

CATCH THEM YOUNG AND KEEP THEM LONG

Sponsoring the brand

**Joe Michael
Barbie Clarke
Rohin Malhotra**

This paper seeks to answer a major question: how effective is sponsorship? This paper argues the case for sponsorship and search for ways in which effectiveness can be evaluated. The paper particularly looks at the way a brand can be built through a life-long association to major sporting events, and how children can begin to accept the brand, even though it may not be directly relevant to them. The paper then looks at the attitude of major global brand sponsors to The World Cup, and will assess the perceived effectiveness of the association with the event on their brand through pre and post awareness research.

INTRODUCTION

This paper concentrates on the big sponsorship event of the year – The 2002 FIFA World Cup. The 15 ‘Official’ FIFA partners have paid around \$360 million for ‘top-tier’ sponsorship rights alone (*Financial Times* 2002). As we work in the area of children and young people, our particular fascination is the effect of sponsorship on children –does this have long term effect on their relationship to the brand?

Our paper is based on new research carried out by Kids and Youth analysing the impact sponsorship, and in particular the World Cup, has had on children aged 7 - 14 years in the Netherlands, Spain, Germany, France and the United Kingdom. We have carried out quantitative research with kids across Europe on-line, as well as some discussion groups with children who watched the World Cup. We have also carried out some in-depth interviews with marketing directors for major brand sponsors and directors of media agencies who specialise in Sponsorship.

A BRIEF BACKGROUND ON SPONSORSHIP

In her book *No Logo* (2000), Naomi Klein, the celebrated anti-corporate and anti-brand campaigner, highlighted the beginnings of modern day sports sponsorship going back to the United States in the 1950s. As part of the reduction in corporation tax, companies were expected to make contributions to communities and to accept some responsibility for funding education, sport and local events in general. Sponsorship, especially of sporting events, began (and was largely accepted) as a philanthropic gesture.

The Reagan administration in the United States in the 1980s, closely followed by the Conservative government in the United Kingdom, accelerated the process of so-called corporate philanthropy by reducing federal taxes, even further thus expecting increased ‘social’ contributions from large corporations in terms of sponsorship of local and national events.

By the early 1980s companies had, not surprisingly, also concluded that sponsorship had an important role to play in promoting their ‘brands’ in addition to their existing marketing strategies. In short, corporate philanthropy became a worthy but relatively unimportant reason for sponsoring events and especially large sporting events.

Around \$6 billion dollars is spent on European sports sponsorship alone (Simon Rines, *Driving Business through Sport*, 2001). The growth of worldwide sponsorship from \$3 million to around \$25 billion between 1984 and 1996 (Meenaghan 1998) is evidence of the level of perceived benefit that companies gain from sponsorship as an advertising and promotional medium.

Meenaghan predicted that the monetary value of sponsorship would grow as technology permitted targeting of individuals in their leisure time in way not possible for traditional advertising. This prediction is getting closer to reality. The FIFAworldcup.com website has become the most successful sports event website ever. Three-quarters of the way into the World Cup (21st June) over 1,452 billion pages had been registered with the most number of pages viewed on a single day at 127.9 million (FIFAworldcup.com/Yahoo). Kirch Media, owners of the TV rights to the this year's event stated that *'we are seeing a new kind of viewing – on a much wider variety of media – 'round the clock and around the world'*.

SPONSORSHIP EFFECTIVENESS AND KIDS

Despite the staggering growth in sponsorship, in particular football (soccer to our American friends), decreasing television sports rights revenues are creating an increasing demand from advertisers for greater accountability of their spend.

Sports sponsorship has been described as 'the unguided missile of marketing' (Drayton Bird, Drayton Bird Partnership, *FT Creative Business* 20-04-02) but surely the same could also be argued about conventional advertising? Sponsorship and advertising have been seen as playing a similar role for brands, to primarily reinforce consumer attitudes towards a company and its products (assuming that consumers had a positive image of the company in the first place, (McDonald 1991, Crimmins and Horn 1996, Erhenberg 1974) and to play a defensive role in maintaining a company's market share. Studies have supported the theory that sponsorship can reinforce beliefs but is unlikely to instil new beliefs and be even less likely to initiate new behaviour patterns (Hoek, Gendall, Jeffcoat and Orsman 1997). In another paper Hoek (1999) also concluded that *'without the incorporation of specific behavioural measures into sponsorship, evaluation will remain limited to a bland investigation of awareness, attitude (image) and possibly preferences, with no real understanding of the relationship between these variables and consumers behaviour'*.

Hoek suggested a variety of methods of direct contact between consumers and companies (via telephone, mail competitions, Internet communication) to assess the behavioural effect of a sponsorship campaign. The main issue with the 'behaviourist' argument is that it is not possible to separate the effect of sponsorship from other forms of communications, in effect clutter, so it would be impossible to truly measure the effect of sponsorship in isolation.

The fact that companies continue to promote their brands via sponsorship of specific sports events leads one to assume that there is a net benefit to their brands. For example, MasterCard, one of this year's FIFA World Cup official partners, received an estimated \$98 million worth of media value for its \$30 million 1998 FIFA World Cup sponsorship. This figure excludes any additional benefits associated from the event as a marketing platform, including 125,000 affinity cards issued (Simon Rines, *Driving Business through Sport*, 2001). MasterCard has already signed up for the 2006 World Cup.

Perhaps the best example of the effectiveness of sponsorship is in the controversial area of Tobacco. Cigarette companies maintain that their main reason for advertising and sponsorship is to encourage smokers to switch brands rather than to encourage non-smokers or existing smokers to smoke more (Tobacco Advertising Council, 1986). They claim not to target children. Due to documented and accepted research many countries have banned television tobacco advertising but allowed tobacco sponsored events, especially sports, to regulate themselves by confining television coverage to adult audiences. The Health Education Authority in the United Kingdom state that many children aged 9 - 15 years claim to see cigarette advertising on TV, when in fact, they are watching tobacco sponsored sporting events. Children cite sponsorship as evidence that Government is not seriously concerned about the problem of smoking by allowing such sponsorship. '*Children see things straight. We should be straight with them*' (Donald Maitland, Chairman, Health Education Authority, United Kingdom).

The most compelling evidence we have found to demonstrate sponsorship effectiveness comes from a survey released in 1999 by the Indian Medical Association. They stated that due to the sponsorship of the Indian cricket team by a leading Indian tobacco company during the 1996 Cricket World Cup, there was a fourfold increase in the number of children aged 13 - 17 years who took up smoking during the tournament. They saw their heroes wearing the logo of the cigarette brand and felt they would become better cricket players if they smoked (BBC News, 1999). This is a clear example of how a supposedly adult non-sports brand has benefited from association with a major sports event.

The advertising agency, Ted Bates, once presented advice to a tobacco company on how to reach young people. '*Present the cigarette as one of the few initiations into the adult world*' (WHO, 2002). We could argue that kids also see major sporting events, with all the surrounding hype, as initiations into the adult world, and there is no bigger event than the FIFA World Cup.

IMPORTANCE OF THE WORLD CUP TO ADVERTISERS

Kirsch Group, the German media company, paid FIFA \$1.4 billion in 1998 for the rights to the 2002 and 2006 World Cups. Their strategy was to sell individual rights to the highest bidder in each market. This caused an uproar in countries where satellite and cable pay TV companies were prepared to bid the highest amounts. Governments scorned the idea that people unable to pay for television could not view, and thus participate, in this important global event. After negotiation and intense pressure FIFA and Kirsch decided, that for countries participating in the competition (apart from the United States), only acceptable bids from free-to-air TV companies would be considered for the home nation's games.

In addition to revenues from television rights, FIFA, as we have already mentioned, sold the 'top-tier' 'official partner' rights to 15 major global companies. There were many companies eagerly willing to pay the large sums to become official partners but with brands including Adidas and Coca-Cola accepted as 'official partners' there was then no room for direct competitors such as Nike and Pepsi. This situation has led companies, unable to become official partners or unwilling to pay the large fees, to participate in what is known as 'guerrilla' or 'ambush' marketing. They are seen as deliberately attempting to hijack publicity surrounding the World Cup with their own unofficial advertising. FIFA has labelled companies involved in such activities as 'parasites' whose 'illegal' activities threaten the interests of worldwide football. It is interesting to note that over 500 legal cases in 51 countries have been brought by FIFA against companies infringing their rights with a 90% success rate (*Guardian*, 6/02)

For official sponsors the World Cup represents huge captive global audiences. It was estimated that a cumulative audience of over 37 billion people watched the World Cup in 1998 and the cumulative audience for the 2002 event is likely to be even larger. Record-breaking TV audiences were common in many countries this year. In China, who qualified for the final stages for the first time, the audience for the China vs. Brazil game was estimated at around 330 million people (FIFA Marketing/ Sponsorship Intelligence). Incidentally, Coca-Cola also sponsored Team China and initiated a huge marketing program in the country. With the inclusion of new media such as the Internet and mobile phones and the unprecedented levels of 'out of home' viewing (in bars, clubs, cinemas, city squares, parks etc), the event lived up to its billing as a '24/7' experience.

August A. Busch IV, Vice President, Marketing, Anheuser-Busch, Inc., owners of Budweiser, described the World Cup as *'The world's premier sporting event, it is the best international sports marketing vehicle in the world. An honour for Budweiser to extend our long partnership with FIFA ... and will enhance the brand's image in hundreds of international markets'*. His companies' press releases also state that their *'products are brewed to be enjoyed responsibly by adults'*.

FIFA also espouses the positive brand imaging that it gives and receives from its official partners and blatantly makes the point that it *'welcomes ideas and initiatives from the corporate world which may serve the future of the sport, providing children from all over the world with unforgettable and unique access to their role models, the football stars of today'*. It would appear that FIFA understand the effect that their event has on children and have publicly stated it. The 'partners', like many other major companies, shy away from such direct associations when it comes to marketing to kids.

CHILDREN AND SPONSORSHIP

As a company, Kids and Youth specialise and understand the 4 - 24 age group. The work we have done in this area over the past few years has increasingly shown just us how media savvy and brand conscious kids are and not only for brands that are obviously targeted at them. We have seen from previous work that children influence the brand of cars their parents drive, the food that is selected for their household shopping and even take the lead, in some cases, when influencing technology in the home. The Internet provides them with information and allows them to interact with other children around the world. This is referred to as the 'Global Playground' (Barbie Clarke, 2000)

Today's children are so media and marketing literate that they will speak knowledgeably about the way brands are marketed, putting third year advertising and communications students to shame. The group discussions we carried out with 8 - 12 year olds yielded analytical and deep thinking consideration of the way new product development could be steered. Words and phrases such as 'brands', 'packaging', 'design', 'the use of fonts and colour', 'alliteration in a slogan', 'promotions', were all used by these children.

But how are they learning to be so marketing savvy? Awareness of the purpose of advertising, increasing confidence in their own ability to influence their parents to purchase goods (also known as pester power), association with brands not normally linked with kids, an aspiration for adult brands, a wish at a younger and younger age to be initiated into the adult world – all this means

that awareness of marketing, advertising, and sponsorship is alive and kicking before the children even becomes a teenager.

Take just one example, that of awareness of a Building Society. Why should a child take any interest in a Building Society; it may or may not offer children's savings accounts (in fact it does), but it will be a long time before the child actually needs to apply to the Building Society for a car or home loan. And yet there is probably not one child in England who is not aware of The Nationwide – simply because they are the official sponsors of the England Football team and the Football League. Formula 1 2002 World Racing Champion Michael Schumacher is a hero, but intrinsically linked to the scarlet red of the Ferrari team is the logo of Vodaphone.

In our recent EuroKids research carried out by Kids and Youth, using the Fox Kids platform, we asked children aged 5 - 14 years about their favourite hobby, game or interest. The research was carried out in Germany, Spain, United Kingdom, France and Holland. Frighteningly, 15% of all children answered that watching TV was their favourite pastime, and in Germany this figure rose to 20%. Overall, in all countries, nearly a third of children aged 5 - 6 (29%) cite TV viewing as their favourite pastime. Although this diminishes to just one in ten by age 10; it is nevertheless sobering to realise just how much children must absorb at a young age. And this is carried through to the 'middle years of childhood' or 'tweenagers' aged 8 - 12 years.

Mixing with peers with the right brand of trainers (currently Puma), the correct haircut (preferably Beckham), the right branded food and drink in the lunchbox (forget own label) is the *sine qua non* of acceptance, the way to be admired and popular for children aged 8 - 12. Acceptance by peers becomes paramount for this age group, and parents buy into this also. To be different can mean to be bullied, rejected, made to feel the outsider. All this is brought about, not just by direct advertising or promotion, but through watching and absorbing television. Soaps and sport especially are popular with children, and with this the inherent product placement and sponsorship that accompanies it. It allows children to have a warm, nostalgic, comfortable feel for the brand, a feeling or sense that will remain with them often into adulthood.

Increasingly, advertising to children is becoming more restrictive, especially in Europe and particularly in Sweden. In the United Kingdom 118 Members of Parliament (MPs) backed a motion in March 2002 to introduce a total ban on ads during children's television. Advertisers are aware of the situation and Kellogg, Mattel, Hasbro and Masterfoods have all signed up to an industry-wide initiative to 'educate young people about ads'. Some companies are looking at different ways to reach children, McDonalds have recently signed a major deal with the UK's commercial Independent Television companies (ITV) to sponsor the ITV weekend children's programming strand, prompting

one MP to call for fast food TV deals to be banned (*Campaign* 27/6/02). McDonalds is a major sponsor of sports events all over the world from grassroots to the Olympic Games and have sponsored the FIFA World Cup since 1994 and will be again in Germany in four year's time.

The role of sponsorship as promotional tool may be even more important to brands in the future than it has already been thus far.

‘CATCH THEM YOUNG’ – THE RELATIONSHIP BETWEEN MARKETING AND CHOICE

We are arguing that sponsorship is as effective as advertising in informing and relating the core values of a brand. Sponsoring adult products to an audience that includes children can mean that these children will develop a relationship with the brand that they carry with them into adulthood. Marketing, and in particular sponsorship, can also encourage and empower children to make choices.

Marketing to young people can become a contentious issue. Just recently the new Archbishop of Canterbury, Dr Rowan Williams, whose appointment as head of the Church of England was announced on July 23rd, criticised what he described as the corruption and premature sexualisation of children by a consumer society. He does, however, praise children's authors Enid Blyton and Roald Dahl. He writes *'Fantasy is given free rein, in a world in which 'ordinary' adult agents are largely absent'*. It is interesting to note that both these authors have been widely criticised in the past for exploitation of children, and for presenting an unreal world to them.

In Dr William's book *Lost Icons* (published by Continuum), serialised in *The Times*, and published on the day of his appointment he wrote *'Children must be free of the pressure to make adult choices if they are to learn how to make such choices.'* He singled out the Disney Corporation and its 'tie-ins' with confectionery, toys, comics and films, writing *'The Disney empire has developed this to an unprecedented degree of professionalism'*. He goes on to criticise expensive computer games designed to lead to more challenging levels and *'the conscription of children into the fetishistic hysteria of style wars.'*

This view prompted a mixed and extreme response. Some children's charities backed his criticism of the exploitation of children. The NSPCC (The National Society for Prevention of Cruelty to Children), of which the current Archbishop is patron, stated *'The NSPCC believed children should not be treated in an adult way and should have the opportunity to enjoy normal childhood experiences.'* Not all agreed, however. Not surprisingly Disney

responded by issuing a statement saying it was proud of what it has achieved over the last 75 years. *“We have captivated and enthralled children and adults worldwide for over 75 years – community decency is our centrepiece.”*

Matthew Parris, writing in *The Times* (27 July 2002) in response to the protestations of Dr Williams, says *‘There has never since the dawn of man been an age in which childhood was more cherished, idealised, sentimentalised, compartmentalised, cosseted, stockaded into a consequence-free fantasy world and protected from reality. Nor has there ever been an age in which this infantile state of pleasant stupefaction lasted longer.’* He goes on to argue that in many countries in the world children still hardly experience childhood at all. He cites the poor Andes villages of Peru where *‘as soon as a boy can be useful to his father, he is off in the field working with him. Children of all ages are set to work plucking the fine wool from moulting llamas, the girls spin. When a child is strong enough to carry water, she is sent to fetch it.’* He concludes *‘Something is not made wrong because a big corporation may profit from it. For many centuries the Church which Dr Williams is shortly to head has forced upon childhood its products, its corporate culture, its brainwashing and a range of expensive accessories and associated activities of which Disney could only have dreamt ... Move over, Canterbury. This is 2002 and it’s Spider-Man’s turn. On the whole I find his product range less threatening.’*

We clearly, as researchers, play an important and vital role in the process of marketing. The purpose of marketing is to inform, educate, and encourage take up of whatever the subject might be, whether a brand, product, service, country, ethos, culture, or indeed religion. Marketing to young people is more than just hard selling, it is also a process of informing and offering them choice. For instance, the fact that Nationwide Building Society is so well known amongst English kids through its sponsorship of the England football team does no intrinsic harm to them, but it will, we would argue, give them a familiarity and link with the brand that will last through to adulthood. Children, above all, want to be accepted. They want to be accepted by their parents, firstly, but then they want to be accepted by their peers. Acceptance can mean conforming to a set of values that they do not necessarily hold, for instance experimenting with drugs, sex, cigarettes, often brought about as much by peer pressure as a real wish to experiment. Association with a well-known personality, or sport, could encourage experimentation, or it could give them the opportunity to understand that they have a choice. To give children choice, and the notion that it is acceptable to make informed choices, can only be empowering to them.

THE AUTHORS

Joe Michael is Joint Managing Director, The Kids and Youth Consultancy, United Kingdom.

Barbie Clarke is Joint Managing Director, The Kids and Youth Consultancy, United Kingdom.

Rohin Malhotra is General Manager, Fox Kids Europe: Online Research Services, United Kingdom.
