Introduction

Sponsorship has long been viewed as a powerful communications tool, generating increased awareness and affinity for brands. From the early professionalisation of sport, entrepreneurs have acted as benefactors in philanthropic agreements with their preferred sports team or athletes (Meenaghan and Shipley, 1999). As early as the 1900s, companies are known to have sought affiliation with sporting events to promote their products; Slazenger was recognised as the first Wimbledon partner in 1902 in an agreement which saw them provide match balls for the tournament (the company claims this to be the longest-running sports sponsorship in history). While in 1904 the proprietors of the White Hart public house are known to have supported the development of Tottenham Hotspur’s White Hart Lane ground (Szymanski and Kuypers, 1999: 67). Individual athlete endorsement and advertising deals also have a long history – post-Second World War Preston North End player Tom Finney, for example, promoted Shredded Wheat in a commercial arrangement that was much more lucrative than a player’s wages at the time. Despite reluctance from football’s governing body, the FA, by the 1970s sponsorship was becoming more commonplace. The first football sponsorship in England occurred with the pre-season Watney Cup (named after the Watney Mann brewery) tournament of 1970.

Modern sponsorship with an overtly commercial element was conceived of in the late 1970s when governing bodies, with the help of external consultants, began to construct packages of sponsorship rights which would be sold exclusively to global partners in non-competing business sectors. It demanded a fresh mindset from governing bodies and event hosts, who had previously worked mainly with single sponsors or benefactors and struggled to manage commercial activities. Although starting after the 1978 FIFA World Cup in Argentina, the first such package culminated four years later at the FIFA World Cup in Spain. This packaged approach has since provided a model for all major sports and events (Nally, 2014). With football in financial crisis by the 1980s, sponsorship deals were being encouraged to help clubs generate the revenue needed to survive. Over the next three decades the sponsorship market expanded to enable brands to become core stakeholders in the football industry. While the traditional rights package was initially designed to maximise the rights holder’s revenue, it has become the dominant model for brands to expect (Nally, 2014).
The formation of the Premier League and its associated television coverage made the top tier of English football at least, very popular as a sponsorship vehicle, with the effects of association with the sport attracting commercial deals at all levels. However, the global recession in 2008 started to highlight inefficiencies in a market rife with poorly planned and unevaluated deals. As a consequence, by 2010 several major sponsors had retreated, with marketing managers afraid to be seen to be squandering cash without an effective means of guaranteeing a return on investment (ROI). Improvements in transparency and accountability following this period, however, have arguably created an even more important role for sponsorship and for some properties the market has continued to thrive.

This chapter will present an overview of the global sponsorship market before looking in more detail at the UK to consider why brands sponsor, particularly assessing sponsorship in the context of the overall marketing mix. We then look at the reasons why football has traditionally been the default vehicle for brands to convey their message in the UK. Once we have established what brands want to get from football sponsorship, we consider the different ways that these objectives can be achieved. Finally we look at the outlook for football sponsorship, highlighting some key challenges and opportunities.

The sponsorship market

Sponsorship is big business. In 2013, the global sponsorship market was worth an estimated £37bn, an increase of 21 per cent since 2009, and it is predicted to increase even further over the next few years (IEG, 2014). As Table 10.1 demonstrates, over half of this investment is in the USA, followed by Europe. Globally, approximately 70 per cent of sponsorship spend is attributable to sport, with the remainder invested mainly in entertainment and social causes.

In the UK in particular, the sport sponsorship market was estimated to be worth £372m. in 2014 and is expected to reach £413m. by 2017. Since sponsorship rights fees themselves typically equate to only half of the spending cost to advertise and promote them, it is estimated that corporations will spend well in excess of £750m. on sponsorship-related marketing in the year 2016 alone.

| Table 10.1 Estimated sponsorship spend by region |
|-------------------------|------------------|------------------|------------------|------------------|
|                        | 2012 spending (£bn) | 2013 spending (£bn) | 2014 spending (£bn) | 2015 spending (£bn) |
| North America          | 12.67             | 13.27             | 13.8             | 10.1             |
| Europe                 | 9.45              | 9.72              | 9.92             | 10.7             |
| Asia Pacific           | 8.04              | 8.44              | 8.91             | 9.8              |
| Central and South America | 2.61             | 2.68              | 2.81             | 3                |
| All other territories  | 1.47              | 1.54              | 1.61             | 1.8              |

Source: Adapted from IEG (2014).
Sponsorship and the marketing mix

Strategic partnerships between brands and sports properties are now a significant component of the marketing mix through which brands seek to make potential customers aware of products and services, build interest and positivity around them, and ultimately drive demand and loyalty (Jobber, 2010). In an environment where consumers are offered overwhelming choice, it is no longer enough to simply offer a product; the product must catch the consumer’s attention and stimulate imagination in order to differentiate it from its competition.

Central to any marketer’s considerations are the ‘four Ps’: product, price, place and promotion, which together are traditionally referred to as the marketing mix. Recent logic suggests that people should be the fifth P in the mix as brands seek to become more consumer focused and deliver real value to customers (Judd, 2003). Sponsorship is usually considered to fall into the promotion category as a way to influence consumers’ decisions. However, it can either stand as a single focus in itself, or be part of an integrated communications strategy. Figure 10.1 shows the core elements of the marketing and promotions mix.

Sponsorship is as a way to build both awareness and relationships with consumers. It has been defined by Meenaghan (1983: 9) as ‘the provision of assistance either financial or in-kind to an activity by a commercial organization for the purpose of achieving commercial objectives’.

The most persistent objectives identified in the academic literature are brand awareness and image enhancement (Cornwell and Maigman, 1998; Olson and Thjømøe, 2009). From a practical perspective, and looking at successful campaigns over the last decade, it is clear that while building awareness was traditionally the main driver in sponsorship agreements, and was also the main way in which sponsorships were measured, the focus has now shifted to engagement. In reality, sponsorship is like any other marketing communication; a way to encourage people to progress through the purchase funnel. By targeting a group of people by engaging with their passion points, brands have a captive audience to talk to. The ability to use sponsorship properties to convey brand messages and even showcase products and services, means that very few brands have refrained from taking a sponsorship route in one form or another.

As the sponsorship industry has become more accountable, a deeper understanding of why connecting people through their passion points can be a more effective method than targeted advertising has developed. In a survey conducted by global communications and marketing

![Figure 10.1 The marketing–promotions mix](image_url)
Anna Semens

group, Havas (2014), it was found that the majority of people would not care if 73 per cent of brands disappeared, and just 20 per cent of brands worldwide are seen to meaningfully, positively impact people’s lives. However, those brands that are more meaningful outperform the stock market by 120 per cent, an amount comparable to the top hedge funds. It thus has become a challenge for brands to become more meaningful. In order to do this, the same research suggests that those brands that are performing well tend to be those that engage with consumers through their passion points. As 50 per cent of the UK population are either interested or very interested in football, it is little surprise that so many brands have chosen to use this passion point as a way to connect to their target audience.

**Football sponsorship**

Football is the biggest sport by some distance in the UK with over 20 million people actively classing themselves as following it (Kantar, 2015). This audience covers all sectors of the community, but predominantly comprises males aged 16–65. As this is a very key group for many brands to reach, it is unsurprising that they are willing to pay a premium to be involved with major football properties. Additionally, the appeal of the Barclays Premier League in particular (see Table 10.2) enables brands to reach a global audience. Brands then expect that this association will lead to favourable recognition when the consumer is exposed to other specific marketing messages.

<table>
<thead>
<tr>
<th>Country</th>
<th>Interest in football</th>
<th>Interest in the Premier League</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>78</td>
<td>74</td>
</tr>
<tr>
<td>Thailand</td>
<td>67</td>
<td>45</td>
</tr>
<tr>
<td>Indonesia</td>
<td>67</td>
<td>41</td>
</tr>
<tr>
<td>South Africa</td>
<td>66</td>
<td>49</td>
</tr>
<tr>
<td>South Korea</td>
<td>66</td>
<td>40</td>
</tr>
<tr>
<td>Brazil</td>
<td>64</td>
<td>17</td>
</tr>
<tr>
<td>Argentina</td>
<td>59</td>
<td>23</td>
</tr>
<tr>
<td>Germany</td>
<td>56</td>
<td>11</td>
</tr>
<tr>
<td>Italy</td>
<td>53</td>
<td>15</td>
</tr>
<tr>
<td>Spain</td>
<td>51</td>
<td>11</td>
</tr>
<tr>
<td>Russia</td>
<td>50</td>
<td>27</td>
</tr>
<tr>
<td>UK</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Australia</td>
<td>48</td>
<td>24</td>
</tr>
<tr>
<td>France</td>
<td>41</td>
<td>21</td>
</tr>
<tr>
<td>Japan</td>
<td>41</td>
<td>19</td>
</tr>
<tr>
<td>China</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>India</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>USA</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

*Source: Premier League.*
This ability to reach a global audience is unique to football among sports. In 2012, the value of sponsorship deals secured by football properties increased by 59 per cent, to £234.1m. (Hucker, 2014). This is more than five times the amount generated by the next biggest sport; rugby union. Also, football was by far the most prolific in terms of the number of deals concluded, with 113 new deals (see Table 10.3).

### What do brands achieve through football sponsorship?

For the 2014/15 season, Sport Business has identified over 1,800 sponsorship relationships across the big five leagues in Europe (Italy, France, Spain, Germany and England). Brands from all industry sectors have sought to be involved in football for various reasons, both tangible and intangible, the main reasons being to gain publicity and media value, to improve brand metrics such as awareness, perception and consideration ultimately leading to purchase, to improve customer loyalty, engage new customers and act as a showcase for their product. While most deals will have elements of each of these, it is worth highlighting some examples of how they occur.

As a way to gain awareness, we have already established that football is the biggest single sponsorship vehicle for brands, reaching a global audience, and thus increasing brand awareness. Commenting on the renewal of Emirates’ relationship with Arsenal, the executive vice chairman of Emirates Airline and Group, Sir Maurice Flanagan, said:

> It is an extremely cost-effective way of maintaining worldwide exposure for brand Emirate … Annually it comes to around $8m, a fantastic bargain. We measure the ROI in terms of the worldwide value of the television exposure … incorporating all our markets.

(Football Marketing, 2012)

His reference to ROI measured in this way also demonstrates that Emirates in this case are mainly concerned with the tangible impact in terms of an equivalent advertising value of the exposure they receive through the partnership, known as the media value.

Similarly, when Aon partnered with Manchester United, Aon’s chief marketing officer explained: ‘We felt that for global reach it was good value … Compare it to running an advertising campaign in 120 countries. Advertising is difficult. To have one programme that works globally, externally and internally – that’s a nice value proposition’ (Robinson, 2013). In the UK, Aon’s brand awareness increased from 39 per cent to 50 per cent in the first year of the deal (Aitchison, 2014). While achieving similar measurable outcomes to Emirates, this deal is positioned slightly differently in that it was used as a strategic platform to unite their global campaign and not simply as a promotional tool in isolation. For Aon, this created economies of scale in terms of having a strategy that could be easily tweaked to appeal to their core markets.
Unlike traditional media advertising, sport sponsorship provides numerous additional benefits for a brand, such as the ability to develop relationships with customers and clients through access to tickets and hospitality as well as exclusive behind-the-scenes content and access to players. The exclusivity offered by being an official partner means that the association with the event is much stronger than it would be by simply purchasing tickets and hospitality. Similarly, official partners of a team or event are able to run competitions and other advertising campaigns around the football property to engage the audience and induce loyalty.

Sponsors of major events such as the Champions League are likely to invest £25m. to £30m. in rights fees. In return they have access to tickets, which are usually used for corporate guests or competitions. The opportunity for sponsors to provide their customers with exclusive access is key to retention. Brands such as MasterCard have integrated their sport properties into their marketing strategy through campaigns such as ‘Priceless’, with UEFA Champions League access one of the main selling points of this. Additional benefits are advertising surrounding the pitch and the ground. For the Champions League this is even more valuable as an exclusion zone protects the sponsor from the presence of non-official brands seeking to associate with the event through ambush marketing. In addition, it is common that the official sponsors would be offered (and usually take) ‘break bumpers’ – the short snapshot from a sponsor before an advert break begins. The rise of on-demand television means that live sport is one of the few times that advertisers can guarantee high viewing figures.

In the case of the best teams, brand partners are buying into an association with the values that football fans associate with their favourite team. These intangible benefits are often more important to a brand in the longer term and the ability to make meaningful connections with their target audience in order to improve brand metrics such as perception is a huge selling point. As well as the association with success, it is also important for brands to demonstrate their commitment to communities that they are present in. Referred to as corporate social responsibility, or simply corporate responsibility, until the late 2000s these types of investment were most likely to come from a different budget to the marketing spend. However, as brands are creating more integrated campaigns and see the benefits of connecting with consumers on a personal level, there is more assimilation between the two. Developing the right image and personality for a brand is important both externally, to attract new customers, and internally to develop strong workforces. Sony, for example, runs a graduate programme whereby new recruits spend time at a Street Football World project as part of the brand’s partnership. Consequently, retention of those staff involved in the scheme has increased significantly.

Of course, brands ideally want to exploit each of these opportunities as sponsors in their marketing. Through its partnership with Arsenal FC, mobile phone manufacturer Huawei is hoping to increase aided brand awareness from 36 per cent to 60 per cent in the first year (O’Reilly, 2014). They receive branding at matches as well as access to two of Arsenal’s players – Jack Wiltshire and Mesut Ozil as ambassadors. Through targeted activities to potential consumers, ‘money can’t buy’ experiences and direct and digital marketing to Arsenal fans, the brand also hopes to improve perception and affinity in the UK. For little-known brands, developing a personality in this way is vital to stand out from competitors. Huawei are also using the relationship to engage with their own employees and have created the ‘Huawei Cup’ five-a-side football competition where customers, staff and partners were invited to play at Arsenal’s Emirates Stadium.

This integrated strategy is becoming more visible across the sponsorship landscape. EE, for example, have become the presenting partner of Wembley Stadium in a deal which sees the ground renamed ‘Wembley Connected by EE’. This relationship not only enables the brand to showcase its skills – in this case in mobile technology, but it also helps to address the challenge
Football sponsorship

that the ground had in being a fantastic build, but without the digital infrastructure to give the attending audience the type of experience they would expect. Through the partnership EE also have access to tickets which are made available through their consumer loyalty programme as well as for competitions and hospitality, in addition to various other opportunities to engage with potential customers by showcasing their products.

What do fans think about brands being involved in sponsorship?

While it is clear that both brands and rights owners have a lot to gain through brand partnerships if they manage to engage with fans, they need to be careful to ensure that fans don’t perceive themselves as being used by football teams and events as an audience to sell to. Havas’s meaningful brands research found that 76 per cent of people believe that brands should provide funding and/or be actively involved in sponsorship of sport, entertainment or social agendas. This is an important point in guiding sponsorship activation in order to add value to customer experiences.

Types of football sponsorship

There are various channels through which football sponsors can achieve their objectives. Each will be considered in turn.

The first opportunity for brands is to partner with the national governing body. The structure of the sport is such that the FA has control of the English national team as well as being tasked with the development of the sport at all levels, including increasing grass-roots participation. The FA have followed the traditional sponsorship structure employed by most governing bodies of offering a headline partnership with a major sponsor (in this case Vauxhall), as well as lower-level partnerships with brands in various non-competing industry sectors (in this case Nike and Mars are ‘supporters’ while Lucozade, M&S, Nivea and Carlsberg are ‘suppliers’ – see Figure 10.2). In exchange for their investment, brands will be given various levels of access to advertising through perimeter boards and programme adverts, as well as tickets and hospitality and access to both players and the valuable football audience. With the ability to use customer relationship management (CRM) to drive engagement, properties are able to identify ever more touch points through which brands can personalise their role in order to engage with this audience.

While the headline, or lead partner, Vauxhall owns the right to everything related to the England national team, thus benefiting from exposure at major tournaments such as the Euros and World Cup as well as being able to activate domestically, the brand also has rights to the competitive junior element of competition, the FA Vauxhall youth programme. The commercial structure of the FA is set in Figure 10.2.

<table>
<thead>
<tr>
<th>LEAD PARTNER</th>
<th>Vauxhall</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTERS</td>
<td>Nike, Mars</td>
</tr>
<tr>
<td>SUPPLIERS</td>
<td>Carlsberg, Lucozade, Nivea, Marks and Spencer</td>
</tr>
<tr>
<td>PARTNERS</td>
<td>Community; McDonald’s, FA Skills; Tesco, Small Sided Football; Nike, Adult Football; Mars</td>
</tr>
</tbody>
</table>

Figure 10.2  The FA sponsors
Various partners have also become involved in grass-roots initiatives. Often this is a way for brands to demonstrate their community responsibility credentials. Particularly with partners like Mars and McDonald’s, these initiatives allow them to be exposed to their target market at the same time as being considered to promote healthy balanced lifestyles. It is a fine balance for brands and properties in this area to promote the right message, particularly if they are typically selling unhealthy products.

The FA currently generates in excess of £50m. annually in commercial revenue. However, it found that the economic climate, along with poor performances on the pitch, left it without a headline partner for six months after Nationwide ended its 11-year relationship in 2010. This highlights the precarious nature of the sport and the ease with which brands can turn away. If the team on the pitch is not performing well, ultimately the audience size will decline and the association will shift from being one of success and pride, towards more negative connotations of underachieving and not being good enough.

The Football League also struggled to find a headline sponsor in 2013, eventually signing a deal with Sky Bet just two weeks before the start of the season (Rumsby, 2013). The League is thought to have leveraged its relationship with Sky Sports, with whom it also agreed a three-year extension to its television deal having struggled to secure fees at the same level that Npower was said to have paid previously (£7m. per annum). While the sponsorship market is healthy overall, brands need to be able to prove that any investment will deliver results across the business. With 72 teams across its three leagues, the Football League has a cumulative UK audience larger than England’s top division, the Premier League, but the lack of a global footprint means that brands would be mainly limited to domestic exposure. As well as having a clear idea of the returns likely to accrue from a sponsorship, brands also need to consider the opportunity cost of investing in one deal in favour of another opportunity.

For a similar level of investment to a property like the FA Cup, a brand could become the headline partner of a mid-table Premier League team or a lower-level partner of one of the top clubs. Virtually all football teams have a suite of partners organised in a similar fashion to the example of the FA, with one main sponsor (usually on their shirt) and various others with category exclusivity at lower levels, followed by a number of suppliers.

Shirt sponsorship has traditionally been the most valuable source of revenue for clubs. When JVC sponsored Arsenal’s shirt in 1981, it paid £500,000 over three years (Szymanski and Kuypers, 1999: 67). Now, that deal would be worth much more: in 2013 Manchester United signed a world-record shirt sponsorship with General Motors (Chevrolet), worth $559m. over seven years (Saphir, 2012).

While shirt sponsorship has become an integral part of revenue generation for most clubs, Barcelona resisted such a commercial relationship until very recently. The 2013/14 season was the first time that their shirt carried the name of a commercial entity – Qatar Airways. The club received €30.5m. in 2013/14 for the sponsorship, with an additional €5m. if they won the Champions League (Deloitte, 2014). In addition to wearing the Qatar Airways brand on the front of their shirts, Barcelona has also agreed a deal with Intel, who have become the club’s official technology partner until June 2018. Under the agreement Intel’s logo will be featured on the inside of the Barcelona shirt, in a deal worth $25m. (€19.2m.) in total. Another sponsorship agreement sees Beko’s logo features on their shirt sleeves.

Other clubs too, have attempted to maximise their sponsorship revenue by providing visibility to more than one partner on their kit. In contrast to other sports and other markets, football clubs in the UK tend to limit the number of sponsor brands worn by players in order to give clear cut-through for the brands – thus making their asset more valuable. However, Tottenham Hotspur have split the rights for their league and cup kits, with Aurasma on the shirt.
Football sponsorship

front for Premier League matches, and Investec taking the cup (both domestic and European) matches. This commercial strategy continued with HP and AIA for Premier League and cup matches respectively, from the 2013/14 season.

According to a 2010 study by Sport+Markt, shirt sponsors and kit manufacturers dominate European football communication with Adidas, Nike and Puma the best-known football sponsors in the five largest European football markets. In the UK the sports leisurewear market is worth around £4.5bn (Hucker, 2014). Replica shirts are a major revenue generator in this market and as a consequence manufacturers have invested heavily to associate their brand with clubs. Table 10.4 shows the biggest kit deals in 2014. Manchester United’s agreement with Adidas worth £700m. over a ten-year term, effective from 2015, doubles the amount that the club previously received from rival manufacturer Nike. However, with predicted shirt sales alone of £1.5bn over the term of the contract, it is clear to see why Adidas were keen to make this level of investment (Sale and Lawton, 2014).

Aside from the rights fee from a manufacturer, clubs also receive value in kind through free kit for the club squads and staff, royalties on replica shirts sold and bonuses for performance. However, this level of investment by manufacturers, and indeed other sponsors in general would often come with specific terms attached – often termination rights should the club be relegated or bring about other negative associations such as hooliganism by fans or insolvency (Szymanski and Kuypers, 1999: 71).

As clubs seek to maximise revenue, they are becoming more inventive with the way they package their rights. Manchester United lead the way commercially with a suite of both global and regional partners. The club’s strategy of capitalising on its worldwide appeal by targeting localised sponsorships and partnerships has generated $42.6m. across 38 separate deals. This approach, which includes STC as its official mobile partner in Saudi Arabia, TM in the same category across Malaysia, and Smirnoff vodka as the ‘responsible drinking partner’ in the Asia Pacific region, has enabled the club to generate sponsorship revenue 350 per cent above that of its closest commercial rival, Barcelona (Gittings, 2014). These various sponsors in local markets are often at a supplier level where brands seek to showcase their products. While traditional rights packages would have guaranteed category exclusivity, the market-based approach taken by Manchester United negates the need for this. While elements of this new model can be adapted for events, there will of course still need to be category exclusivity in some cases.

At the 2014 FIFA World Cup for example, Hublot was the official timekeeper of the tournament. This enabled the brand to associate with the prestige of the tournament and also put their product front of mind with the viewing audience. For Hublot, the ability to not only associate with the biggest football tournament in the world, but also to do it in such a way that

<table>
<thead>
<tr>
<th>Club</th>
<th>Manufacturer</th>
<th>Duration (years)</th>
<th>Total fee (£m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester United</td>
<td>Adidas</td>
<td>10</td>
<td>700</td>
</tr>
<tr>
<td>Real Madrid</td>
<td>Adidas</td>
<td>8</td>
<td>248</td>
</tr>
<tr>
<td>Chelsea</td>
<td>Adidas</td>
<td>10</td>
<td>300</td>
</tr>
<tr>
<td>Arsenal</td>
<td>Puma</td>
<td>5</td>
<td>170</td>
</tr>
<tr>
<td>Barcelona</td>
<td>Nike</td>
<td>10</td>
<td>270</td>
</tr>
<tr>
<td>Liverpool</td>
<td>Warrior</td>
<td>6</td>
<td>150</td>
</tr>
<tr>
<td>Manchester City</td>
<td>Nike</td>
<td>6</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: adapted from Sale and Lawton (2014).
it was very clear what their product was, was particularly important. The brand supplemented their activity with special-edition watches and ambassadors around the event.

Sponsorship of football grounds has arguably been the biggest growth area in UK football over the last 20 years and the example of Wembley Connected by EE is not only a great showcasing opportunity but also puts the brand front of mind among the Wembley audience. However, relationships of this sort must be well planned if the general public are to really refer to the stadium by its official name. While there can be fantastic exposure if brands are involved from the beginning, such as with the Emirates, if the ground has previously been known by a different name, it will be difficult to achieve cut-through.

Aside from partnering with a club or event, many brands agree deals with individual players. The main benefits of player endorsements are in value transfers and direct access to the player for advertising. Additionally, the ability to create content and otherwise unavailable access can be very powerful, particularly as a way to engage with potential consumers through digital media; Cristiano Ronaldo for example, has over 100 million followers on Twitter. However, brands are very reliant on the player acting in a manner that they want to be associated with. While 888 Poker quickly terminated their relationship with Luis Suárez after his biting of another player during the 2014 World Cup, Nike have long benefited from their relationship with Cristiano Ronaldo, with fans worldwide seeking to be seen in the same kit as their hero. It was widely reported that Nike was very influential in the possible return of Ronaldo to Old Trafford (Custis, 2013). However, even with successful relationships like this, there is always a danger that the player has a dip in form or gets injured and can no longer promote the product to the same degree.

Tactical sponsorships which are used to either stop a rival from gaining a certain association or exposure are not uncommon for the biggest brands too. Adidas and Nike, for example, often go head to head to become associated with the main properties, either officially or unofficially. Other sponsorships are used to signal a sponsor’s presence on a world stage – this has been particularly evident of late with brands from the emerging markets.

### The future of football sponsorship

Football sponsorship spend has increased steadily in England over the last five years and this trend looks set to continue. The 2015/16 season will see the end of the existing commercial partnership through which the top league in England is referred to as the Barclays Premier League. The bank is thought to have invested £120m. in rights fees alone across the three-year term of the partnership agreement, and it is widely expected that whoever becomes the title sponsor of the Premier League from 2016, be that Barclays or another brand, will need to invest a significantly higher fee (Millington, 2015).

At a club level, the introduction of regulations on financial fair play has made it even more important for clubs to generate revenue from commercial partners, and we have seen a significant increase in the value of sponsorship deals, particularly for the top clubs. Sponsors now often come from emerging markets as they see football has the potential to quickly put their brand front of mind across their target audience. At the start of the 2013/14 season, seven of the top 20 clubs in Europe by revenue have a Middle Eastern airline shirt sponsor (Deloitte, 2014). The growth in global interest in football shows no sign of slowing down and we should expect revenues for the top 20 clubs to increase further as they find ways to exploit the most lucrative emerging markets and technologies. However, at lower levels of the game, rights owners have found it more difficult to secure commercial partners and realism has entered the market that had perhaps not previously been seen.
A number of key trends are likely to influence the future of sponsorship in football. As we have already seen across the sponsorship industry in general, the development of technology and the availability of big data through CRM means that consumers now expect their experience with brands to be personalised. Brands now are trying to make the audience centre of their sponsorship (instead of the traditional four Ps). Konami’s ‘In the Game’ campaign for the launch of ‘PES 2013’ in Spain, sought to prove to their nine million active PES users, that it was the best football simulator ever made. This was the first campaign ever to convert a videogame fan into the protagonist by becoming one of the players in it. This strategy turned the product itself into the communications medium in order to bring the brand and its fans closer. Digital and social media meant that this was an organic campaign relying on word of mouth, bypassing more traditional channels. By making the product itself the hub of the campaign, it was not intrusive for users and would be long-lasting over time. This personalisation is likely to be an increasing trend over the coming years. The target audience for brands will not accept generic messaging, but will want the brand to play a useful part in enhancing their experience.

The changing opinions and activities of audiences, particularly with expectations of brands to behave responsibly, mean that sponsors are expected to be arbiters in challenging situations. Sponsors require ever increasing levels of control over their partners. When Oldham Athletic considered signing (at the time) convicted rapist Ched Evans, for example, various sponsors threatened to withdraw their support (Telegraph Sport, 2015).

Similarly, following various accusations at the heart of the world governing body, FIFA has lost a number of commercial sponsors (Rumsby, 2015). While there will always be other brands keen to buy the association with the global audience, if the negativity surrounding its governing body continues it is likely that brands will become even more wary. The same has been seen with cycling on a smaller scale, whereby drug scandals throughout the sport meant that both sponsors and broadcasters were no longer willing to support the sport.

**Conclusions**

Sport has in the last 50 years shifted from being a communications tool for brands into a commercial revenue driver, and as such the partnership model needs to continually evolve to meet the needs of both the rights owners and the sponsors. The past decade has seen a clear shift from brands as sponsors to brands as commercial partners. As such, these stakeholders have begun to take more control in the industry. This, coupled with developments in technology, has changed the relationship between the sponsor and sponsoree. The sponsorship model has to evolve and essential to this is getting a clear measurement of ROI and being able to isolate out the key revenue drivers of a sponsorship. We are already seeing that being able to value a property in advance, according to what it will deliver to a specific brand, is changing the balance of power in negotiations. Although the traditional model of exclusive category sponsorship is still relevant in some areas, the blurred definitions of modern companies (for example Barclays classing itself as a tech company) means that these silos are no longer relevant. While we are seeing clubs like Manchester United change their sponsorship strategy to better suit what brands need (and thus maximise revenue) it remains to be seen whether this model can deliver returns for properties that are less popular. Instead, the future calls for integration of partners with various needs that can work together. Applying modified CRM mechanisms to the football audience can help this.

Research into millennials also suggests a shift in mindset from globalisation to glocalisation, whereby the global context is a given; but individuals care about their local environment and want to see brands have a positive impact on their local area (MTV Insights, 2013). We are beginning to
see this translate to the way that sponsorship rights are packaged in two ways. First, in the domestic market brands are investing more in grass roots, which has a knock-on effect of contributing to both the health and well-being agenda, as well as providing facilities and aiding community cohesion. Of course communities of fans can be seen around the world and brands and rights holders alike are seeking to exploit this. The biggest Premier League teams are all opening offices in Asia, for example, in order to develop their commercial operations across the continent.

Companies must focus on individual consumers, not the general population, tailoring the product and services to suit. As well as market-specific offerings, we expect sponsorships in future to be channel specific, where fan loyalty can be tapped through special local offers on social media and targeted content sent digitally. If sponsors and rights owners can seize upon these opportunities, we will see better campaigns which can deliver more added value for all involved.

References


