

● Keywords: Sport sponsorship, Financial services, Ambush marketing, Virtual advertising

An Interview with Paul Blanchard, Director of Marketing, Scottish Premier League



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Received: May 1999

Introduction

Paul Blanchard joined the SPL in 1998 from NFL Europe and has a background in sports marketing and financial services. A graduate of Leeds University, he joined Sun Alliance Insurance Group in 1986, and was appointed marketing manager for Ladbrokes four years later, promoting the company's retail betting chain and moving to assume responsibility for ClubCall, working with in-stadia betting and football editorial services. After returning to financial services with the Royal Bank of Scotland, Paul joined the Scottish Claymores and was responsible for marketing American Football in Europe. Here he talks to Dr Bill Gerrard of Leeds University Business School.

BG: Your career so far has involved a number of marketing jobs in the sports industry, broadly defined, and financial services. What was it that attracted you to a career in marketing in the first place?

PB: I studied economics and econometrics at university. Although the course was sort of market and sales driven, and that was really the main attraction, realistically you come out of university without any definitive idea of what you want to do. But certainly the promotional side of the economics degree that I did really suggested that that should be the path I should take. I started with Sun Alliance in 1986 as a graduate trainee. The beauty of

that scheme was that it was a very rounded scheme covering all aspects of sales and marketing. There was the direct sales, the telephone sales, and there was direct marketing. There were also big-brand initiatives, the sales through appointed representatives, sales through the broker chain, and sales direct to customers. So it gave you an opportunity to look at marketing and sales in its broader sense and then to specialise. My specialisation proved to be advertising and promotion in the branding exercise that Sun Alliance were going through at the time.

BG: You moved to Ladbrokes in 1990 as marketing manager. What were your main responsibilities?

PB: At the time that was my dream job because I'm a huge horse-racing fan. At that point bookmaking was really coming out of the dark ages. Some of the regulations were being relaxed as to what they could actually do. There was quite a significant fight for market share going on between Ladbrokes, Corals and William Hill. The objective was to develop the Ladbrokes brand and to market it through its 2,000 betting shops. So it was very much aimed at driving traffic into the shops; a very retail approach.

BG: And what were the main elements of the promotion strategy?

PB: It was twofold. First, the development of

the Ladbrokes brand so that if someone is looking to have a bet, then you put Ladbrokes in front of them and Ladbrokes becomes the natural choice. Second, it was price-driven. You had to have very competitive pricing to give the best value for those who are specifically looking for a bet on a particular horse or a dog or a football team or whatever. There was a promotional side as well providing incentives, loyalty schemes and the like. Basically if you are in a situation where there are two or three betting shops within 500 yards of each other on the high street, something that is very common, you want to provide the point of difference that will mean that the punter goes into Ladbrokes rather than Corals.

BG: And how did you manage to create that point of difference?

PB: The point of difference really was created by the branding exercise. Particularly on the back of football, Ladbrokes became a good place to go. We had at the time some very interesting and innovative loyalty schemes whereby you would go in and have a bet to a certain level. You would be rewarded by points and those points would be redeemed for future values or future bets. That was very successful.

BG: And one of the things that you got involved in at Ladbrokes was ClubCall. What did that involve?

PB: ClubCall was bought by Ladbrokes from British Telecom around 1990/91. The whole premium rate telephone market was very buoyant. Ladbrokes saw it as an opportunity to move in and to strengthen their position as market leaders with regard to football. So the brief was twofold. It was to develop relationships with football clubs and develop the editorial services. Both of these were effectively in place so that basically my task was to make sure that it was the Ladbrokes brand that was being associated with it and, on the back of these relationships, to put in-stadium betting into all the major football clubs. It was, if you

like, bringing the mountain to Mohammed. Bookmakers always have the problem of trying to drive traffic into their shops. Well here you are actually bringing bookmaking to the punters and making it very easy for them. It's a perfect fit because people go to a football game and they have opinions. Ladbrokes were saying: right, back your opinion.

BG: Before your current appointment as Director of Marketing with the Scottish Premier League, you worked with NFL Europe. What did you do with NFL Europe?

PB: That was a fascinating three years. The NFL basically is the biggest thing in the USA but they are almost at saturation point there. So to develop the game of American football and the NFL brand they have to expand and Europe is an obvious market. So what the NFL are trying to do is to develop off-season American football April through to June. This provides American football for American audiences to watch as well as obviously making Europeans more conscious of the sport. Europe is also used as a feeder league as well for the NFL with clubs allocating players to the European sides to have a run for three months and giving the coaches a pretty good guide as to whether or not they can hack it in the NFL.

BG: So how did you set about trying to market NFL Europe given the problems of American football being a relatively-new sport in European terms? Did that create substantial entry barriers? How much did the innovative TV coverage of the NFL by Channel 4 help in promoting the American football in Europe?

PB: Television is the most powerful weapon and really no sport can survive without television exposure. TV brings the sport into people's front rooms. Channel 4 has done a very good job with its coverage that, I think, started back in about 1985. So there was a level of

interest in American football and the NFL. If you walk around, you see a lot of people sporting NFL merchandise so there was a small market there. What we tried to do was basically take the sport and start it up because there were very little grassroots development.

We effectively planted a team and marketed it very much as a family sport and as a youth sport. We looked outside the hardcore football market and the hardcore rugby market because if you're a season ticket holder generally that is your sport and you will stick to it. But there are a lot of people floating about without that sort of loyalty to a sport. So we positioned the game as very much family- and youth-oriented.

It was also positioned as more than just a game. The game lasts around three hours generally but that is preceded for two hours with a party. It is like a carnival before the game. So we provided a lot of, if you like, sideline activities basically aimed at the family or youth market to pull punters in. If you can get them early enough then you have got them.

BG: Did the newness of the NFL in Europe create particular problems in trying to attract sponsorship and break into the sponsorship market?

PB: Yes, the sponsorship market is far more difficult than the paying customer market. Sponsors tended to take a step back and were reluctant really to get involved in that they didn't know how long NFL Europe was going to be there and how successful or otherwise the league was going to be. Initially they didn't know what sort of levels of support, television exposure and media coverage to expect. So there was very much a wait-and-see attitude by sponsors who were fairly comfortable with putting money into local football clubs because they knew roughly what they were going to get out of it. With NFL Europe teams there was a reluctance by sponsors to begin with but those barriers were broken down two or three years into the league. Sponsorships were not for massive amounts. The numbers

obviously don't compare with what is being put into football, or even rugby for that matter. But you have good sponsors on board such as KwikFit, Wimpey Homes, Telewest, and Southern Comfort and people like that. There were some quality names there.

BG: Were the initial sponsors who became involved in NFL Europe mainly companies that were North American-based and hence had experience of American football? Or were you, at a very early stage, able to bring on board European sponsors who had had little or no contact with the NFL?

PB: Initially Budweiser were very heavily involved and obviously they are an American brand. Subsequently they moved out of NFL Europe into basketball because they felt that basketball offered a more cutting edge, if you like, urban-type market. After Budweiser then it really was a question of developing the involvement of European brands. There was an obvious affinity with American sponsors and they are still involved. Mr Bonny is involved this year and also Southern Comfort and this obviously stems from the American link. But a lot of UK-based companies such as KwikFit and Wimpey Homes have seen the opportunity to get involved because they like the demographic that the games attract.

BG: Recent research has suggested that the entry of sponsors into new types of sponsorship is a follow-the-leader process. From the point of view of the sport trying to attract sponsors, this suggests that it is important to get on board early a major sponsor who acts as a leader inducing other sponsors to come into that sport. Once a big sponsor has come into a sport, this gives legitimacy to this type of sponsorship and other companies are more likely to follow suit since they feel less uncertain about the likely benefits. Does your experience with NFL in Europe suggest that sort of dynamic is typical in sport sponsorship?

PB: Yes, that's exactly the point because, as I said earlier, there was an initial reluctance because the sponsors were not sure what they were going to get out of it. They were not exactly sure how long the league was going to be around. So it was very important to attract a major big-name sponsor.

It makes it a damn sight easier to sell after that because then you can go into Mr Marketing Director of XYZ Co and say look "KwikFit are on board", or "Company X is on board". You're right that it legitimises the whole thing. It provides a comfort zone for other potential sponsors who think that "XYZ Co are a big company who do not take the sponsorship or marketing decisions lightly: they obviously see an opportunity there, and, therefore, yes, we feel more comfortable with it". It is an absolutely crucial part of the NFL Europe strategy and it is an absolutely crucial part of the SPL strategy as well.

The SPL were in a position that Bells had been the sponsors of the old league, and when the breakaway happened that was the end of the Bells sponsorship. So the SPL went into its first season without a sponsor. While people know roughly what they are going to get from football sponsorship, the SPL was a new league and there was very much a wait-and-see attitude to see how it would pan out. Is it going to be exactly the same as before or are the SPL going to change things?

So it was absolutely crucial to get a quality name on board and I think the Bank of Scotland is such a quality name, with all due respect to Bells or any of the breweries. The Bank of Scotland being prepared to take a chance with the SPL did raise a few eyebrows and proved to be a catalyst for other companies to get interested.

BG: Do you feel that it may work in the opposite way? If there is a follow-the-leader process of sponsors moving into sport, there could be a follow-the-leader process in sponsors exiting from a sport. If a sport loses a major sponsor can that have a knock-on effect?

PB: It is possible. I would suggest that, although it is very early days for the Bank of Scotland, it is seeing an excellent return from its sponsorship of the SPL. I think that anyone looking from the outside will be able to see the sort of return that the bank is getting. So if two or three or five seasons down the line, the Bank decided that the sponsorship has run its course and it has had what it wanted to get out of it, then I don't think that it would be a signal for other sponsors to be turned off. I think they would be looking at the opportunity and thinking that the Bank has obviously achieved its objectives, it's time for us to get on board now. Provided that you manage the sponsorship correctly and there are clearly visible benefits – and so far there has been a lot a visible benefits to the Bank of Scotland and the branding that it has had has been extremely good – then other companies will see that and will want a slice of the action.

BG: Turning to your current position as Director of Marketing with the Scottish Premier League. The job is about a year old now. The Scottish Premier League is a new league organisation that comprises the top 10 football clubs in Scotland. What were the motivations behind the creation of this new league?

PB: I was not involved with the set-up. I came on board after the SPL was actually set up. The main motivation was that Scottish football was actually in a trough, it is fair to say, and the top clubs were looking to take control of their own destiny, to drive the game forward and to look at more significant revenue generation opportunities mainly through television but also through sponsorship as well.

Really it was the top clubs saying that we have got to take more control of the game. If the game is going to develop and move in a similar way to how it has moved in England then it needs to be driven from the top. So that was the primary motivation. Obviously having seen the success of the English Premiership, albeit five or six seasons down the line, then

there was fairly good support to suggest that this was a very sensible route to go.

BG: So it wouldn't be fair to describe the SPL as just old wine in a new bottle?

PB: Well, certainly that is not the plan. There have been a lot of developments such as rule changes and a focus on youth development. There is also the requirement that member clubs must have 10,000 covered seats. There is going to be a commitment to the development of football academies next season. So a whole range of initiatives have already been put into place that were not happening prior to the SPL.

These developments cannot happen overnight and I would suggest that so far the progress has been good but it has got to continue. So that question is probably best answered in about two years' time but the answer, hopefully, is that the SPL is not just old wine in a new bottle.

BG: As Director of Marketing in the SPL, what are your major responsibilities?

PB: The major responsibilities are development of the SPL brand, the acquisition and management of sponsorship, and the management of the broadcast side of things, as well: the television deal is in place but obviously it needs to be managed. These are the three key areas. I also have licensing responsibilities to develop a programme of revenue generating licensed products and basically to liaise with the clubs to make sure that our member clubs are getting all the support that they need and ensure that everybody is working together as a team. It is a good tight-knit team. We meet all the clubs every two months or so to talk about a number of initiatives that we have centrally. We try to provide them with information that will help them sell television ratings and will hopefully back up their sales and marketing presentations. So it is very much a team effort.

BG: One of the first decisions the SPL had

to make when it set up was to get a corporate logo. How important was your choice of corporate logo and what factors came into play in making the decision about it?

PB: Here again I inherited the logo, but basically the approach was "this is a new league so it needs a new identity". The key words really are new, forward-thinking development of the game. The logo had to reflect these new dynamics of what the league was trying to achieve. The logo that we came up with obviously also had to show that the league is Scottish. It has this swoosh, with the St Andrews Cross representing the Scottish-ness, but the whole thing has got a new and fresh feel about it. We are very pleased with it, we think it is a good logo. We worked very hard in developing the brand and now we will work hard with the Bank of Scotland effectively to develop a composite brand that allows the Bank's brand to benefit alongside our brand.

BG: In the academic literature there has been much discussion about the attractiveness of a league to fans being partly dependent on the degree of competitive balance. To what extent do you think that this also has an impact on the attractiveness of a league for sponsorship? If it is important, does the SPL face a particular problem given that the two Old Firm clubs, Celtic and Rangers, have historically dominated Scottish football? Do you think that domination of two clubs of a national league creates particular problems, not only for sustaining fan interest but also for attracting sponsors?

PB: There is a huge level of interest. You only have to pick up the newspapers and there are four or five pages a day on the SPL so there is certainly no lack of interest. If anything, attendances have increased this season so that would suggest that the level of interest has increased.

With regard to the dominance of the Old Firm, if you look at any European league you

will find two or three clubs that basically can win that league. At the moment in England you have got Manchester United and Arsenal with possibly Chelsea, although I do not think many people believe they can sustain that challenge. It is the same in Italy where you have got Lazio, Milan and Juventus. Spain has Barcelona and Real Madrid. So it is the same clubs that are competing season after season.

When you look at those leagues, you can say realistically there are only two or three clubs that have the squad and back-up to actually go and win the championship. So I don't think that the SPL is unique in this respect.

BG: You have a circle of what are called SPL partners. What is an SPL partner? Who are they?

PB: The main partner on the sponsorship side is the Bank of Scotland. We also have a partnership with the Scottish Express newspaper. We have a partnership with Mitre who are effectively a technical sponsor, providing all of the matchballs. The other major sponsor / licence partner we have is Panini who produce stickers and also trading cards and annuals.

It is quite interesting because I think Scottish football and football in general has had this Jerry McGuire attitude of "give me the money and buggar off". That is the absolute antithesis of what we are trying to do. If we are going to develop the SPL brand, improve our commercial values and broaden the appeal of the game then we have to work very closely with all of our partners on the sponsorship side and, of course, the broadcast side as well. Television broadcasters BSkyB, BBC Scotland, and STV are major partners, as are Radio Clyde, BBC Radio Scotland and Radio 5 Live.

BG: You have mentioned the importance of the press and media several times. One of the things the SPL did initially was to set up a press and media working group to develop a media policy for the SPL. What are the main features of the SPL media's policy?

PB: The SPL's media policy provides a minimum standard of service to the media. We know that the media are absolutely vital: I have already mentioned the amount of exposure we get. What we want to do is try to introduce a degree of consistency across the clubs and a minimum standard so that the media guys will know how they will be treated. It is mainly around match weekends when obviously the media are looking for material to preview the game.

There is also access at the game. We want to improve the facilities within each stadium to make it easier for the media to do their job. We also provide minimum standards about the time and number of players that must be allocated to the post-match press conference. The media know what they should expect, the clubs know what they need to provide and so far it seems to have worked very well.

We have been looking to extend it to try and improve facilities and we are also looking at the whole photography side of things as well which was not covered in the original media policy, looking at standards and where photographers can go and how they can work. We are just trying to make their life easier because if you make the media's life easier you will get additional coverage. It's a natural thing. We recognise the importance of the media but it is not purely for their benefit. It is for our benefit as well because it should lead to more and hopefully more positive coverage.

BG: You recently concluded the first major sponsorship deal for the SPL with the Bank of Scotland. How much is that sponsorship deal worth to the SPL and what are the main features of that deal?

PB: It is worth £2.25 million over just over two seasons and there is a one-year extension for another £1.5 million. In terms of the rights that the Bank has bought for that money, it is title sponsorship: the league is known as the "Bank of Scotland's Scottish Premier League". We have developed a composite brand, which we use on media interviews, backdrop boards

and the like. In terms of club rights, they have a certain allocation of signage at each ground. They also have an allocation of tickets for each game. There is also hospitality through the season. So there are a number of club properties in there as well. Centrally they will get title sponsorship of SPL publications, other significant exposure and links on the web site. It is generally looking to heighten the SPL-Bank of Scotland brand.

BG: There is an increasing concern that whenever a major sponsor takes on a title sponsorship other competing companies will try to ambush their efforts. Do you expect those sorts of problems to occur with the Bank of Scotland SPL sponsorship and are there steps that you are trying to take as an organisation to prevent the Bank of Scotland's sponsorship being ambushed?

PB: That's a good point. If the Bank of Scotland's sponsorship is a successful one, which we all expect it to be, then yes, there could be an element of looking to hijack or ambush it. The Bank has complete SPL exclusivity in financial services. The financial services market is quite broad so that takes out a number of sectors. Although there is no exclusivity in financial services with the clubs, there is a strong understanding that the clubs know that the Bank of Scotland is a primary source of revenue and therefore should be very careful of anyone trying to ambush the sponsorship. Obviously from our point of view we are very much focused on the Bank of Scotland so we would not dream of undertaking an initiative with, say, the Royal Bank or the Clydesdale Bank or any other financial services institutions, building societies or credit-card companies.

BG: The financial services industry has been one of the major sources of sports sponsorship in the UK and Europe, and world-wide. You have worked in both industries. What is it about sport and sport sponsorship as a medium that is particular

attractive to the financial services? Is it the case that financial services are perceived as "boring" and they want an exciting image and that is why they have linked up with sport? Is it that simple?

PB: I think that goes a long way to explaining it. Obviously sport is sexy, very popular and very influential. The brand of a football club is a very strong property and has an awful lot of loyalty attached to it. Financial services products are not the most riveting products on their own so if they can link up with a sport that is sexy, then some of those sexy properties rub off on the bank or other financial institution. What they are doing is buying into the equities, the very positive equities, the game has and using them for their own ends.

BG: You have worked in both the financial services industry and the sports industry. To what extent has working on both sides of the fence helped you to have a better understanding of what the sponsors are looking for? Can you bring that to bear in your current job as Director of Marketing for the SPL in charge of attracting sponsors?

PB: When I deal with the Bank of Scotland specifically, having spent five years or so in the financial services industry, I know how it works so I understand what the Bank is trying to get out of the sponsorship. I understand the distribution channels so therefore it makes it an awful lot easier to talk to the Bank about achieving its objectives. On a more general level, having been involved on the marketing side for financial services, then being at Ladbrokes and looking to promote it, and then working as a rights holder or owner with the SPL and NFL Europe, I know the sort of exposure that companies are looking to get and what sports can offer. I can tell from their activities the sort of objectives they are trying to meet. Is it simply brand awareness? Is there an element of hospitality in there? Are they trying to drive traffic into the stores? Are they trying to ambush some other company? There

are any number of objectives that a company is trying to achieve and if you are shrewd enough and you check out what their marketing activity is, you should get a very good feel for what they are trying to do. You are asking yourself what company X is looking to achieve or what you think company X is looking to achieve. Then you present them with a package that hopefully will fit those objectives. You do not always get it right, but I think the more time that you spend in the industry it becomes easier to try and determine what the company is trying to get out of any particular marketing or advertising or PR activity. It is, I suppose, being responsive enough and shrewd enough to fit your presentation to what they are trying to get out of it and show them how it will work.

BG: Do you detect that sponsors are now taking a much more scientific approach to try to determine exactly what are the benefits that they get from the sponsorship deals? Is there a greater concern to try and precisely quantify the impact in terms of increased sales and so on? Are you finding that the sponsors are more interested in the bottom line?

PB: Definitely. Sponsorship has traditionally been the chairman's wife syndrome. A company got involved because the chairman, his wife or whoever liked it or it was deemed to be a nice sort of thing to do. Those days are gone and a company will get involved as part of their marketing mix because they have a very specific objective to achieve and they believe sponsorship of a particular sport or a particular club will make that happen. The techniques for monitoring the sponsorship effectiveness are becoming far more sophisticated and a whole new industry is being built around this whole monitoring and evaluation side of things. It is very interesting because you have got straightforward exposure to which you can apply immediate value, but a sponsorship is far deeper than that: there are hospitality benefits with obvious PR spin-offs, and other factors

that must be taken into account for a true evaluation of sponsorship.

Also, slightly going off at a tangent, sponsorship evaluation is becoming far more important because the explosion in the television market with so many channels has meant that it is becoming more difficult to target television advertising. We are becoming a nation of channel hoppers so as soon as you go into an ad break people are hopping over to a different sports channel or a different terrestrial channel. Therefore the effectiveness of pure 30-second television commercials is not as strong. If you can do it on the back of a sport that people are watching then the marketing has got far more clout to it.

BG: Now that the sponsors need to justify expenditure on sponsorships to their boards and the shareholders, how can you help, as a director of marketing for a sports organisation? Can you respond to that need to justify the benefits of a sponsorship?

PB: We will obviously provide a lot of feedback to our sponsors as to what is happening. We will give them details of the television, radio and press exposure achieved and anything else that has helped develop the Bank of Scotland branding. Realistically the Bank, or any other sponsor for that matter, has got to take an independent view because we will obviously put a spin on it that is very pro the sponsorship. Most companies will be looking at some sort of independent monitoring to actually make sure that the sponsorship is achieving what they would like it to achieve, whether that is market share, brand identification or whatever. Certainly we will be doing our best to provide feedback on the levels of exposure.

BG: You mentioned earlier that one of the major sources of dissatisfaction to sponsors in the past was that feeling that the sport just takes the money and runs. You clearly want to avoid that and seem to be suggesting that the relationship between the spon-

sor and the sport is really a day-to-day relationship that has to be managed. How do you set about maintaining that relationship once the deal has been done, as it was with the Bank of Scotland a few months ago? What is required of you on a day-to-day basis to manage that relationship?

PB: I meet with the Bank or its representative on a weekly basis and speak to them almost on a daily basis. Initially we were making sure that all the properties they were entitled to had been put in place, that the signage was in place and that their tickets were being distributed effectively. Once that process is done then it should be self managing anyway, and should not be any great problem. So what we are looking to do is to find ways in which we can work together to help increase the Bank's exposure.

The sort of thing we have introduced are the player and manager of the month awards. These are Bank-sponsored events in that they provide the trophy and liaise with the sports writers to nominate their player and manager of the month. It generates media coverage on a monthly basis.

We are also looking at joint publishing initiatives. A very good example of the SPL and the Bank working together occurred with the league championship trophy. It was a sort of one-off hit. We designed and manufactured the trophy and launched it at a press conference at the Bank's headquarters in Edinburgh. To enhance the coverage, the trophy did a tour of the Bank's branches for the 10 days between the launch and its presentation to Rangers. So the trophy was actually seen in the main branches in Glasgow, Edinburgh, Perth and Inverness.

The feedback was extremely good. The staff loved it, obviously, and it provided a point of difference for the Bank allowing its customers a great opportunity to see the new trophy at close quarters. It is initiatives like that that will help to create a point of difference and provide opportunities for exposure with something a bit different and a bit more interesting.

BG: In the medium term if the Bank can see that you are working for them on a day-to-day basis to meet their needs then obviously you would hope that this would have a pay off in two or three years when the sponsorship comes up for renewal. The SPL will be much better placed if the Bank feels more secure about its relationship with you and the potential benefits.

PB: That's exactly right because what we would like to do is to get into a position where we are renegotiating in two or three years' time with the level of exposure that the Bank has obtained meaning that our commercial value has increased. Obviously we would be looking for a bigger investment from the Bank and we would be hopeful that the Bank would be in a position to say yes because it is still great value and it wants to continue the relationship.

BG: There have been some indications recently that sponsors are becoming much more concerned about potential negative publicity that can arise from sponsorship deals. One reported example is that of one of the sponsors of the English national team being worried about the adverse publicity created by the comments of the former England team manager on the disabled. It was even suggested that pressure by the sponsors may have contributed to the sacking of the manager. Do you think sponsors are worried about potential down-sides from sport sponsorship? Have sponsors, in your experience, responded to that by insisting on, for example, early termination clauses in their contracts?

PB: I don't think it is a major problem. The sponsor can distance themselves from certain activities so if you are the sponsor of a team or a league there are certain positive associations which you will want to capitalise on and there are certain negative associations that you will wish to distance yourself from. The media and the fans do not associate the sponsor with deci-

sions and events that they find unpopular or unpalatable. So if the relationship with the media is managed correctly then a sponsor can attract all the kudos for anything that goes very well and carefully distance themselves from something that they perhaps do not want to be associated with. It is a possible problem but I don't think it is a major one from a sponsor's point of view.

BG: What do you see as your priorities as Director of Marketing in the SPL over the next few months, having just more or less completed the inaugural season. How do you see your priorities taking shape?

PB: My main priority is to develop more opportunities to generate revenue – additional subsidiary or secondary sponsors and additional license agreements. That goes hand in hand with the development of the SPL brand. Obviously the continuing management of the Bank of Scotland sponsorship is absolutely fundamental as well and that will continue to the same degree that it has done already.

What I would also like to do is shift some of the focus onto the youth development side of things. There is a lot of work being done at league and club level to try and develop the whole youth product. From a marketing point of view we have a challenge to actually market the Under-21 League. We want to make it more attractive, probably for a sponsor initially, and then to hopefully get more punters through the door to watch it so that it becomes quite a valuable property as a second tier to the main league itself.

BG: The SPL currently has 10 clubs of very widely different sizes. Does it create particular problems when you have two very large clubs, the Old Firm, and eight other much smaller clubs? In what ways has the SPL tried to develop its organisational structure to allow for the different perspectives and different requirements of its member clubs?

PB: Rangers and Celtic are always going to be the biggest two clubs. They operate on a slightly different level to the other clubs simply because of their size and their fan base. In terms of the SPL though, we have 10 member clubs and we try to treat every club the same way. A lot of the work that is done is to generate revenue that is distributed centrally. Each club will benefit from the deal with the Bank of Scotland. The revenue from that deal will be divided equally.

What we are trying to do is primarily on the back of Rangers and Celtic, because a sponsor or an overseas television audience or whatever will know Rangers and Celtic as Scottish football. We are using them to provide a platform to showcase the other eight clubs and to say that we have 10 very good clubs who play some great football. Perhaps, for example, Motherwell or Dundee United might not be as well known as Rangers and Celtic, but it can still be as interesting to watch these clubs. That's an important part of it. We do use Rangers and Celtic almost as the battering rams but it is to allow the other clubs the sort of exposure that they need.

BG: And in the organisational structure of the SPL, although all 10 clubs are members, it is the case that you try to ensure representation of the different types of clubs on the board of the SPL.

PB: Yes. In broad terms there are three types of clubs within the SPL. There is the Old Firm: currently we have Eric Riley from Celtic on the board effectively representing the Old Firm. We also have the middle-ground clubs, the Aberdeens and Hearts and Hibs of this world, represented by Stuart Milne of Aberdeen. And we also have what are deemed the smaller clubs, represented by Geoff Brown of St Johnstone. So within these very broad definitions each type of club is represented.

BG: Would it be fair to say that the 10 clubs, although striving individually to compete to the best of their abilities, do recog-

nise their interdependency? Is there a real sense among the 10 clubs that they are working together to create the SPL product and that Celtic and Rangers need the other clubs as much as the other clubs need Celtic and Rangers?

PB: Yes. Each club is an equal shareholder in the SPL. There does now seem to be far more unity of purpose between the clubs. Celtic and Rangers obviously need a league to play in so they need the other clubs. And I think that most clubs recognise that the vast majority of the commercial deals are driven initially by Celtic and Rangers. But again we are talking about all 10 clubs so it is important not to concentrate exclusively on the Old Firm and leave out the other eight clubs.

BG: There has been a real boom in growth in the level of sport sponsorship expenditure in the last few years. Do you think that trend is going to continue or do you think it is getting increasingly difficult to attract sponsorship and to get the levels of sponsorship income achieved by other sports leagues?

PB: I think that growth will continue because, as I said earlier, sponsorship is becoming more important and more powerful as opposed to just your standard advertising, and this will continue to be the case. Sport is so phenomenally popular. It is live sport that basically drives television subscriptions and ratings. There will continue to be a clamour to get involved with sport because sport can be so beneficial to your business. So I certainly don't see any sign of sport sponsorship expenditure slowing down and I don't think it will slow down.

BG: What do you consider to be the major problems facing yourself and your fellow marketing directors of professional sports leagues in the next decade?

PB: I think that it is the uncertainty, particu-

larly surrounding the television market because the market changes faster than anything else does. There are a number of legal cases going on currently. Probably the most striking thing recently is the fact that the BSkyB bid for Manchester United has been blocked. But really keeping apace with developments in the television market is the primary problem because at the end of the day it is television that brings in the most substantial chunk of revenue.

BG: How important for marketing do you consider the Internet and related developments such as the convergence of TV and Internet technologies? How big a role does the Internet and the setting up of web pages play for you at the moment, and do you envisage that that will get a bigger and bigger part of your job?

PB: The web site is very important. If you have access to the Internet then wherever you are in the world you can get in that and have a look. So we have an opportunity to promote the SPL brand and SPL football to anybody and everybody who has got access to the web site. We recently launched our site and the number of hits has been increasing exponentially, with a huge amount of interest from outside of the UK.

We have recently experimented with audio commentary over the Internet. We had a test for the Rangers-Aberdeen game a couple of weeks ago and then we promoted it very heavily for the Celtic-Rangers game and then again for the Rangers-Hearts game with the trophy presentation. We take a live feed from Radio 5 Live and anybody who comes onto our site can just click on the icon and get digital quality commentary. We are doing it to test a move into subscription audio, which has proved to be very successful for a number of English football clubs. We see it as vital. We have a strategy to sell television rights of the SPL overseas and that is very successful. The SPL can be seen in around 120 countries. But the Web provides the opportunity for anybody

who can get on to have access and know exactly what is going on. We see that as very important, initially for audio.

Broadcast quality television pictures are a long way off, probably five to 10 years. You asked earlier about the challenges we face: obviously that will make life very interesting come TV negotiation time five or 10 years down the line, whenever this technology is available.

BG: You mentioned earlier the importance of the current legal cases. There is the Office of Fair Trading (OFT) case currently being heard in the Restrictive Practices Court about the collective selling of broadcasting rights by the English Premiership clubs. Also recently the Monopolies and Mergers Commission blocked the BSkyB bid for Manchester United. What sort of impact do you see for the SPL and for your job as Director of Marketing if it were to be decided that TV rights for sports leagues had to be sold individually by teams rather than collectively. The SPL currently has a collective TV deal with its members and BSkyB. Would individual selling of TV rights by teams be a catastrophe for the SPL?

PB: It depends on whether the OFT case goes that way, and it is unlikely, from what I gather, to be that wide-ranging. But if the case goes against the English Premiership clubs then obviously I would assume that it would affect us. I do not think that we would necessarily be guilty by association but it is probable that the OFT will look at our deal. My understanding would be that you could still collectively sell TV rights if it is a voluntary arrangement. I don't believe that the OFT can do anything if voluntarily the 10 clubs get together and say that they would like the SPL to sell their television rights. If it goes the route whereby it is broken up then the outcome is likely to be exactly the same as would happen in England. A small number of clubs would benefit by the decision and would probably generate more

revenue individually but the vast majority of clubs would not be able to. It is unlikely that the sum total of the parts would be anywhere near the total that we receive now. So it would have a significant effect. It would cripple the Premiership if it happened.

BG: Virtual advertising seems to be the new buzzword in marketing. What do you understand by "virtual advertising" and how is it likely to impact on the SPL in the next few years?

PB: Virtual advertising is a very exciting development. What it basically means is that you can superimpose a brand onto the television pictures. Effectively you can put it anywhere you like. You can put it into the middle of a crowd or you can superimpose it on an existing perimeter signage or you can put it on the side of the field. Currently FIFA and UEFA regulations forbid any sort of branding, actual or virtual, on the field of play, so we cannot go down that route. But there is certainly no reason why we cannot put it outside the white lines of the field.

Currently you have a situation where you find out the amount of perimeter signage at the grounds and once that is sold, you have sold out. Virtual advertising will allow you this extra opportunity to brand areas and what you can do is brand the television pictures that go to just certain territories. We are looking at an experiment for our overseas markets whereby we would get together with our partners, CSA who sell our overseas rights and another company that can provide the technology, and look at introducing preferably global brands on a virtual basis. So if you are watching the SPL in the Middle East or the US or Australia you will see brand X being promoted there.

The other thing that it allows you to do is that if you are a worldwide company but have different brands that are stronger in different territories, you can centrally do a deal with the SPL but to promote different brands in different territories. It is very easy to substitute Mars or Snickers or whatever depending on

which territory you are in.

Taking that one step further, there are certain territories such as France, for instance, where the advertising of alcohol is banned. If you are advertising alcohol, then you can advertise it perhaps in 115 of our 120 territories but in the five territories where it is banned or is viewed as being anti-social or whatever, you can superimpose something else. You can go with a different brand. It just gives you so much more flexibility and so many more commercial opportunities. The technology is still in its infancy and there is still a lot of testing going on but I see it as a very exciting development in the short term.

BG: One final question regarding the way that your functions are organised in the SPL. Do you do most of the research work and back-up to your sponsorship and marketing in-house? Or do you sub-contract out and outsource a number of the inputs required for your marketing effort?

PB: We are a very small team so there does have to be a degree of outsourcing. We have a company that does a lot of work on our behalf. On the actual sponsorship management side of things I have undertaken a project with the Business School at the University of Abertay in Dundee and they are monitoring some of the initial effectiveness of the brand exercising that we have undertaken. I have not seen the results of that yet, so I am not quite sure what the outcome is, but I see it as being very important. Really if you are going to be serious about it, you have to have people who are experienced in that field, so you have to look to experts in the evaluation and monitoring of branding. They have done it before, know what they are looking for and can interpret the data correctly and provide you with a steer as

to what is actually happening. So we will continue to outsource but we still do a lot of work ourselves. A lot of it is very much just personal contacts and you phone up and just chat through something that went on, or chat through the coverage in today's paper, whatever it is.

BG: And if it's not too cheeky to ask, what does the future hold after Ladbrokes, the NFL Europe and the SPL?

PB: No idea. I am only nine months into the job. It's a very exciting time so I think I'll just stick around for a while.

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Biography

Dr. Bill Gerrard is a graduate of the University of Aberdeen, Trinity College, Cambridge, and the University of York. Currently a Reader in Economics in Leeds University Business School, his previous positions include industrial economist in Unilever plc and lectureships at the universities of Leeds and York.

His main research area is the economics and finance of professional team sports with emphasis on soccer: his book *Football, Fans and Finance* is to be published in autumn 1999.

Dr. Gerrard is a member of the editorial boards of the *Journal of Sport Management* and *Soccer Analyst / Soccer Investor*. He has developed a player valuation system and acts as a consultant to several professional UK soccer clubs and financial institutions. He is a home-and-away season ticket holder at Leeds United and a fully-fledged member of the Tartan Army.



International Journal of Sports
Marketing & Sponsorship
Volume One, Number Two
Winthrop Publications Ltd
Garfield House
86-88 Edgware Road
London W2 2YW