

MOVING THE GOALPOSTS

Football sponsorship strikes at the heart of egaming's core demographic. But how much value do these deals drive now the space is so crowded, and why are the big brands apparently pulling out?

■ BY JOANNE CHRISTIE

For an industry aimed so heavily at male sports fans, there would seem no better place to advertise than on star football players' shirts. Indeed, as the current shirt sponsorship table for the English Premier League (EPL) demonstrates, the egaming industry has firmly embraced this marketing channel, with seven out of the 20 team shirts branded by gambling operators in the 2009/10 season, five of these being pure online businesses. Cast the net wider to include mainland Europe and it is a similar story, with leading teams in France, Italy, Spain and Portugal taking to the pitch wearing egaming brands.

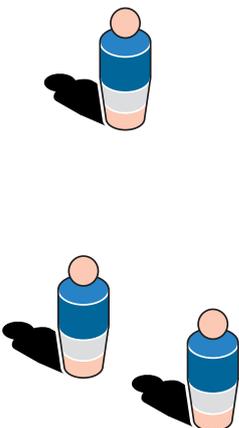
But a closer look at the EPL table displays a distinct absence of some of the more recognisable names. In other words, it's not exactly the who's who of British gambling one might expect.

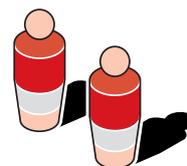
Some marketing experts say this is because the value of such expensive and high-profile marketing activity lies in its ability to launch a brand, rather than any appreciable return on investment (ROI).

Companies across other sectors have certainly used it to propel their brand into the marketplace. Over the past decade, airline Emirates has utilised deals with Chelsea, and later Arsenal, to grow from an almost unheard-of Middle Eastern carrier to one of the leading long-haul carriers operating out of the UK.

SBObet is hoping for a similar outcome. While a major player in Asia, its European brand was not launched until August 2008. But the operator wasted little time securing the shirt sponsorship of EPL team West Ham United in December 2008 after the collapse of XL Holidays left the club without a sponsor.

Bill Mummery, executive director of SBO-





bet's European subsidiary Celton Manx, explains: "Although SBObet globally is one of the top sportsbooks, within the UK and Europe it was a late entrant so the original rationale was to get our brand on the radar."

Befair is adopting a similar strategy regarding markets outside the UK via its betting partnership with Manchester United. "The aim was to increase our presence in Europe where we are less well known than perhaps in the UK, but we are also keen to have a presence in the UK because obviously more than 40% of our customers are based in the UK," says spokesman Richard Bloch.

When asked why Befair did not opt for the greater exposure offered by shirt sponsorship, Bloch says: "It was really just a matter of weighing up the potential ROI, and we felt that shirt sponsorships with a smaller club wouldn't get us as much as tying up with some of the biggest names in football. They had deals in place that were probably a bit prohibitive. I don't think you could ever get an ROI in that personally, but those kind of marquee sponsorships weren't available at the time anyway."

Indeed, with Manchester's shirt sponsorship standing at a reported £15m per year, it's little wonder operators would think twice about the investment, particularly in such a crowded sponsorship marketplace. Most agree the spend pays off in brand awareness, but when it comes to actual ROI, the picture is rather less clear.

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Cold, hard returns

Coming up with cold, hard figures on how sporting partnerships translate to more players is difficult as there is no definitive way to measure how many accounts you get off the back of a sponsorship deal, says Ed Stevens, managing director at Jack Media. "It is more difficult if you are an established player here in the UK and you've got lots of other activity and you have to do a media audit and work out which bit is responsible for which," he says. "SBObet is not very well known in the UK apart from taking out football sponsorship, so for them it is probably more measurable."

Mummery agrees: "One of the surprising elements to this for us is the extent to which the ROI is measurable. In reality, it has not been difficult at all." He says that in the lead up to EPL games, the volume of transactions almost

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Matt Nunan, BoyleSports

doubles for SBObet and, while he is reluctant to give too much away about the returns, he says they were good enough to convince him to extend the deal.

"Based on our experience in the first 15 months, I then concluded an agreement with West Ham which takes the agreement to 2013/14. If one considers that was taken out at the beginning of the economic cycle, it demonstrates the confidence we have in it as a marketing tool and the success we have had with it to date."

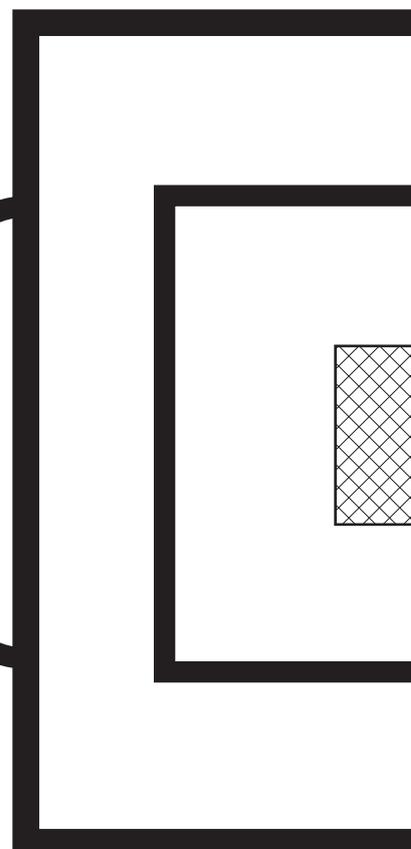
Even for the more established operators, some elements are clearly measurable. Television viewing hours, for example, although most operators are unwilling to discuss contractually negotiated on-air time.

However, Katharina Riedl, Bwin's head of corporate communications, gives a general guide to what the company gets for the €35m it invests in sports sponsorship each year. "What we do know about Real Madrid and AC Milan is that in one year, we had more than 10 million TV viewers, and that our logo was on screen in Spain and Italy, both very important markets, for more than 400 hours."

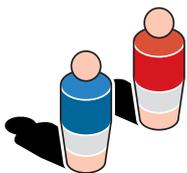
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New wave

Bwin recently came to the end of its jersey sponsorship with AC Milan, which had been running since the 2006/07 season. Riedl says the operator simply wanted to focus more on Real Madrid, but industry observers have speculated that big operators are now pulling out as their brand power is at a level where they no longer need to invest in such high-profile marketing.

Stevens also says this may simply reflect a longer term advertising strategy. "It is probably



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not necessary to do it every single year, year in year out. It's a bit like TV advertising, people tend to do it in bursts. It could be a similar strategy that big operators are adopting here."

However, recent years have seen partnerships between big name egaming operators and sport end, while newer operators have been ramping up activity.

For example, contrast 888's activity, which ended its sponsorship of Middlesbrough FC in 2007 and the World Snooker Championship in 2008 (leaving just Spanish La Liga team Sevilla on its sponsorship roster), with that of SBObet and fellow Asian bookmaker 188Bet, which now sponsors EPL teams Wigan and Bolton and operates betting partnerships with Chelsea, Liverpool and Aston Villa.

Of the new guard, Mangas Gaming-owned French operator BetClic has invested most, sponsoring Italian Serie A giants Juventus in a deal rumoured to be worth €16m over two seasons, as well as French champions Olympique Marseille, Olympique Lyonnais (Lyon) and 13 Portuguese teams.

Matt Nunan, head of marketing at Irish operator Boylesports, which recently came to the end of its sponsorship deal with EPL team Sunderland, says the influx of new operators paying large sums to build brands in Europe has made it increasingly hard to derive value from the online aspect of partnerships.

"In the past, the online side of sponsorship was a very strong method of acquisi-

tion which had a very favourable ROI. In the past two or three years, the marketplace has got more crowded with various Scandinavian and Asian betting partners moving into the marketplace and that has deflated the value of those types of deals.

"You want to build up brand awareness but there is a point, particularly when building up online customers, where you have to look at the ROI and cost per acquisition you get for that."

Nunan says the Sunderland tie-up was primarily a brand awareness exercise, and that although Boylesports had been happy with the deal, it had met most of its strategic objectives by the time it ended.

So, football sponsorship is now seen primarily as a branding vehicle by operators – an effective way to launch yourself into a new market and capture the attention of a mass audience – but also something that can be stepped back from, either partially or fully, once established in the market you are targeting. ❖

PAYING THE PRICE

Stephen Cheliotis, chairman of UK Superbrands, gives his verdict on football sponsorship: "There is a lot of media fragmentation now and there are fewer obvious channels to reach a mass audience. Sports sponsorship is one of the few remaining avenues to reach significant numbers of people. The difficulty is that if it is not an international company, you could argue there is a lot of waste-age because they have got to pay the premium that comes with sponsoring a Premiership football club. That premium is partly there because of the huge international audience that follows the Premier League. If you are a company operating in the UK, you could end up paying a premium you don't end up using to the brand's advantage. But to a brand operating in an international market, it might make more sense because there aren't many sports outside the Premier League that have such a wide footprint across the globe in terms of audience."



AMOUNT SPENT ON SPONSORSHIP

Club	Sponsor	Amount (£ million)
Man United	AIG (insurance) – Aon from 2010/11	14.125
Chelsea	Samsurg (electronics)	13
Tottenham	Mansion.com Casino and Poker (gambling)	8.5
Liverpool	Carlsberg (brewing) – Standard Chartered from 2010/11	7.5
Arsenal	Emirates (airline)	5
Man City	Etihad Airways (airline)	5
Fulham	LG (electronics)	4
Everton	Chang (brewing)	2.6
Sunderland	Boyle Sports (gambling)	2.5
West Ham	SBOBet (gambling)	1.67
Blackburn	Crown Paints (household)	1.5
Stoke City	Britannia (building society)	1
Bolton	118Bet (gambling)	0.75
Wigan	118Bet (gambling)	0.65
Birmingham	F&C Investments (finance)	0.6
Hull	Totesport.com (gambling)	0.5
Burnley	Samuel Cooke & Co (fuel supplies)	0.4
Wolves	Sportingbet.com (gambling)	0.4
Portsmouth	Jobsite (employment)	0.25
Aston Villa	Acoms (charity)	0



Sponsorship League Table 2009/10

£m Annual Value
7 out of 20
£14.97m out of
£89.945m Total
(21.4%)

