

What's in a name? Naming Rights as revenue generators.

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Ever wish Andrew Carnegie was still around? His spirit is out there, in thousands of businesses, waiting for him and his generosity to be channeled again towards a great and well loved institution. ..the Library. Libraries of all types are usually hard pressed for funding. Despite the increase in their usage and the efficiencies of new technology, expenses keep rising, often outpacing funding established through levies and other traditional sources. Their dilemma is faced by many non-profits. Author Ron Mattocks reported one third of all non-profit organizations operated in financial distress, what he calls the "Zone of Insolvency" (Mattocks, 2008, p. xxi). This article examines the possibility of a library using Naming Rights to establish a revenue stream that can help alleviate expense increases and put a library on firmer financial ground. I've used several libraries as case studies for the various issues Naming Rights involve. I also conducted a survey across various library professional organization mail-lists, focusing on the current state of the use of Naming Rights as a revenue stream. Only 25 libraries responded, which makes the results statistically insignificant, but I think the responses and comments help frame the issue well. Out of the respondents 60% use Naming Rights now, 71% plan to in the future. My conclusion from the survey and my research is that Naming Rights are an untapped resource which will be used more in the future, and need a professional approach to take full advantage of their opportunities.

In the private world Naming Rights are "a financial transaction and form of advertising whereby a corporation or other entity purchases the right to name a facility or event, typically for a defined period of time." (Wikipedia, 2013). In the non-profit world, that has been translated into recognizing a major gift from a donor. Often this recognition is a permanent thing. In the near future more libraries may turn to using Naming Rights as a recurring source of revenue like the private model, in contrast to today. In the survey, 79% indicated their Naming Rights have permanent status. 21% use both short term and permanent Naming Rights, while only 7% use short term alone. None used anything shorter than 4 years. (Appendix – Naming Rights Survey)

Everyone reading this probably knows community examples of Naming Rights that are most visible are in the area of public sports venues. However libraries also supplement their tax and bond monies with Naming Rights. One library with a 7 million dollar bond building campaign supplemented that with over 10%, \$724,000, in Naming Rights money (O'Connor, 2013)! This is a traditional approach to Naming Rights, which I believe needs to evolve to a more proactive and renewable fund-raising method. Naming Rights opportunities abound in libraries, way beyond traditional building campaigns. The top 3 Naming Rights designations in the survey were 28% for Areas (ex. Children's Department), 28% for Collection items (Ex. Bookplates) and 18% for Special collections (ex. Parenting or business databases). Only 13% were for Buildings. Creative opportunities exist no matter how small or large a library is, or what its construction environment is like. You do not need to wait for a construction project to raise funds via this method.

On one library's web site, you can see a rate chart for almost 40 various elements of the library, from the monument sign at their driveway, to the 2nd Floor Boardroom. Rights rates range from \$2000.00 to \$250,000.00 (Beloit, 2009). The book "Naming Rights" lists 3 different types of items eligible for Naming, Legacy Gifts, Event Sponsorship and Corporate Partners (Burton, 2008, p.57). I believe this third category is the opportunity to establish recurring revenue streams under time-based, fairly designed marketing contracts. About 22% of the survey respondents who didn't use Naming Rights cited concerns over interference with traditional funding. I'd suggest that without some extra cash coming in to visibly improve library resources, traditional funding coming from an economically hard-pressed community might be harder to come by.

The Library Foundation of Cincinnati and Hamilton county uses a web page as one tool to attract attention to their Naming Rights program. While not presenting a rate chart, they focus on the value being more personal than corporate-oriented. They emphasize that this is a very special way to memorialize someone in a way that touches lives every day. "Donors may name endowments for programs, technology enhancement, collection development, and physical spaces at the Main Library and branch libraries." (Public Library of Cincinnati, n.d.)

Comments from the survey indicate concurrence with this Memorializing method, traditional in many libraries:

"We have a bookmarks remembrance service, people donate money in a persons name and we buy in their area of interest and put name plates in the books We put name plates in books that were purchased with donated funds. "

"The daughter of an avid reader established a best-seller collection in her mother's honor, named the (Family name) Memorial Best-Seller Collection. She donates to the collection on a regular basis to honor or memorialize her friends and relatives. When she remarried, she asked that wedding gifts be made to their Collection. "

Naturally, Boards of Trustees help shape the strategy and policy provisions inherent in such programs. One example of a policy geared towards "Naming Opportunities", from Greendale Public Library near Milwaukee, makes clear the line between corporate sponsorship and philanthropic donations. It qualifies how they would evaluate the "named" as this reflects on the image of the library, reviews the proper passage on money into the library Foundation, and specifies the type of media used to acknowledge the Named area (i.e. the plaques used). (Greendale, 2012) To borrow from the world of sports, the book "Stadium Game" has a CD-ROM containing, among other things, a sample 40+ page contract used between a major stadium and its' new Naming Rights partner (Greenberg, 2000). In the previously mentioned "Naming Rights " in a chapter entitled Managers' Toolbox , Burton lists a specific flow of elements that should be involved in any legal Naming Rights contract...they don't have to be 40+ pages long, but should cover conceivable contingencies and leave the library a little "wobble room" (his words) to slide out of or resolve unforeseen problems (Burton, 2008, p140).

Careful planning for "wobble room" is obviously necessary. One library years ago sold naming rights on benches outside of it. As times changed with the surrounding community the homeless start sleeping on them, and weather beat on the benches making them less attractive (Cervantes, 2013). It was decided to replace them with wrought metal chairs and move the benches to a staff area. The question arose, what to do with the old nameplates? Does it violate the spirit of the gift to take them out of the public eye? The library director in this case found an amiable solution with the 2/3 of the original donors that they could actually find, using a "Naming Plaque" overlooking the area. Here's the Directors' story

In regards to the three families that donated the benches in our outside entry plaza, I contacted two of the three and asked for their approval for us to either place the original donor plates on the new chairs, or to redo the memorial plaque altogether and relocate it to the same general vicinity (library entry plaza). One of the three original donors had moved out of state. It was difficult to track that one down. Of the two donors remaining, both were still in the area and easy to locate. One was fine with anything we needed to do, and the other

happened to be the President of my Library Board of Trustees. She and her husband became active partners in helping figure out if the original plaques could even be mounted on the new chairs or not. We decided they were not suitable for the new chairs. Since their plaque was in memory of a relative, they were very interested and concerned that the plaque wording be kept and the plaque be in an honorable location in keeping with the original gift's intent.

Our Director of Recreation and Parks suggested we redo the three plaques onto one new one, and mount somewhere in the area. With my Board President and her husband, we found a spot that they liked in front of the library, and the City Manager approved it.... with outside plaques, it is definitely something to keep in mind that they weather and, at some point, need budget allocation to clean them or redo them.

We added some wording that says "Seating in the plaza donated by ..." with the original wording that was on the original plaques. Since most of the naming rights for the library were for rooms, I doubt they would ever change to the point that we would have to re-determine plaque locations, etc. With smaller items that could deteriorate and that had less expensive naming rights compared to the more permanent rooms (such as display cases, benches, outdoor statuary, etc), it could be more crucial to establish a time limit for the rights since they may not be as permanent as an item like a room or an area of the library. However establishing a time limit for the naming rights up front may cause donors to be turned off. Definitely more to consider than anyone at the time probably thought of." (M. Housel, Director, Santa Maria Public Library, personal communication January 3, 2014)



Plan for the unexpected! A memorial bench almost crushed by an ice jam in the Rocky River, Lakewood OH, January 2014.

Obviously, the unexpected must be planned for, and preferably addressed at the time of the gift. With proper planning in the areas of establishing the value of name exposure over time, and setting a proper cost, libraries will not fall into a situation they cannot get out of. As one comment from the survey said:

“We also do all materials as memorials or donations of money to purchase that get name plates for the *duration of the item in the collection*. “ (Italics mine)

Regarding another important topic concerned with Naming Rights, establishing the value of the Rights can be done in an objective manner, based on local advertising rates. Those will change from one community to another, but they basically boil down to how much exposure and frequency of the name will be directed towards a target audience. Libraries annually conduct research on their usage by their communities due to public funding requirements. A transfer of this usage into marketing data, as well as creative packaging on behalf of the library, can be applied to develop new and renewable revenue streams to supplement public funding.

As a former Radio Business Manager, I've learned you need to meet the realities of your market. The book “Mission-Based Marketing” discusses the competition even non-profits face amongst themselves (Brinckerhoff, 2010, p.94). In dealing with prospects for Naming Rights, you need to listen to them for what they value. Would a Children's Clothing store find value in sponsoring a Parenting Collection, providing a fair advertising rate for a few years to supply the area with better resources and staff hours? Would an office supply store value its' brand name presence by securing a Quiet Study area sponsorship? Knowing what the sponsoring prospect values and having solid statistics will provide a good synergy between a library and new funding partners. And, by not “giving the store away” for a one time infusion of funds but arranging a specific time-period contract will help a library to have a steady income stream over time. Hopefully, the library will be able to see its demand increase as well, justifying an increase in contract amounts.

The Memorializing method is traditional and well accepted, but it can have downfalls if it anchors a revenue generator from further growth. Case in point, one survey respondent was rightfully appreciative that a memorial of a “Hot” book title collection generated funds from people in and outside their community thanks to informal word of mouth techniques. The special area it funded has a well trafficked location with about 30,000 people passing by each month, and each collection item has the name branded on a bookplate for the time it's on the shelf. The area has generated \$10,000.00 over 15 years, for an average of 666.66 a year. Enough to buy, maybe 30 books a year, averaging 30 circs? All well and good, but in our area, \$600 would be a fair ad price in a small *monthly* magazine with less frequency and exposure than a copy of Grisham's Sycamore Row will give over the course of its run on the Hot shelf.

A more modern marketing method does not have to replace Memorialization, but any library serious about raising funds these days should consider a short term, high value-oriented Naming Rights sponsorship program based on justifiable statistics, as an approach to maximizing current library assets and popularity. Again, “Mission-Based Marketing” emphasizes seeking a fair value in offering anything public for “sale” (Brinckerhoff, 2010, p. 85). And as a comment from the survey indicates, the opportunities are out there for fund-raising:

“Various areas--even study rooms ...could be arrayed. Quiet reading room, small meeting room, large meeting room, storytime room, computer lab...”

A range of options for “adjacencies”, ad slots next to popular programming (or library resource) elements are part of every successful broadcasting sales package. In libraries, I believe too much is not being utilized now; in radio speak, we have too much Dead Air. For anyone who’s ever seen Eric Bogosians’ “Talk Radio” it sometimes adds to the ambiance to have Dead Air (Youtube, 2013) if artfully done and you can get away with it. Usually it’s perceived, rightfully so, as a mistake.

There is a substantial counter opinion in our profession that seems to be against Naming Rights. One list-serv member chastised the idea of Naming Rights as a step on the slippery slope of privatization. Didn’t happen in Public Broadcasting though, and I believe both their corporate and individual fund-raising efforts are going along as well as can be in this economy, and with the new competitive media landscape.

Looking at the survey, about 40% don’t use Naming Rights now and 30% don’t plan to. One third of respondents said they were concerned about negative public opinion. Over 40% percent cited “Other” reasons, and perhaps one day in another iteration of this survey I’ll be able to gain wider participation as well as zero in on those reasons. The book, “What Money Can’t Buy” details various stories on Naming Rights and their impact on society. The author shows cases on “Municipal Marketing”, such as ex-Mayor Bloomberg’s criticized 5 year, 166 million dollar agreement for exclusive beverage rights in NYC schools and public buildings, chiding him for turning the Big Apple into the Big Snapple (Sandel, 2012, p.189). I believe most of the taxpayers in my home school district of Cleveland would love that kind of windfall. And once upon a time, police in one city were approached to have advertisements on their cars. Apparently Herod’s of London has done this. Response to the criticism was basically, “would you rather have the car tagged with a business arriving promptly at your emergency...or a slower arrival or maybe none at all?” This was in the 90’s; the public outcry resulted in no deal, and the company offering it eventually went out of business. But it did break the ice, and in the Great Recession some departments have adopted this. The author recognizes the tight times and public good this municipal marketing does, and lays the fault for commercializing public services back on the public. Shouldn’t they like to contribute via taxes, levies etc. to keep the marketplace from corrupting the public sphere? (Sandel, 2012, p.201).

A growing number of non-profits are starting to champion crowd funding and other online fund raising techniques using new media. A friend of mine is working with the local Animal Protective League, seeking a grant for producing more videos because “Whenever we have a new shelter animal video online, contributions spike!” I think those efforts are great, and the more revenue streams a library can develop the better off they are. Ohio used to have one of the best funded library systems in the country, but the Great Recession changed all that, and libraries depending on 80% or more from the state were harshly hit. Using Naming Rights is only one of many streams we need to develop to keep afloat and moving!

Andrew Carnegie was reviled by many in his lifetime as a robber-baron, trying to clear up his image by building hundreds of libraries; yet his philanthropy had a huge, positive impact across the world. Although he had a strict set of rules on who would get funded and how, he never required that his name be on any of the libraries he built (Nasaw, 2006 p.606). Now, in exchange for a name, if a new, consistent source of funds can be raised, we owe it to the public as being good stewards to harness that wealth for the community.

What’s in a name? In this article, I hope I’ve scratched the surface to the answer of that question. A name, strategically placed, should have value for both the library as a recurring revenue stream and for the sponsor as a contribution to the community in exchange for good visibility. To get there, libraries must take a professional approach to their structuring of agreements, establish programs and collections that get sponsor attention and can justify through statistics that there would be value in the partnership. The reward will be in accomplishing our mission with more recognition and resources.