

**WANTED**

**AND BECKHAM**

**Sponsorship:  
The Brand that Beckham Built**

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# Outline

- Definition of Sponsorship
- The Beckham Brand
- Case Questions
- Conclusions

# Definition of sponsorship

- Sponsorship has been defined by Sleight as:

“...a business relationship between a provider of funds, resources or services and an individual, event or organization which offers in return some rights and association that may be used for commercial advantage.”

# Sports Sponsorship

Values transferred to sponsor:

- Healthy
- Young
- Energetic
- Fast
- Vibrant
- Masculine

# Risks of Sponsorship

- Endorser may experience performance reduction, lack of success, or loss of popularity.
- Exposure to risk of celebrity misbehavior, which can create negative brand and company association

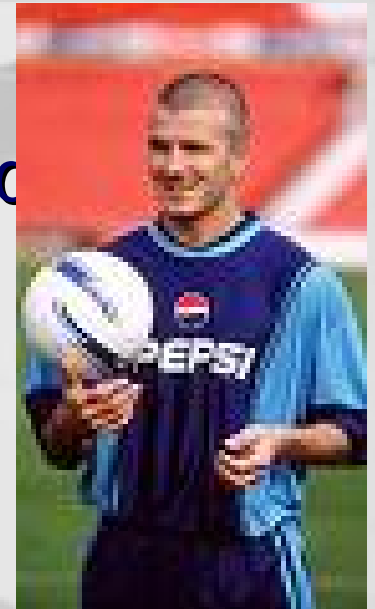
# Risks of Sponsorship

The most famous cases:

- OJ Simpson
- Mike Tyson
- Michael Jackson
- Wayne Rooney
- David Beckham

# David Beckham

- one of the world's most celebrated football players
- earns £9 million a year from endorsement contracts
- April 2004, Beckham/Loos affair



# David Beckham

## The Beckham Brand:

- millionaire lifestyle
- a fashion icon
- a loyal and happy family man
- healthy, young, energetic, fast, vibrant, masculine





# David Beckham - Endorsements

## Brylcreem:

- Earned close on £1.5 million over three years from the hair gel manufacturer



# David Beckham - Endorsements

Pepsi:

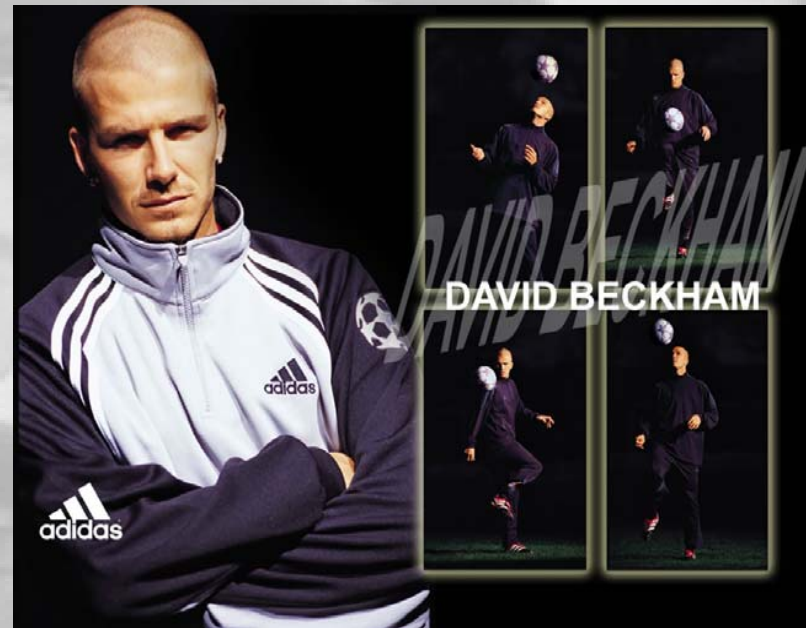
- Deal worth £2 million a year. He appears in a series adverts alongside other world-class footballers.



# David Beckham - Endorsements

## Adidas:

- Sponsor Beckham to the tune of £3 million a year. He is one of the highest profile celebrity endorsers. He signed to the firm until 2008.



# David Beckham - Endorsements

## Gillette:

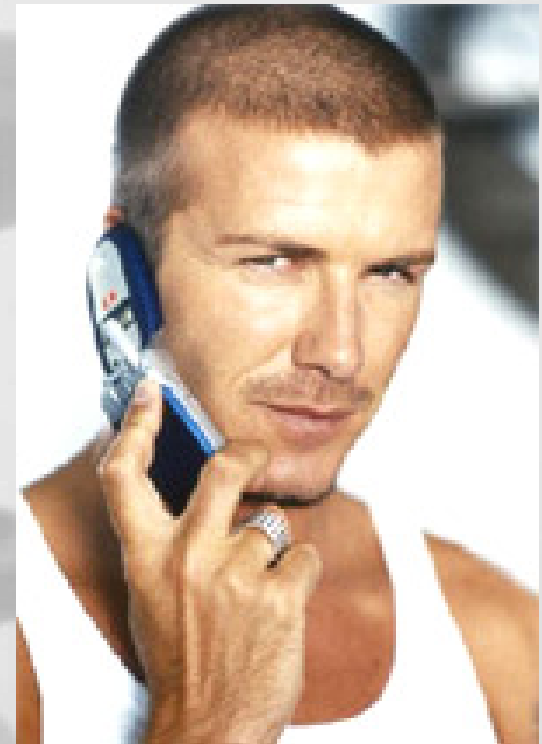
- The deal with Gillette is worth over £40 million, signed after Beckham/Loss affair.



# David Beckham - Endorsements

Vodafone:

- Have renewed their deal with Beckham after their existing £4 million two year deal ended.



# David Beckham - Endorsements

Marks and Spencer:

- The contract was worth £10 million for its duration.



# Question 1

What factors should be assessed in making a successful sponsorship property selection?

# Question 1

## Factors in Sponsorship Property Selection:

- ❑ Gaining publicity
- ❑ Creating Entertainment Opportunities
- ❑ Fostering favorable brand and company associations
- ❑ Improving community relations
- ❑ Creating Promotional Opportunities



# Question 1

## □ Gaining Publicity

- Produce awareness shifts through exposure in the world media, i.e. Canon's sponsorship of soccer in UK raised brand name awareness from 40% to 85% among males
- Position brands in the marketplace, for example with the goal of making the brand a sports brand

# Question 1

- Creating Entertainment Opportunities
  - venues for entertaining customers and the trade, such as by giving key customers opportunities to come to games or test matches, and allowing them face time with the players, such as Tetley Bitter's sponsorship of the England Cricket Team

# Question 1

- Fostering favorable brand and company associations
  - Strengthen association with target market segment, transferring values and perceptions of individual (Beckham) to the sponsor, i.e. athletic, fashionable, etc.

# Question 1

- Improving Community Relations
  - Sponsoring socially responsible activities, such as school outreach programs can build a caring reputation for the company

# Question 1

- Creating Promotional Opportunities
  - Promote company brands through products, such as Beckham jerseys, bags, aftershave, razors, etc. Particularly effective when product can be used at the event (i.e. wearing Beckham jersey to Manchester United game)
  - Can add value and improve effectiveness of other promotional vehicles

## Question 2

So when assessing the effectiveness of a sponsorship, it is necessary to look at key aspects. These include cost, efficiency, whether the target group was reached or how the image changes or is reinforced by the sponsorship.

## Question 2

Looking at Beckham's case, what are the risks associated with sponsorship?

# Question 2

## Risks of Sponsorship

- ❑ Cost of endorser
- ❑ Endorser may experience performance reduction, lack of success, or loss of popularity, i.e. Tiger Woods performance dipped after Nike sponsorship, which was attributed to the Nike golf clubs
- ❑ Exposure to risk of celebrity misbehavior, which can create negative brand and company association. Example of Rooney cheating on fiancé and visiting brothels, negative press about Beckham when wife wouldn't go to Madrid with him and following press about alleged infidelities which gave rise to corporate press releases disassociating themselves with the footballer's private life



# Question 3

How can the effectiveness of a sponsorship be measured?

Develop a sponsorship program, outlining how you would recommend any of Beckham's sponsorships to be evaluated.

## Question 3

# Measures of the Effectiveness of a Sponsoring Campaign

- According to Meenaghan, the purpose for most major sponsorship deals is to increase media coverage and name mentions/sightings. Sponsorship evaluations should consequently be divided into three steps:
  - Determine brand's present position in terms of pre-sponsorship awareness and image with target audience and set objectives for sponsorship. For example, increase number of mentions or sightings or audience size from 5 million impressions to 10 million.
  - Track movements in customer awareness and attitudes towards company or brand. Many companies employ specialist monitoring agencies for this step.
  - Post-sponsorship comparison of actual performance levels against initial objectives.

# Question 3

## Sponsoring Evaluation Program

### Beckham evaluations:

- Following Real Madrid purchase, increase in geographic and demographic reach (i.e. increase in brand awareness in Far East as result of matches abroad and World Cup exposure, increase in number of Real Madrid fans and product sales increases)

# Question 4

What are the strategic options available to a sponsor, in the event of the sponsored property receiving negative publicity like the experienced by Vodafone during the Beckham/Loss affair?

Furthermore recommend a course of action for a sponsor, giving reasons for your action.

## Question 4

### Strategic Options during Negative Press:

- Beckham example:
- Try to gain public sympathy over media intrusion into private family lives, thereby neutralizing negative press
- Sign of good faith, consisting of renewing deals (Adidas, Gillette)

## Question 4

### Strategic Options during Negative Press

- Rooney Example:
  - Coca Cola issued public statement chastising player, stating that his behavior does not match Coca Cola image and values, but still want to let everyone have a “second chance” so they will retain him
  - Ford issued public statement saying that they will review the deal
  - Nike issued statement that they do not comment on endorsers private lives

## Question 4

Best options depend on the nature of the controversy and the level of public sympathy/scrutiny.

## Question 4

In the Rooney case:

- Rooney was still a potential star and did not have the kind of long-term reputation of Beckham, so companies had to react more harshly



## Question 4

### In the Beckham example:

- his longstanding popularity and heroic status gave the companies more leeway in expressing their good faith in the star.
- The best option is most likely Nike's response, which argues that they respect their endorser's private lives, and that the athletic performance and brand should be viewed separately. This position can allow the company to win public favor and distance themselves from the scandal while simultaneously still reaping some of the benefits of association.

## Question 4

### Strategic Options during Negative Press:

- Terminating sponsorship
- “Sweet-talking” the event, trying to give it a positive spin.
- Denying that it ever happened.
- Lie about intensions.

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**DAVID BECKHAM**

**Thank you for your attention!**

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Sources:

Jobber, David. Principles and practice of marketing 4<sup>th</sup> edition. New York: McGraw-Hill Company, 2004.

Carroll, Conor. *The Brand that Beckham Built*. Variety of published sources, 2004.

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