down photograph of a tennis racket and a yellow tennis ball on a clay court. The racket is positioned vertically on the right side of the frame, with its head at the top and handle at the bottom. A yellow tennis ball is placed on the strings of the racket. The court surface is a reddish-brown clay, and a white line is visible on the left side of the image. The lighting is bright, casting a shadow of the racket onto the court.

The Value of a Name

Determining the Value of Naming a Building After a Celebrity [Client Confidential]

The Challenge



Identified Needs

An acclaimed sports celebrity wanted to donate several million dollars to a prominent healthcare provider in his community. In exchange the provider would name their newly constructed orthopedic facility after him.

The provider also understood that naming the facility would remove a valuable asset which could entice other donations in the future.

What was the naming right worth and was the current celebrity donation the right one?

Since this was a prominent celebrity, did the naming carry endorsement value?

Needed to understand the potential market value of naming the facility.

Needed to understand if the celebrity was the right fit for the providers brand.

Needed to estimate the total value of the offer. Aside from the monetary donation, the celebrity name also carried endorsement value.

Needed to estimate additional promotional and branding investments required, if the naming went forward.

Activities



Impacts

Mined online news releases to benchmark against other naming donations.

Reverse engineered similar endorsement deals for celebrities at other companies to determine expected revenue lift.

Modeled data from previous history with celebrity endorsements to estimate lift in revenue and margin.

Conducted “fit” analysis to determine how celebrity brand would impact provider brand.

Created a high level promotion plan with estimated investments.

Able to establish a narrow range of value for naming the new building

Determined expected range of % revenue lift of other endorsement deals.

Determined the expected lift in revenue and margin from the endorsement value of naming the building.

Determined naming endorsement impact on provider brand and specific brand traits that would be positively or negatively affected.

Factored in additional costs to provide a full picture of the return on the naming.

CASE SUMMARY



A celebrity **endorsement** is a **marriage of two brands**. It may be a **good fit** or a **bad fit**, in either case **brands change** as the **association grows** in **consumer minds**. **Valuation** and **predicting the effect** of that change is the **science** behind endorsement analysis.

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