

# Interview with Carl Grebert, Brand Director Nike Asia Pacific

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Brand Director, Nike Asia Pacific

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## Abstract

In this interview the context, strategic dimensions and success factors underpinning sponsorship are discussed. In the context of Nike's corporate philosophy and the forces of globalisation, Grebert and Farrelly look at the importance of aligning the brands of both the sponsor and the property and the implications for market segmentation. A strong emphasis is placed on factors that contribute to the effectiveness and success of Nike's sponsorship programmes.

**FF:** A general question to open – I want to get a sense of your general philosophy toward sponsorship.

**CG:** My overall feeling about sponsorship is that it can be an incredibly powerful tool. I think if people enter into sponsorship with the right understanding of the brand and the right understanding of what they want to achieve out of sponsorship, then it can work an absolute treat. But if you go in with blind faith or if you don't understand your brand and you're simply out to get exposure, in many instances it will be a complete and utter failure. And probably an expensive one.

**FF:** Has sponsorship become more strategic? If so, what has been the catalyst?

**CG:** Yes, several things have led to this change. I think the sports brands have had to get much smarter in how they pitch their proposals, and I think for a lot of businesses, thankfully, it has become much more professional. It went from such a crazy thing five years ago, when it became a bidding war, with: 'We want to get this space so our competitor doesn't' rather than because it was right for the brand. Over time, the amount of money that's been invested has demanded a greater degree of accountability by the sports properties in this process and in justifying their value. We're starting to see more strategic rationale being put in right at the beginning of the process. So now it's more about 'Show me how it will work for my brand and how you (the sport and sponsor) are accountable for the money'



being exchanged'. Sponsor brands are saying: 'OK, before I jump in, what do I want out of it? What is it I'm trying to achieve?' And then: 'How can I make sure the rights values you have on the table are appropriate?' The prices people are paying have flattened; TV rights have flattened; player endorsements are sort of flattening. Everything from a sponsorship point of view is flattening, and one of the reasons is because there is a more strategic and realistic assessment of what it's worth.

**FF:** That said, what do you consider to be the attributes of successful sponsorship?

**CG:** The number one is an understanding of the brand's values, so the most successful sponsorships are those where the brand's values line up very closely with the brand values of the sport or the athlete. If they're out of shape, everything falls down.

**FF:** How precise do you try and get that alignment? It's a fairly vague concept in a way – I mean, how far do you try and drill down in terms of what you're trying to do with the brand?

**CG:** You're never going to find the absolute perfect match, but if you can summarise what your brand is generally in three or five words and use this as a filter to generate quality analysis and interpretation, you can make well substantiated decisions. If we take football, for example, and say I am positioning around creative football, what does that mean? That means unexpected, creative and authentic. And you sit there and, say, look at a soccer pitch: which types of players that are going to communicate that value? The strikers? They're likely to be the ones that are a little more flamboyant.

**FF:** Would you do that on a segment by segment basis? Is that normally what governs it?

**CG:** We start with brand. If we enter a sport like soccer globally, or even skateboarding, for example,

we will sit there and say: 'What are the core values of our brand?' so we know it's primarily around innovation, authenticity and inspiration. So take the innovation side: what could innovation look like in skateboarding? So we understand what innovation in our skate product looks like – what are we going to do to bring something innovative to the skate market that's not there? Who are the kids looking at? Who are we starting to read about in the sport? That's a succinct way of looking at it. I would like to think it is a lot more sophisticated, but it certainly starts with what we are as a brand – 'If Nike were a player, how would we play that game?' – and then we seek out the properties that best represent those values.

**FF:** So do you make a judgment about the fit of a property on a number of levels?

**CG:** Absolutely. When we look at performance we're not just looking and asking, for example, who is currently the fastest. We look at who their coach is, who the people are that work around them, what they are like off the playing field. So when you take a Lance Armstrong away from the Tour de France, you know how he shapes up, what values he projects and what he is like when you talk face to face. You must think about what type of attributes the brand has both on the field and off.

If it's in a team environment, we naturally look at how that team has travelled on the field, but it is also about their approach to their own business. Are they thinking five, ten years ahead? Have they got a plan? If they're a football club, for example, do they have a vision of where they want to be in ten years' time or are they just chugging along, hoping to survive hand-to-mouth? And that may not be the determining ingredient, the one that decides whether you go with a particular team or not, but it certainly dictates values. Most of the time, the sports teams, in particular, that create the greatest level of fan loyalty understand their heritage but also how this translates into the future, how you remain proactive and have vision without compromising the equity you have built at the past.

This is a difficult and delicate balance, but the good ones can articulate this path and that is very influential for our decision-making.

**FF:** Clearly some brands have an intimate understanding of who they are and where they are going?

**CG:** Look at Manchester United: they have a complete and utter understanding of what their brand is, what their heritage has delivered to that brand and what shapes the future - the power of red and their global fan base. So they have a complete understanding of what has made their brand what it is today, where it needs to go. They hold on to values of leadership, passion, courage but also work tirelessly to appreciate how these values will manifest in the future.

**FF:** Transgressing a little, who do you think is the best sponsor in the world, or at least who has shown to be very effective in recent times?

**CG:** I think Vodafone are doing it well, which is interesting because I think they weren't doing it so well not that many years ago. I think initially they came out with an acquisition strategy.

**FF:** They'd be the first to admit that, wouldn't they?

**CG:** Yes. 'We'll just throw buckets of cash at everything and see what sticks.' But they did nothing with it, whereas I think now they're really strategic... and they understand their brand. They've got some of the best properties in the world. I don't know whether they had them before, but they have figured out how to use them and are very strategic. Look at what they've done with Schumacher, with David Beckham, with Manchester United, with the Wallabies.

**FF:** What sets them apart?

**CG:** I think they have actively used these sponsorships to create a human side to the brand and have done it very effectively.

**FF:** Have they created an attitude for the brand through their use of sponsorship?.

**CG:** Yes, the whole thing is about connection and they're going to help people connect and be socially involved with one another, and the creative sits perfectly around it. They're humanising the athletes in a way that's fun, but they're also understanding absolutely the power athletes have to inspire. So take the David Beckham spot and the Schumacher spot. You've got Schumacher playing with Coulthard or one of the other drivers and you get to see their personality, the lighter side. They're playing a game: it's just a glimpse of their lighter side. So they've promoted what our brand can do but we've also created the fun and the unexpectedness. But then you take a David Beckham shopping centre, one where they have perfectly understood the Beckham brand, which is: 'Here's a guy who, despite being the greatest demi-god in England, still may do his own shopping.' He probably doesn't, but you'd like to think that he can, so they have this understanding, but then also realise the power that Beckham has still to completely transform teenagers into jelly. People are seeing such alignment and saying: "I can relate."

**FF:** With a straight advertising message, would the result have been different?

**CG:** Yes. There would not have been the connection. Vodafone is in close with these major sporting personalities and that speaks to the size of the brand and serves to bring the message across in a much more persuasive way. With sponsorship, it's about connections... you can connect in sponsorship on a much deeper level if you get it right than in any other form of media because you are attaching your brand values to the values of the property and it is these values that people want to love.

**FF:** At international or global level, what has been the role of sponsorship in establishing a global profile for the brand?



**CG:** For us it's been absolute because of the obvious connection Nike has to sport. Sport is a global language. Any consumer in any country can understand sport and can understand the theatre of sport and can understand the drama of sport and can understand the competitiveness of sport. Take the Tour de France. It's a bike race but it has an aura – a justifiable aura. It's enormous and then it becomes global and Lance Armstrong is a five times winner. He's an absolute freak athlete and you don't have to understand how to ride in a pack up the French Alps to know that what he does is amazing. So I think, more and more, when you look for abilities to work with global sports properties – now especially within Australia we understand – it used to be that we needed to find an athlete who's locally relevant, but that mentality has shifted because we understand that athletes don't have to compete or live here to be attractive to Australians.

**FF:** What do you think is going to make the difference in being successful in the future on that global stage?

**CG:** I think that there are internal and external issues. Sometimes I think the greatest barrier to leveraging global sponsorships and acquiring the leveraging in global properties is the bureaucracy within your own company. You get into conversations about who funds what, who pays for what, who does what, who manages the team and then all of a sudden, while you're arguing internally, someone else has gone and signed them. So I think some companies need to work on a global infrastructure as it relates to sponsorship acquisition and management.

**FF:** That said, do you think that sponsorship has given you competitive advantage in your current markets?

**CG:** Absolutely. If you trace our biggest growth spurts, they've occurred when we've aligned and innovated around exceptional athletes. So Jordan in the 80s;

never seen an athlete like him, but we're able to create a line of footwear through Jordan that nobody's ever seen in footwear. Golf and Tiger. Tiger has bought something new to golf. Nike is in that; it's a whole new market for us.

**FF:** Given what we discussed, about concerns of ubiquity, over-exposure, the reason not to be in sponsorship, do you think sponsorship is increasingly about new target markets, about innovations?

**CG:** I think so. Generally sponsorship works best when it creates a new opportunity for your business. If you're going to say: 'This is going to create a new business opportunity for us', whether it's because you're going to connect with these fans, it's going to reinforce this value of the brand, that's how you've got to view sponsorship. What new sponsorship opportunities are going to create new business? Because if it's just about awareness, then some of the other media may stack up a lot better. Sponsorship is not the most cost-effective unless these bigger objectives are built in... it's probably not the most efficient among media in the world, but if used right and as a catalyst of growth within your own business, it can be one of the most effective.

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## Biography

**Carl Grebert** is the Brand Initiatives Director for Nike Asia Pacific, based in Portland, Oregon, USA. His previous roles at Nike were with the Australian/New Zealand office, initially as sports marketing manager (including during the Sydney 2000 Olympics) and subsequently as the Marketing Director. Carl has also had various brand marketing roles at Unilever and Coca-Cola South Pacific, based in Australia. He received a bachelor degree in economics from Macquarie University in Sydney.