



# Dunedin : The New Stadium

Private Sector Funding  
Strategy & Progress

prepared & submitted by  
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## Executive Summary

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The proposed new stadium at Awatea Street, Dunedin, is a visionary and inspired Project that should proceed for the civic, economic, academic, cultural and sports & entertainment benefits that will accrue to the community from its existence.

The existing facility at Carisbrook is beyond economic development and, notwithstanding this, would offer none of the potential of the new stadium either to its' existing tenants and users or the wide range of potential tenants and users that can be attracted to Awatea Street.

Research undertaken by Colmar Brunton in association with The Marketing Bureau Ltd., indicates strong levels of support for the new stadium from all sectors of the community and throughout the region.

The research has identified that approximately \$56 million leaves the region each year to be spent on sports and entertainment activities, much of which could be retained in the region.

The role of the University of Otago is an innovative and powerful cornerstone of the Project and the potential for the dovetailing of University activities into the Project is at least that already identified and, potentially, greater. Amongst the many benefits that would accrue from this role, the University brings its own, significant "audience" to the site on a daily basis.

The corporate & business sector in the region is strongly supportive of the Awatea Street concept and have indicated high levels of willingness to participate in the commercial opportunities presented by the project ranging from the purchase of suites, boxes and seats for business entertainment purposes, through to the wide range of sponsorship and related marketing opportunities presented by the concept.

Furthermore, those respondents have also indicated their willingness to commit to levels of pricing which are strongly in line with those needed to ensure the economic viability of the Project.

The original Horwath HTL Report (Master Plan & Feasibility), peer reviewed by the writers, demonstrates this economic feasibility, even at the arguably conservative levels of income forecast in that Report. Our own Report (which follows) details additional commercial opportunities not initially included by Horwath in their thinking.

At the time of writing, a written, Formal Expression of Interest has been received from a potential Head Naming Rights Sponsor and a second is expected imminently. It is anticipated that a Head Naming Rights Sponsorship Agreement could possibly be concluded as early as Q1 2008. This would equate to up to 22% of the Private Sector Funding requirement for the Project.

Additionally, detailed discussions are also underway with high profile potential benefactors for membership of two prestigious elements of the Stadium's offerings – The Roaring Forties and The Founders Club.

The Project allows for the offering of a wide and innovative range of commercial products designed to attract both capital and revenue streams and work is well underway on the finalisation of these products prior to an early 08 Launch into the commercial marketplace.

Based on the work undertaken by this firm, the Private Sector Funding target of \$45.5 million identified in the Master Plan & Feasibility Study is achievable and, may potentially be exceeded.

Brian H Meredith  
chief executive  
the marketing bureau ltd

## Introduction & Background

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This Report is intended to provide the reader with an understanding of the background, development and implementational progress of the Private Sector Funding Strategy for the proposed New Stadium in Dunedin.

The Report also provides an overview of each of the proposed Funding channels and “products” although it should be noted that this is still a “work in progress” with significant work still underway on the exploration and development of potential capital and revenue streams offered by the Concept.

Additionally, the Report provides an overview of market research undertaken by Colmar Brunton into the attitudes of key target markets to the new stadium concept, the funding “products” contained herein and the likely costing and pricing of those products.

The Strategy, and therefore this Report, is set against the background of the Master Plan & Feasibility Study previously undertaken for the Project as a whole by Carisbrook Stadium Trust and, as a subset of that, the Report provided by Horwath HTL and, in particular, that section of their Report that addressed the issue of Corporate Fundraising potential.

Elements of this Report have been produced in partnership with Colmar Brunton Ltd., who undertook the above mentioned research with input and directional support from the writers. The complete findings of the Colmar Brunton Research have previously been reported on separately.

The Marketing Bureau Ltd is a marketing, media & corporate communications consulting firm with partners & associates who offer specific expertise and experience in major national and international sponsorship and fundraising programmes for a variety of, particularly, sporting events and teams. This has included America’s Cup, Formula One, World Championship Motor Cycling and World Championship Boxing. Additionally, one of the firm’s partners brought the Telethon concept to New Zealand and developed and produced that concept for a number of years, receiving an OBE for his accomplishments. (More detailed firm and biographical information on the writers is included later in this Report).

## A Perspective From the Authors

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The following is The Marketing Bureau's considered perspective on the nature, significance and potential of this Project. It is this perspective that the authors have been presenting, outlining and discussing to and with a range of target audiences and, in particular, potential private sector investors. It is a perspective that has been received very positively and with no small degree of enthusiasm on the part of those organisations and individuals.

This is not a stadium.

It is a key piece in the beginning of the rest of Dunedin's life – a centerpiece, an innovative, world class, civic, academic and community hub, providing a focus, a base and an icon for the future of Dunedin's place in the world.

To see it as a stadium would be naïve.

It is a multi-functional, multipurpose, civic, academic, sports, cultural, entertainment and commercial facility which will form a hub for many aspects of the future development of the City and the Region. It has the potential to act as a catalyst for an economic renaissance of the region.

To see it as a burden on ratepayers is to fundamentally misunderstand the economics of the project.

This facility will become commercially self sustaining in a very short period of time. It has the ability to earn its keep. The return on investment for the community is significant, economically, socially and culturally.

The writers believe that this Project is a visionary, affordable and commercially sustainable proposition that will mark the beginning of a new era of confidence, performance and accomplishment on a wide range of dimensions – we look forward to witnessing and participating in its realisation.

## The Brief

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The initial Brief received by The Marketing Bureau Ltd from the Carisbrook Stadium Trust can be summarised as follows:

### Objective

- To provide an independent review, assessment and valuation of the fundraising requirements and potential inherent in the proposed New Multi-Purpose Stadium Development including, specifically, the provision of an opinion on the Private Sector Fundraising elements detailed in the Horwath Report
- The provision of an outline proposal and quantification of additional sources of potential revenue via public, private and corporate fundraising programmes.
- To develop a level of detail for this range of recommended Private Sector Funding scenarios, in consultation with Colmar Brunton, in order to facilitate a Market Research Initiative designed to assess potential uptake of programmes and opportunities amongst identified target markets.

### Outline Process

#### Stage 1

The Marketing Bureau Ltd and Colmar Brunton undertook an initial assessment of the Project and the Brief, reviewed the Horwath HTL Report and explored additional potential sources of Private Sector Funding.

#### Stage 2

The Marketing Bureau Ltd undertook a detailed assessment of the Private Sector Funding opportunities and potential inherent in the New Dunedin Stadium Development under two broad headings:

- Existing Potential Programmes as detailed in the Horwath Report
- Additional Potential Programmes

### Stage 3

The Marketing Bureau Ltd undertook an assessment/valuation of the dollar potential inherent in each individual programme included in both the Horwath Report as well as those developed by The Marketing Bureau during Stages 1 & 2.

#### NOTE:

In order to accurately value individual fundraising strategies, programmes and initiatives, required us to develop detailed fundraising “products” beyond the broad and conceptual treatment provided in the Horwath Report and to do so both for those Programmes as well as the additional potential Programmes developed during the conduct of this Assignment.

### Stage 4

The Marketing Bureau Ltd provided Colmar Brunton with detailed Programmes and Target Market selections to form the basis of the Market Research programme which had, as its key objective, the assessment of demand and validation of revenue potential for such programmes amongst the identified target markets

### Stage 5

Colmar Brunton developed the Market Research programme including objectives, methodology, sampling, question guides and critical path. Respondent targets comprised:

- Otago and Southland residents
- Otago and Southland business decision makers and influencers

### Stage 6

Colmar Brunton Fieldwork undertaken.

### Stage 7

The Marketing Bureau Ltd and Colmar Brunton considered and assessed the results of the fieldwork and its impact on the fundraising objectives contained within the Master Plan & Feasibility Study.

### Stage 8

The Marketing Bureau Ltd and Colmar Brunton reported on the Research Results and delivered detailed Recommendations on the development and implementation of a Private Sector Fundraising Strategy based on the outcomes of that Research Project.

## Key Research Findings

### Current Behaviour & Attitudes to New Stadium Concept

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#### Current behaviours

- There is a strong interest from Otago and Southland residents and corporates in entertainment activities
- Over four in ten (44%) have travelled outside of the region to attend an entertainment event resulting in \$56 million in spend outside the region
- Otago and Southland residents hold strong views about the stadium issue;
  - ❖ 35% agree strongly there are never any concerts worth attending  
(45% of those interested in popular or classical concerts agree strongly)
  - ❖ 40% agree strongly Carisbrook doesn't compare well  
(53% of those who have been to an event there in the last year agree strongly)
  - ❖ 76% agree strongly they shouldn't be missing out on All Blacks tests  
(87% of those interested in rugby agree strongly)
  - ❖ 52% agree strongly there is a need for a new multi-purpose stadium
  - ❖ 70% agree there is a need for a new multi-purpose stadium
- Otago and Southland corporates views are even stronger toward the need for a new stadium

#### Attitudes to New Stadium Concept

- There is strong support for the new stadium amongst Otago and Southland residents and corporates
  - ❖ 72% of residents support or strongly support it
  - ❖ 95% of corporates support or strongly support it
- As well as supporting the stadium concept, both audiences show strong intentions to attend events
- The multi-purpose nature of the stadium means the average Otago and Southland resident intends attending 8 different events
- the average corporate intends attending 10 different events with Concerts, All Blacks games, Exhibitions and Highlanders games being the most popular

## The Horwath Report : A Second Opinion

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The writers have considered the section of the Horwath Report that addresses the issue of Corporate Fundraising. This consideration has been with a view to answering three overarching questions:

1. Are the fundraising concepts, included therein, feasible and appropriate to the New Stadium concept?
2. Are the fundraising concepts, included therein, comprehensive in terms of the potential offered by the New Stadium concept?
3. Is the quantum of the fundraising revenues proffered in that Report realistic/attainable?

It is the view of the writers that the “Funding Options” detailed in Section 2 of the Horwath Report are sound, if a little conservative, in the nature, scope and fundraising potentials detailed. The Report has relied almost exclusively on models previously adopted in other stadia in order to form a view on the fundraising potential of this project.

However, it is the opinion of the writers that the New Stadium concept is difficult to directly compare with previous stadium developments. This is primarily due to the design and nature of this multi-purpose development coupled to the unique nature of the city and the region in which the concept sits.

This is a region that, despite the views of a small and vocal group, is ready for the development of a multi-purpose facility of the type proposed and that the potential for such a facility, located on such a site, to make a significant contribution to the region’s economy and to bring a much needed injection of life and energy to the city and the region is very real.

The concept is not for a stadium but, rather, a multi-purpose, vibrant sports, entertainment, business and academic hub for the city, the region and, to a degree, the entire South Island of New Zealand.

This is not a Dunedin development, nor, even, a regional development but, rather a world class, national and international facility the like of which does not exist elsewhere in New Zealand.

Key to the successful completion and operation of this facility is the strength of the vision of all stakeholders in being able to focus on the potentially significant, long term contribution that the facility has the potential to make to the economic and lifestyle future of the region.

The fundraising potential for this Project needs to be considered in the light of this “Vision” and, to that end, would confirm our view that the Horwath Report presents a conservative and attainable view of both the nature and value of the Funding Options that it identifies.

Further, the potential Funding Options are more extensive than those identified by Horwath and this Report addresses this specific issue later in the document.

Finally, the quantum potential could well be greater than that identified by Horwath and this is discussed in greater detail later in this Report.

(Note: At the time of writing, the operational projections prepared by Horwath HTL are being revised and updated following detailed discussions between CST, The Marketing Bureau Ltd and Horwath HTL. Additionally, we note that Horwath’s Revised Report will be the subject of Peer Review by Price Waterhouse Coopers)

## “ A ROOF A ROOF MY KINGDOM FOR A ROOF”

### A Commentary on the Potential for a Visionary Sports, Entertainment & Tourism Project

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We believe that the one significant feature of the proposed new stadium that repositions it as so much more than a stadium, is the roof. This single feature transforms the usage and, therefore, the fundraising and revenue potential in a manner that, we believe, is, to a certain extent, ignored by the Horwath Report.

To be successful (and never a burden on the ratepayer who owns the facility), this facility must never be in black, never still, must always have *something* going on.

Like Soho's infamous Windmill Theatre, it must never close.

It is the provision of the roof that contributes, more than any other single factor, to this being a realistic ambition.

#### AN EVENTS CORNUCOPIA

Horwath have listed some 140 large and small activities in the first year. Although the small are indeed very small it still suggests a 40% utilisation of the stadium. We believe the potential may be greater than that.

To demonstrate the scope and depth of potential utilisation, the following are all worthy of consideration and, given the potential for the facility to be managed and marketed by a specialist Events Management Company, would all form viable targets:

- X sports,
- Canine Events
- Show Jumping,
- Major Stock Auctions,
- Dance Contests.
- School Sports,
- Choral Recitals
- Orchestral Performances
- Corporate Games,
- TV Productions,
- Pageants,
- Brass Bands Performances and Competitions
- Ice Productions (competition ice skating, ice shows, ice hockey etc)

We believe that an event big, or small, or both, can take place in this complex on up to 80% of the days in the inaugural year.

## Rugby Stadium? Or More?

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At the core of the thinking that underpins this Report is a key question and an assumed answer:

Is the “New Carisbrook” to be a contemporary version of the existing Carisbrook with its role being primarily as a home to the sport of rugby in the region? Or is this impressive and visionary new facility to enter the entertainment and tourism industries in order to revitalize the regions economy as well as provide rugby with the home that its needs to remain a serious international sport in Dunedin/Otago?

We have based our thinking in this Report on the answer that says “Rugby Union may be God’s chosen sport but making the facility pay its way, let alone contribute net proceeds to the region’s economy, will require so much more”.

The potential for this complex is as big as its key stakeholder groups will allow it to be and are brave enough to commit to. The significant benefit is that no concrete has yet been poured meaning the design remains fluid enough to incorporate these and other concepts.

Like so many projects that have been put together without constant rehashing this one is smart, refreshing and well thought out and has the potential to become a “must visit” in the region and potentially destined to be the darling of the events public.

### A FACILITY OR A DESTINATION?

In addition, and significantly contributing to the “Never Dark” concept, is an element currently missing from all the views, opinions and visions of this stadium. That is its potential to become a major domestic and international tourism experience in Dunedin.

Dunedin is a city (which sits within a Region) that produces world class work in a range of scientific, academic and commercial arenas. The writers have developed a concept for a significant Visitor Attraction on the New Stadium Site to showcase some of these aspects and strongly contribute to Visitor Numbers and revenue generation.

The potential for retail outlets supporting these ventures selling merchandise and memorabilia of the stadium and the experiences have the potential to make important further contributions to the quality and dynamism of the facility and to its revenue streams.

Exploratory discussions have been held with numerous parties, including potential partners in such a project and reaction thus far has been highly supportive, contributing to a growing sense of the genuinely multi-functional nature and potential of the Project overall.

## Event & Traffic Potential

The following are estimates of the potential utilisation, event type and traffic levels, developed by the writers, in order to demonstrate the multi-functional potential of the Project. The HHTL figures are for event attendees only whereas the TMB estimates are for all "visitations" (or "site traffic") in an average year.

Event Type	Basis	TMB (Visitations/Traffic)	HHTL (Attendees)
<b>Rugby</b>			
Test Match	1	30000	30000
Junior All Blacks	1	15000	8000
Super 14	6 x 18000	108000	108000
Air New Zealand Cup	5 x 10000	50000	50000
Air New Zealand Cup (semi final/final)	1 x 15000	15000	31000
Club Rugby	2 x semi final plus 1 x final	11000	4000
South Island Sevens	x 2 days	6000	None included
<b>Football (Soccer)</b>			
Exhibition Match	1 x 15000	15000	11000
Local Club	12 games plus 2 x semis plus 1 x final	34000	
Charity Match	1 x 5000	5000	
<b>Minor Sports</b>			
Tennis	2 x 2.5 day tournaments	5000	None included
Hockey	2 x semi plus 1 x final	3000	
Gridiron or Rugby League	1 x exhibition	4000	
Volleyball	2 day beach plus 2 day standard	3000	
University Games	x 3 days	7000	
Corporate Games	X 2 days	2000	
High School Events	Various	5000	
<b>Concerts</b>			
Major	x3	50000	63000
Minor	x3	27000	
Ice Show or Starlight Express type	x3 days	30000	
Local Events/Productions	x5 days	10000	
<b>General Usage</b>			
Day Meeting	Small (30 pax)	6000	6000
Day Meeting	Medium (100 pax)	3000	3000
Day Meeting	Large (150 pax)	2025	2025
Conference	Small (75 pax)	360	360
Conference	Large (225 pax)	450	450
Expos	x3 x 2 days	50000	12000
Fashion Shows	x2 days	4000	None included
Christmas Pageant	x1 day	12000	None included
Long Lunch plus Square Meal	x1 day	12000	None included
Functions	3 per week	12000	4500
<b>Auxiliary Spaces</b>			
Stadium Tours	x200 days x 30	6000	None included
Café/Bars	x350 days x 150	52000	None included
Retail	x350 days x 120	42000	None included
Destination Experiences (350 days)	All incl schools	105000	None included
	Workers/Staff	18000	None included
<b>University</b>			
Students/Staff/Administration	280 days x 600	168000	None included
Casual Visitors, Meetings, Family etc		26000	None included
<b>Total Potential Traffic p.a.</b>		<b>951,835</b>	<b>333,335</b>

Note : To ensure that the above estimates represent a "normal" year's activities and visitations, the potential Unipol traffic, the 2011 Rugby World Cup of the Project's 2011 Opening Week Celebrations are not included

## Private Sector Funding :: Product Concepts

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The following are the Private Sector Funding Product Concepts currently in development. The Options included here are not comprehensive but do include those developed for testing in the Colmar Brunton Research.

### 1. GROUND MEMBERSHIP PRE-SALES

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#### THE TARGET AUDIENCE.

All members of the public who enjoy Rugby, sport and entertainment and are in mid – higher economic groups.

#### THE PRODUCT

This package is more attractive than standard seat pre-sales – the offer will be highly attractive and deliver benefits and value beyond simply a seat.

Offered for a 15 year term, the offer would comprise a comfortable seat (except at major tests etc) plus food and beverage service provided in a dedicated facility, together with preferential booking rights. Dedicated parking or alternative transportation services would also add significant perceived value to the package.

#### WHAT THE MARKET RESEARCH SAYS

- ❖ 52% of Otago and Southland residents are willing to pay within the specified price range for this concept
- ❖ 8% of Otago and Southland residents state they will strongly support the concept at the price they specified
- ❖ 82% of Otago and Southland corporates are willing to pay within the specified price range for this concept
- ❖ 38% of Otago and Southland corporates state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

### 2. NAMING RIGHTS.

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#### TARGET MARKET.

Corporates/Institutions/Investment Groups/S.O.E's

## THE PRODUCT

Naming Rights is a significant and, therefore, challenging “sell”. However, it is already clear that the roof and the multi-functional nature of the Stadium enhance the attraction significantly.

The perceived value must be high and must extend beyond simply adding a sponsor’s name to the facility’s official name. For the “Head Sponsor”, this is likely to include provision of corporate hospitality facilities & services (e.g. Corporate Box/es, Lounge facilities, car parking, first option on all event ticketing etc. The final nature of any sale of this premium product will need to be subject to the customising needs of the specific sponsor organisation.

The sell-in process has been developed to gain a Formal Expression of Interest from a potential Sponsor prior to the activation of a Joint Working Party (comprising CST/TMB/Sponsor Organisation) which will work to understand the objectives of the parties and develop a Head Sponsorship Strategy designed to meet those objectives specifically.

This approach has been well received by those potential sponsoring organisations already spoken to.

## SUBSIDIARY NAMING RIGHTS

Additionally, there are Subsidiary Naming Rights opportunities available in a number of areas of the facility including, but not necessarily limited to:

- The Main Foyer
- The Stands :: Left & Right (25,000 x 2)
- The Stands :: Wall & “Scarflies” End
- The Scoreboard/Big Screen
- The Wall/s
- Ground Sites
- Ground Advertising

## WHAT THE MARKET RESEARCH SAYS

- ❖ 90% of Otago and Southland corporates state they think this is a good or very good idea
- ❖ 35% of Otago and Southland corporates state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

### 3. CORPORATE SUITE PREMIUMS

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#### THE TARGET MARKET.

Corporates & Institutions. Private & Public Sector  
High Net Worth Individuals

#### THE PRODUCT

This is a traditional and well proven product requiring no embellishment in terms of product offering which would comprise a seven year commitment to a Suite. We do not recommend the proposed 15 year commitment detailed in the Horwarth Report on the basis that healthy demand created during the initial 7 year event performance record of the facility can potentially create a more dynamic sales strategy and resultant increased capital & revenue result.

#### WHAT THE MARKET RESEARCH SAYS

- ❖ 75% of Otago and Southland corporates are willing to pay within the specified price range for this concept
- ❖ 45% of Otago and Southland corporates state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

### 4. CORPORATE LOUNGE

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#### THE TARGET MARKET

Individuals & Business

#### THE PRODUCT

The Corporate Lounge facility will service several differing “products” ranging from Annual Memberships through to purchasers of the Ground Membership Product. Typically, the benefits will comprise exclusive access to lounge facilities for pre-game socialising and food & beverage offerings.

#### WHAT THE MARKET RESEARCH SAYS

- ❖ 54% of Otago and Southland SME Decision Makers are willing to pay within the specified price range for this concept
- ❖ 15% of Otago and Southland SME Decision Makers state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

## 5 OPEN CORPORATE RESERVE SEATING

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### TARGET MARKET

Current Carisbrook Box Holder Syndicates, SMEs, Sports Clubs, Community Membership Organisations.

### THE PRODUCT

The OCR Product offers a package of 12 seats in a defined, segregated area, with the provision of food & service to the “box” as well as the provision of a refrigerator sited within the “box” for the supply of beverages. In effect, this is a Corporate Suite without walls.

### WHAT THE MARKET RESEARCH SAYS

This was not included in the Colmar Brunton Research

## 6 THE ROARING FORTIES :: THE ULTIMATE RUGBY CLUB

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### TARGET MARKET

High profile, high nett worth sportspeople, business people, media & celebrities who have a connection with the region, the city or rugby and who may currently reside anywhere in the world.

### THE PRODUCT

The Roaring Forties :: The Ultimate Rugby Club, is a concept which is based on the premise of there being up to 40 prominent business people, sports people and other high net worth individuals, resident throughout the world and with strong historical and/or current links with the Region, who would have a strong desire to participate in an **exclusive and life long relationship** with the New Stadium and to enjoy premium, exclusive status and benefits in return for a significant contribution (by way of donation, gift, endowment or other mechanism of granting funds to the Project).

This is not a “Product” in the sense that The Founders Club (below) is a Product. The methodology for developing this funding source is to identify one Cause Champion from amongst the target market and for that “Patron” to lead the recruitment of other like individuals who, as a group, will design the specific structure and components of The Roaring Forties in a manner that meets with their own preferences.

In return for their involvement, the CST will provide management and administrative support for this group to ensure that they are afforded the kinds of privileges that are appropriate to their level of contribution, which will be significant.

An exclusive Roaring Forties Lounge will be available to all members at all times. Exclusive Seating Privileges will be available to all members for all events. Significant preference privileges will be negotiated with the NZRU for ticketing at all Test matches, throughout the world.

Whenever a member is in Dunedin he/she will have access to the services of a PA to ensure that all their needs are well met.

The Roaring Forties will be hosted by the CST to a prestigious annual social occasion, scheduled to take place around an All Blacks test somewhere in the world. This hosting will include cocktails and dinner (in association with leading NZ food & wine producers and marketers, NZ Trade & Enterprise, the local New Zealand Embassy etc), a world class speaker and the provision of a high quality memento of the occasion.

The activities that occur during any given year will be selected by the membership itself and implemented with the support of the CST.

The membership of The Roaring Forties will die with the member, not being transferrable in any way or under any circumstances. In due course, there will be no living members but their legacy will remain as a small but significant group of benefactors who will be credited with having made the concept a reality for all to enjoy.

Extensive discussions have already been entered into with a small number of potential patrons and indications of support are encouraging.

#### WHAT THE MARKET RESEARCH SAYS

This was not included in the Colmar Brunton Research

## 7. FOUNDERS CLUB

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### TARGET MARKET

The CST advise that Individuals are already indicating an interest in making “significant donations towards the development of the new stadium”. The Founders Club is a package of benefits developed in response to that and which are currently being actively marketed on a one-to-one basis amongst key target individuals.

### THE PRODUCT

The Founders Club will forever recognise the vital contribution that its locally based members have made to the Project and will, in return, provide a range and level of benefits that properly befits the significance of those generous actions.

This will include an exclusive Members Lounge Facility in the South Stand of the Stadium together with Founders Club Members Stand Seating, free access to a range of events and priority access and privileges surrounding the purchasing of tickets for major events.

Additionally, an annual calendar of social, sporting and cultural events will be organised for and on behalf of Members.

The package of benefits will offer 5, 10 15 and 20 year memberships, based on the level of “donation” and with all practical benefits of membership remaining constant for all contributors. This will provide the additional advantage of topping up of the 120 members as individuals leave the Club with individuals who chose to make donations at varying stages in the life of the facility. Indeed, a waiting list would create scarcity and, hence, potentially increase demand over time.

#### WHAT THE MARKET RESEARCH SAYS

- ❖ 92% of Otago and Southland corporates state they think this is a good or very good idea
- ❖ 38% of Otago and Southland corporates state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

## 8. COMMUNITY TRUST OF OTAGO (AND OTHER CHARITABLE TRUSTS)

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### TARGET MARKET.

All Philanthropic Trusts, Community Trusts, Lotteries, Pub Charities.

Based on the Horwath commentary, the Community Trust of Otago is projected as providing \$7 - \$10 million. More recently, the writers understand that the Community Trust has approved an “in principle” commitment of \$10 million.

Additionally, further potential may exist in the wider areas of Southland and South Canterbury which should not be ignored, given the nature of this development and the scale of its potential impact, usage and contribution. The writers are aware of the potential barrier related to the ability of such Trusts to invest outside defined geographic areas but believe that exploratory discussions on a Trust by Trust basis may identify strategies that can partially or wholly overcome such barriers.

## 9. AUXILIARY SPACES (excl. University of Otago)

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The following concept/s for the optimisation of income from the facility’s auxiliary spaces are in addition to those detailed in the Horwath Report.

## TARGET MARKET

Every piece of the facility's space provides an opportunity to develop a number of concepts to provide revenue streams for the facility as well as contributing to the "never dark" concept.

The target market for auxiliary spaces are those operators who are able to contribute to the overall objective of the facility becoming a destination in addition to its other roles & functions.

## THE PRODUCT

We are currently in exploratory discussions with several significant organisations in the City/Region to potentially join together to provide a leading edge, world class audio visual experience to be housed in the facility. It is proposed that the basis of these discussions would be a Joint Venture opportunity.

The experiences should be complimented by merchandise outlets including stadium merchandise being sold in the same vicinity as the JV attraction.

In addition, we are recommending consideration of a major Sports Bar equipped with Gaming Machines in order to generate an additional revenue stream and further contribute to the "Never Dark" concept.

## WHAT THE MARKET RESEARCH SAYS

This was not included in the Colmar Brunton Research

Note: The writers note that the above must take full account of the provisions of the proposed District Plan Change.

## 10. GOODS & SERVICES DONATIONS

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We believe that a similar source of funding can be considered by way of goods & services donations from individuals and organisations. These may range from contractors & sub contractors on the project development through to suppliers of operational goods & services.

## THE PRODUCT

A similar package of membership benefits is proposed to that of the Founders Club and, indeed, may be, simply, an extension of the Founders Club Concept.

## WHAT THE MARKET RESEARCH SAYS

This was not included in the Colmar Brunton Research

## 11. D-DAY CARD

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### PREAMBLE.

The public of Dunedin by themselves are not going to fund any shortfall by participating in the many fundraising concepts on offer. The net will have to be cast much wider to include Southland and South Canterbury and in some cases both nationally and Internationally.

The three major factors which will govern the success of the appeals are:

- a high level of buy-in by the people of the lower south of New Zealand
- excellent value for money on all offers & opportunities
- that the stadium is recognised to be innovative, fully utilised and a facility of which all targeted communities can be proud

The following is broad based and conceptual but feasible, with the potential to both harness public involvement as well as generate important revenue streams in the medium & long term particularly.

### TARGET MARKET.

All supporters of sport, entertainment, concerts and events – i.e. the entire community of the South Island and, in some cases, beyond.

### THE PRODUCT

This is a simple loyalty card concept. It is designed to link many of the public to the stadium and to bring the card bearer rewards for their commitment that outweigh the cost of entry/participation.

These will include

- Preference bookings
- Discounts at participating retailers and service suppliers
- Prizes including free seats
- Free entry into some opening events and later selected events
- Newsletter twice a year
- Special mail offers
- Stadium merchandise discounts

The card is designed to lock the region's retailers and service providers to the project, at no cost to themselves. Their participation will offer them a mailing list and store signage that indicates that they are participants in the concept.

Marketing the cards will be via local media, newspapers and radio stations as well as through participating retailers. Other channels, both on and offline are also feasible.

#### WHAT THE MARKET RESEARCH SAYS

- ❖ 71% of Otago and Southland residents are willing to pay within the specified price range for this concept
- ❖ 14% of Otago and Southland residents state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007

## 12. OPENING WEEK

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#### TARGET MARKET

All Communities & Organisations (Public & Private Sector)

#### THE PRODUCT

Such is the significance of this facility to Dunedin, Otago, Southland and, to some extent, the South Island as a whole, the writers believe that a full week of events and celebrations leading up to an Opening Ceremony would provide a significant string to the PR "bow" as well as present additional fundraising opportunities.

The details of this concept are not discussed here as further development work will be required to craft the most appropriate mix of events, communities and partners. However, at the core of the week would be a South Island Telethon, broadcast live from the facility and at the heart of the fundraising activities.

A carefully designed and developed framework of events would surround the Telethon and prolong the entire celebrations for a full week.

Additionally, other Products detailed in this Report would benefit from concentrated marketing and focus during Opening Week, contributing to them achieving their fundraising objectives.

#### WHAT THE MARKET RESEARCH SAYS

This was not included in the Colmar Brunton Research

### 13. SUNDRY FUNDRAISING PRODUCTS

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In addition to the above Products, the writers have identified a range of sundry fundraising opportunities that include:

- **Seat Plaque Sales (“This seat kindly sponsored by the Robinson Family”)**
  - ❖ 56% of Otago and Southland residents are willing to pay within the specified price range for this concept
  - ❖ 10% of Otago and Southland residents state they will strongly support the concept at the price they specified
  - ❖ 82% of Otago and Southland corporates are willing to pay within the specified price range for this concept
  - ❖ 38% of Otago and Southland corporates state they will strongly support the concept at the price they specified

Source: Colmar Brunton Research :: May 2007
- **Walk of Fame (as per Seat Plaques but featuring pavers on the approach to the stadium)**
- **Stadium Tours (A Behind The Scenes Visitor Attraction)**
- **Additional Sponsorships including, for example, the Media Centre, Stand Aisles, Undercover Facilities/Areas etc**
- **Auction of Carisbrook Memorabilia (during Opening Week?)**
- **Local Community Fundraising Committees**
- **Ticket Lottery**
- **School Fundraising Programmes**

#### WHAT THE MARKET RESEARCH SAYS

Where a product was included in the Colmar Brunton Research, the top line findings are shown in italics above.

## Private Sector Funding

### Marketing Strategy & Timetables

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The past several months have seen high levels of activity in researching, developing and presenting the entire concept to a wide and diverse group of organisations and individuals.

Without exception, when these audiences have been exposed to the wider concept of the Project and the civic, cultural, academic, sporting and commercial context in which it sits, the reaction has been very positive.

*“Wow- it’s really not just a stadium at all is it – its an impressive project. There is nothing like it in this part of the world”* is the common tenor of reactions received.

The following is the current Status of the Private Sector Funding Strategy and the marketing thereof.

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#### Stage 1

Stage 1 of the marketing of Private Sector Funding Products is currently underway and is focusing on:

- Head Naming Rights
- The Roaring Forties
- The Founders Club

#### Head Naming Rights

A carefully research and targeted list of potential Head Naming Rights Sponsors has been compiled and initial, confidential, approaches have been made to each organisation on that list.

Interest has been high and responses to approaches are positive.

The Head Naming Rights opportunity has already been presented to six major corporates and each is actively considering the opportunity.

The response to the Presentations from these organisations has been very positive and is particularly so from three of these organisations. It is the writers’ view that detailed discussions will be entered into with at least three potential sponsor organisations. In terms of quantum, there has been no significant concerns expressed about the level at which this “Product” is priced and we remain confident that the target will be met.

It is anticipated that up to six interested parties will emerge from the current process.

Report Prepared by The Marketing Bureau Ltd

The contents of this document and the concepts detailed therein remain wholly in the ownership of The Marketing Bureau Ltd

### The Roaring Forties :: The Ultimate Rugby Club

Exploratory discussions are well underway with several high profile, high net worth individuals with the objective being to form a “working party” to drive this concept into a full target list of potential members from around the world.

The concept has been well received as innovative and creative and providing a unique opportunity for the very wealthy to participate in something that will make a significant economic, social and sporting difference to all stakeholders as well as recognise that contribution in perpetuity – the stadium will forever be “theirs”.

The next key step is to identify and reach Agreement with a Patron who will undertake an active leadership role in taking this opportunity to each of the identified targets and building that base of members via their own networks and contacts.

A Patron and confirmed target list of benefactors/members is likely to be finalised in the coming weeks.

### The Founders Club

A target list of local business people and potential benefactors has been compiled and the writers are currently engaged in the process of making one-on-one contacts with each, followed by one-on-one exploratory discussions. Response and reaction is, thus far, strong and supportive.

### Stage 2

Stage 2 is currently in the planning phase and comprises the development and implementation of a PR & Communications Plan designed with the objective of building the profile of the New Stadium Concept and ensuring that the nature and scope of the concept is adequately understood by all stakeholder groups.

The Plan is scheduled for completion imminently and implementation scheduled for early 2008.

### Stage 3

Stage 3 is the planned Launch of the Private Sector Funding Products to the commercial sector, both locally, regionally and nationally.

This launch is provisionally scheduled for the end of Q1/early Q2 2008 although consideration is currently being given to the benefits that may accrue from scheduling the launch to co-incide with the Test Match at Carisbrook in June 2008.

#### **Stage 4**

Stage 4 provides for the staged release of specific private sector funding products into the market and the negotiation and completion of agreements on a product by product basis.

Stage 4 is scheduled for implementation throughout 2008 and beyond.

## Private Sector Funding :: Conclusion

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During our work on this Project thus far, we have:

- ❖ Studied the Master Plan & Feasibility
- ❖ Peer Reviewed the initial Horwath HTL Financial Feasibility Report
- ❖ Developed and market tested additional funding concepts
- ❖ Commissioned and assessed the results of an extensive Market Research Study into attitudes towards and anticipated usage of and purchasing behaviours surrounding the Project as a whole
- ❖ Met and spoken to politicians, community leaders, business people, high net worth individuals in NZ and overseas, media owners, journalists, specialists in a range of directly relevant fields and individual members of the community
- ❖ Presented the Head Naming Rights Proposition/Opportunity to some of the country's largest and most respected organisations
- ❖ Negotiated Formal Expressions of Interest from two potential Head Naming Rights Sponsors

It is our conclusion that The New Dunedin Stadium:

- ❖ Is a concept whose time has come
- ❖ Is affordable
- ❖ Is capable of paying for its keep
- ❖ Is capable of generating adequate revenues & operating surpluses
- ❖ Is already beginning the journey towards articulating Dunedin's place in the world

Finally, it is our conclusion that the Private Sector Funding requirement is achievable and has the potential to be exceeded on the back of innovative, creative and vibrant initiatives currently in development as well as those still to be developed.

## The Marketing Bureau Ltd

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The Marketing Bureau is, perhaps, the first of a new breed of specialist Marketing & Communications resources. Our core philosophy revolves around a proven belief that “Marketing” is a great deal more than a set of tools, techniques or facilities.

Marketing is a “state of mind” that must exist in any Organisation, public service or private sector, if that Organisation is to, in any truly meaningful or effective way, identify and serve the needs of its various Stakeholder groups. It is a “state of mind” that ensures that everything that is done by that Organisation is done with the Stakeholders’ wants or needs at the very top of the Organisation’s collective minds.

It is our belief that an Organisation only exists to serve the needs of its Stakeholders.

This is true of any business or any public service sector. Those needs must, therefore, be paramount in the “state of mind” of that Organisation.

In this environment, The Marketing Bureau brings, to its work with its Clients, a very fresh approach to the development and implementation of marketing and/or communication strategies. It brings a focus that will inevitably be lacking in any single tool service provider (i.e. PR Consultant, Advertising Agency etc.)

It brings a focus that is designed entirely to accurately identify and understand the overall needs and wants of the Organisation and its Stakeholder groups.

This is a critical base for any subsequent strategy development or programme implementation.

The Consulting team at The Marketing Bureau have access to the whole world of marketing or communications “tools” and employ them as and when appropriate - either from in-house resource or external specialist resource, if required.

In addition, a comprehensive skills transfer approach is reflected in our range of specialist Marketing & Media Communications Training Programmes ensuring that we help Clients equip themselves with the requisite skills rather than create excessively dependent relationships with external suppliers.

It is this holistic approach to the concept of marketing and communications and the highly developed skills that we have in this field that mean that we, as practitioners, *know* that we frequently make the difference between success and failure for our Clients in achieving their objectives.

The Partners involved in development, management and implementation of the Private Sector Funding Strategy are:

### Brian H Meredith

Chief Executive

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Brian began his communications and marketing career twenty five years ago as a journalist in the UK. He studied to graduate with a DipCAM (Diploma in Communications, Advertising and Marketing), a degree equivalent qualification. He also has a Post Graduate Diploma in Strategic Marketing from The University of California, Berkeley.

He subsequently took his writing skills (and a few other skills he thought he had identified!) and put them to use developing a career with major London and Manchester based advertising and marketing agencies.

During this period he worked for many international clients including British Leyland, P&O Group, DAF Trucks, British Airways, Digital Equipment Corporation. Prior to coming to New Zealand, he was a Director of Saatchi & Saatchi in the UK. and was Acting Chief Executive of the company's \$50 million Manchester Agency.

Since arriving in New Zealand he has been General Manager, Marketing at Television New Zealand, Project Director and Marketing Consultant to the 1992 New Zealand America's Cup Challenge and Joint General Manager at Radio New Zealand in Auckland.

Brian is NZ Business Magazine's Marketing Columnist, an occasional Visiting Lecturer at several Business Schools and is in increasing demand on the Australasian Speaking circuit.

## Don Hutchings OBE

Associate

Don has a long and distinguished career in television and major event design, development and management. He now specialises in marketing communications strategy & implementation and, specifically, in Big Event Management, Public Relations and Fund Raising.

Known by many in New Zealand as “Mr Telethon”, one of Don’s most significant achievements was the introduction of Telethons in New Zealand, a Format that he produced in both Australia and New Zealand and for which a world record was set in terms of funds raised/per capita/hours of broadcasting/ratings.

Don is a highly experienced Executive Producer, Producer, Presenter, Writer, Station Manager and Network Assistant General Manager. His creative & conceptual talents are outstanding. His credits include Olympic Games, LiveAid, SportsAid as well as a bag full of major live event productions throughout Australasia.

He has also been Deputy Commissioner General for New Zealand at Expo 88 in Brisbane and Expo 92 in Seville. And in 1990 he was Chief Executive of New Zealand’s 1990 Sesquicentennial Celebrations.

One of the most creative, talented and accomplished professionals in Australasia, Don has a passion for the creation & development of concepts, strategies and executions that deliver, in any medium.

Don has been awarded the OBE, the 1990 Medal, is a Paul Harris Fellow and Feltex Award Winner.