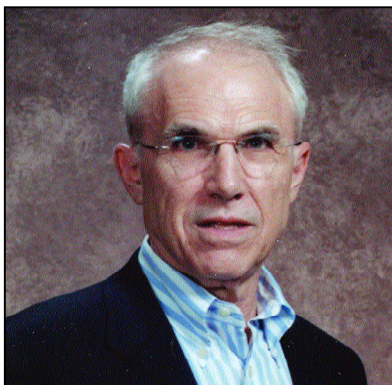


# A sporting chance at branding



**Sports must capitalise on brand-forming moments to beat the competition, say Philip Kotler, Ben Shields and Irving Rein (pictured above)**

There is no better place to examine state-of-the-art branding than the sports industry. While the automobile, electronics, and beverage industries have often waged heated branding battles, the most ferocious competition in today's marketplace is in sport and it's not just on the field of play.

Estimates of the value of this industry range from \$100bn (£52bn) to \$375bn (£197bn), with the market expected to escalate as sport grows around the globe. In China alone, there will be a \$10bn (£5.2bn) sports market by the 2008 Beijing Olympics, a figure that only stands to increase as sport from all over the world descends on the country and seeks to capitalize on its population of 1.3 billion.

But despite the marketplace's expansion, consumers have never been so elusive. New technologies are splintering and re-segmenting the global marketplace in unprecedented ways; customer expectations are escalating with no real end in sight.

Hyper-competition on a global scale is flooding the marketplace with more messages and products than ever. These new industry realities make differentiation a pressing concern, as brands across all sectors compete to connect with a customer that is easier to reach, yet harder to engage.

It is no surprise that the supersonic growth of the sports industry has resulted in this increased competition. All over the world, sports are now being exported and imported as if they were Honda, Sony, or Coca-Cola products and invading local markets that have historically been dominated by one or two sports. Moreover, new breeds of sports such as poker, snowboarding and paintball are finding and building formidable global fan bases. The result is an expanding number of products that are now competing for a fan who has only limited time and money. Branding has become critical.

## In it to win it

The human element of sport and the unpredictability of the outcome is perhaps its greatest asset but also brand marketers' most difficult challenge. By their very nature, sports are performance based-products and winning has always been a primary factor in fan attraction. While it is important for all products, the performance of laundry detergent is less daunting for marketers to consistently manage than a football team's ability to win.

Winning isn't everything. It is only one factor in the sports branding mix, and sports marketers must develop other branding strategies to sustain loyalty during the inevitable win-loss cycles of teams and individual athletes. There are generally three categories of performance – winners, sometime winners, and perpetual losers. For the third group, branding strategies can really do little to help the product, but for groups one and two, branding can separate the winners from the losers in the minds of fans.

Sports products can only survive with new brand thinking. There are at least three innovative branding

strategies that we consider critical:

- Transform the very character of the sports product itself.
- Capitalise on brand forming moments.
- Become both a content provider and media distributor.

## Transformation

Sports brands must continually undergo transformation in order to survive. At the core of the transformation process is choosing the 'type' represented by the brand. Derived from psychiatrist Carl Jung's concept of the archetype, a 'type' is a pattern or imprint to which people can universally relate, understand, and recognise.

In the context of sports branding, the number of possible sporting types is not infinite. In fact, there are recurring types that have historically connected with fans. For example, golfer Michelle Wie plays the 'phenom' type (the young, exceptionally-skilled athletic talent), the NFL champions New England Patriots are the 'family' (the consummate team that has no superstars), and Athens Olympic Stadium is the 'mother' (the place of a sport's origin). In each case, the type is the organising concept that gives the sports product its identity, texture, shape, and content. Selecting and fleshing out the type is essential in sports marketing because it ultimately becomes the symbol and a key emotional connector for the brand.

Transformation also requires a willingness to make product changes that sometimes break from the historically-ingrained rules, rituals, and traditions of the sport. For example, cricket in England, facing an ageing audience, needed to be reinvented to connect with a younger, media-savvy multitasking generation. The result was the Twenty20 format, which took the traditional one- and five-day cricket matches and reduced them to about three hour long made-for-television events.

Other examples of brand transformation include the rule changes in the National Hockey League (NHL) to make the game faster

and higher scoring. The winter Olympics also added snowboarding to complement the traditional events with a contemporary sport. Football also eliminated 'the golden goal' (where one team wins with the first goal in extra time) in the World Cup to restore fairness in matches with such international importance.

All of these transformation measures place the fan's needs and expectations in the centre of decision-making and demonstrate a willingness on the part of the brand to make changes when necessary to adapt.

### Brand-forming moments

In the digital age of sport highlights and sound bites, there are brand-forming moments both in and out of competition that can serve as the platform for marketing sports products. Brand-forming moments can be found in major sporting achievements, public appearances, or chance media encounters. But the key to successfully capitalising on these moments is to follow up with a strategic plan when they occur.

The New Zealand All Blacks rugby team is an example of a sports brand that has strategically marketed a brand-forming moment. This is the fearsome haka dance ritual performed before every game as an intimidation strategy in front of the opposing team. The haka serves as a powerful symbol of the team's tough-minded style of play and the cultural heritage of the former British colony. It has become the team's signature, appearing in everything from its website to the Electronic Arts rugby video games in which the team performs a virtual haka.

Another powerful brand-forming moment in sport is Michael Jordan's 'Air Jordan' pose, which transformed the basketball shoe into a social symbol. Then there was the New York Giants-Baltimore Colts National Football League (NFL) championship game in 1958, which opened the NFL to a national television audience. Or what about wrestler Gorgeous George's seminal match when an awed female fan screamed in response to his garments and appearance: "My, isn't



Snowboarding is now an Olympic sport and brings new fans to the event

he gorgeous!'"? This gave George his nickname and launched him as professional wrestling's first major television star. All of these moments are symbolic of their brand's essence and help differentiate them from the competition.

### Become a content provider and media distributor

The traditional relationship between sports brands and the media has been turned upside-down in the digital age. In the past, sports brands would provide the content and the media would package and distribute it. Today, because of advances in new media and the increasing uncertainty in the sports-rights fee market, sports brands must become both content providers and media distributors. The fan pipelines are now changing and the sports brands themselves must communicate directly with their customers through emerging media technologies in order to maximise revenue.

There have been several examples of this branding strategy in the sports industry. The National Football League has inaugurated its own television network, the NFL Network, on which it will broadcast eight games during the upcoming season, and the National Basketball Association (NBA) is using its own channel, NBA TV, along with a sophisticated online infrastructure to reach global audiences.

Sports teams themselves are also

moving in this direction, as Manchester United has not only become its own media enterprise with television, mobile, radio, and internet pipelines but also a lifestyle brand with mortgage services and even a lottery. As these first-movers suggest, the era of sports brands relying on third-party media to exclusively distribute their message is coming to a close.

### The sports branding paradigm

The fiercely competitive sports branding world is an example of the challenges and opportunities that face companies today. Sport has become the benchmark for new branding thinking not only because the industry is a hothouse for new trends and the latest technologies, but managers must market a product whose performance is never guaranteed. As brands and sponsors seek to capture the elusive fan and capitalise on the unparalleled emotional heat generated by sport, the industry will remain a pathfinder in the new branding world for the foreseeable future. ■

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