Sporting Deals

Sports marketing has finally come of age in India what with the success of the Indian Premier League and the country's best-ever Olympic performance giving a significant boost to the business, writes **Annamma Oommen**.

Sports marketing has emerged as a multi-million-dollar business in India, with top players attracting lucrative contracts and endorsement deals from a wide range of corporate sponsors. In fact, recent years have seen many specialist sports marketing firms being established in India, to handle the growing demand for sports celebrities.

The launch of the Indian Premier League (IPL) by the Board for Control of Cricket in India (BCCI) has contributed significantly to the sports marketing business. Increasingly, the corporate world is looking beyond cricket, picking up sports-persons from different other fields, including golfing, tennis, athletics and even shooting for celebrity endorsements of their products.

A niche industry, sports marketing comprises a whole host of disciplines. Event marketing and management, media planning, selling sponsorships, celebrity management, merchandising and managing teams are just some of the activities comprising sports management.

Opportunities are seen in areas such as market research, providing administrative services for sports federations, getting sponsorships for events and new media (Internet, m-commerce) management, among others. Even in the West, sports marketing is evolving and growing.

Internationally, celebrities from the world of sports such as American professional golfer Tiger Woods, professional basketball player LeBron James and Swiss tennis star Roger Federer are making money in more ways than one. Multi-million dollar deals for endorsing and using contracted companies' merchandise, guest appearance fees and match fees are all revenue spinners for these players.

Even in India, sport stars such as cricketer Sachin Tendulkar and tennis star Sania Mirza reap the benefits of their celebrity status by endorsing products and services, earning millions of dollars each year.

Sports marketing is finally coming of age in India, with a large number of firms out in the field, giving product endorsement contracts to celebrities in a range of sports. They come in different avatars ranging from full-service sports management companies and sports television channels to offshoots of advertising and media firms, celebrity management companies and lifestyle clubs.

These include leading television networks such as ESPN, Star TV, Zee TV, Sony Television, Nimbus and NDTV, specialised sports management companies such as Mahesh Bhupathi's Globosport,


Riders
Coca-Cola
PEPSI
SAHARA
SUPER
KINGS




Total Sports, Tiger Sports, Collage Sports Management, sports divisions of advertising agencies such as Percept D'mark, O&M, and sports administration bodies such as the Board for Control of Cricket in India (BCCI).

"There is a lot of opportunity in sports management," points out Anirban Das Blah, vice-president, Globosport. "However, there is a certain incubation period of about two to four years. A lot of sports have seen no marketing beyond what the federations and associations are doing, which is mostly on the administrative side," he adds.

The BCCI takes credit for being the first sports federation to graduate from administering a game to marketing it and running it like a business, under the highly successful IPL.

It was the ICL that set the grounds for sports marketing among cricket federations in a major way. When Subhash Chandra's Zee group invested US$4 million last year in promoting the game in an already cricket-crazy nation, it seemed that the BCCI finally had healthy competition on its hands. However, the US$38 million spent by the latter on promoting IPL made it the benchmark for all future sports marketing exercises in the country.

As a testament to its success Sundar Raman, ceo, IPL, reels of impressive statistics: every ball bowled was telecast live over 267 hours, the official website got more than 50 million views in two weeks, and newspapers dedicated 530,000 column cm of space to the tournament. Raman says that the IPL was basically organised and executed by three people, with a time window of 14 weeks (eight for planning and six for execution) for 59 matches, in comparison to the cricket World Cup 2007 that took 18 months of planning to organise 52 matches in six weeks.

Sports marketing can promote a variety of sports simultaneously. Despite the IPL's success, the good news is that India is shedding the tag of being a single-sport country. "The concept of India as a one-sport nation is slowly dwindling with golf, tennis, badminton, hockey and football to a certain extent gaining a respectable fan following and making sports management companies create events across these disciplines," explains Venu Nair, ceo, World Sport Group (WSG). "It's also imperative that sports federations other than cricket have long-term plans, so that they can be managed by competent sports companies, resulting in the development of sport, rather than create one-time profit-making events," he adds.

Celebrities in other sports are also gaining a huge fan following. They include Sania Mirza, Leander Paes and Mahesh Bhupathi (all tennis), Saina Nehwal (badminton), Vijender Singh (boxing), Sushil Kumar (wrestling), Jeev Milkha Singh (golf), Rajyawardhan Rathore and Abhinav Bindra (shooting), Dhanraj Pillai (hockey), Bhaichung Bhutia (football) and Vishwanathan Anand (chess).

The Beijing Olympics, which was the best-ever for India in terms of the number of medals it won, saw the emergence of heroes in boxing, wrestling, badminton, archery and shooting, with most athletes reaching the quarterfinal stages (one round short of an assured medal).

All this action also translates into monetary gains for India's sporting icons. While top cricketers still lead the pack commanding around US$600,000 per endorsement, others lower down the hierarchy get around US$250,000 to US$500,000 for an endorsement. Even newcomers with good scores or wicket-taking skills can earn around US$60,000 per endorsement. Increasingly, medal winners in other sports are also getting lucrative assignments. Abhinav Bindra's gold in shooting at the Beijing Olympics saw him endorsing brands such as Samsung for record amounts. Similarly, Rathore managed to get contracts from brands such as Sahara, Coke and Hero Honda. "I don't see any reason why Bindra shouldn't make at least a couple of crores now," says Latika Khaneja, director, Collage Sports Management, the management firm that represents the shooter.

Sania Mirza, managed by Mahesh Bhupathi's Globosport, is already a multi-millionaire, given her exploits from the Association of Tennis Professionals (ATP) tour. Rising badminton star Saina Nehwal, yet to sign a lucrative contract, has already got smaller deals with MTV, Cancer Society of India and an American herbal company.

Sports management brings with it an increasing demand for specialised courses in the same. The lucrative deals that a successful sports star can sign often create a new career in sports management. Career options in this booming industry have started opening up with several private educational institutions and a couple of public institutions offering courses specialising in sports management.

The Indira Gandhi Institute of Physical Education and Sports Science, New Delhi, and the Alagappa University, Karaikudi, Tamil Nadu, both offer a one-year post-graduate diploma in sports management.

Internationally, institutions in the US, the UK and France also offer courses in sports management, and graduates from top institutions are absorbed by the burgeoning sports management and marketing sector in India. The BCCI, for instance, is already creating a 30-member team of management professionals. "We also want an elected CEO," says Niranjan Shah, secretary, BCCI. With professional sports marketing firms being set up across the country, soon top players will sign mind-boggling contracts and even budding players could win profitable contracts.

In the US, an unknown 18-year-old basketball player signed a US$90 million contract with Nike in 2003, even before his National Basketball Association (NBA) debut. Today, LeBron Raymone James (or 'King James' as he is known), is a superstar.

Perhaps soon, a rookie Indian player, thanks to some excellent sports marketing specialists, could sign off a mega contract even before winning a medal in an international event.

SCRIPTING A SUCCESS STORY

Although many expected the Indian Premier League (IPL) to fizzle out due to the untested format, untried revenue streams and high-cost structure, its success is reflected not just in the large audience it captured, but also in the moolah it made for the franchises.

Franchises such as Bollywood superstar Shah Rukh Khan's Kolkata Knight Riders (KKR), India Cements' Chennai Super Kings and Emerging Media's Rajasthan Royals are believed to have already broken even or, better still, earned a profit.

KKR managed to rope in big sponsors such as Tag Heuer and Belmonte, while Rajasthan Royals managed to keep costs low. The Board of Control for Cricket in India (BCCI), the official cricket body, which launched the IPL, sold the global broadcast rights to a consortium comprising Sony Television and Singapore-based World Sport Group (WSG) for a billion dollars. Interestingly, Sony was able to command unheard-of advertising rates of US$21,000 for 10-second spots for the semi-finals and finals of the IPL.

In fact, with the number of participating teams in the league set to increase in the future, large groups such as Sahara, Reliance ADAG and ICICI Ventures are anxious to field their own teams. International players keen to get a slice of the action include Sequoia Capital, Providence and Deutsche Bank.