



Nigel Currie

Nigel Currie, Joint Chairman, European Sponsorship Association
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Interview with Nigel Currie, Joint Chairman, European Sponsorship Association

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SR Can you tell me a little about your background in the sponsorship industry – how you came into sponsorship and what role the Gem Group plays in the industry?

NC I have been involved in the sponsorship industry for over twenty years but of course it has changed out of all recognition in that time. I went into the industry straight from university. Having done a degree in Marketing and having a passion for sport, sponsorship seemed to be the perfect area to work in. I read an article in The Times just after I left university, by Torin Douglas, now the BBC's media correspondent on sponsorship. It was about the success of Cornhill's sponsorship of test cricket (it had not been going for long at this time) and it just appealed to me.

The GEM Group is one of the few full service agencies involved in the sponsorship business working across all areas of sports marketing and sponsorship.

SR Obviously one of the key areas of interest to readers is the formation of the European Sponsorship Association – can you tell me how the organisation came into being?

NC To understand how ESA came about it is necessary to understand the role of the bodies

that preceded it. The European Sponsorship Consultants Association (ESCA) was formed in 1990, when several of the leading personalities within the sponsorship business such as Barrie Gill, Karen Earl, Helen Day and Bill Kallaway got together. They decided that because the sponsorship industry was growing so fast, it needed an association to give it more credibility and status as an industry sector representing all types of sponsorship across Europe. ESCA was born in 1990 with just a handful of members and operated independently from the ISS, which had a different remit.

The ISS (Institute of Sports Sponsorship) was formed in 1985 and was set up as a UK only association looking after the needs of the sports sector which was (and still is) the dominant sector within sponsorship. ESCA widened its membership over the years. Originally its members were just consultants. However, latterly groups such as accountants, lawyers and insurance brokers who were all working extensively within the sponsorship business could become members.

ESA was formed really because there was a question of whether there was a need for two bodies. Helen Day, vice chairman of ESCA, myself and Alan Burden Cooper of the ISS met to discuss whether it would be possible to merge operations. The rationale was that one body would become



much stronger because its extra size and resources would help it to create more impact. This is particularly the case when needing to work across Europe and when trying to recruit new members. We also felt that the two bodies had complementary skills and membership bases. ESCA was made up mainly of consultancies, whereas the ISS was mainly sponsors. We therefore saw it as a chance to incorporate everyone into one body.

Now that the merger has gone ahead, we are looking to attract everyone who works in sponsorship. We are now attracting sponsors, rights holders and governing bodies, lawyers, accountants, insurance brokers, research companies, hospitality specialists and of course consultants. We have members in most major European countries including Germany, Netherlands, Spain, Portugal, Italy, Poland, Russia, Ireland and Scandinavia. The ISS will, however, continue to operate, mainly to administer the UK government backed Sportsmatch programme.

SR Will the organisation have full time staff and how will it operate on a day-to-day basis?

NC There is a full time general manager, Juliet Soley who runs ESA on a day to day basis. There are also key people who ESA employs to run specific areas of activity.

Training and education are a key remit of ESA, and ESCA's former secretary, Tony Rudge is responsible for running all ESA's training and education seminars and conferences. We also have several other people involved in specialist areas such as PR, international liaison, social functions and the website.

SR What do you see as the key roles that ESA will play in the industry?

NC ESA's key role is to provide the fast growing sponsorship industry with a credible trade body which can provide information and act as a contact point for people who need to find out more about sponsorship. Education, training, careers, information, research, liaison with government (Brussels) on legislation and other matters which affect the sponsorship industry are all key priorities for ESA, as is providing a voice for the industry.

SR A key issue facing the industry in Europe at present is the introduction of regulatory restrictions surrounding tobacco sponsorship. Can you explain what the current position is regarding tobacco and sponsorship and what its implications will be?

NC Tobacco sponsorship will be banned in the UK from 2006. However, different rules apply in different European territories. Within the UK there are now very few tobacco sponsored events. B&H snooker and cricket, Embassy darts and snooker are all a thing of the past and in most of Europe now tobacco sponsorship of smaller events has either disappeared or is close to doing so. Of course the one sector which has been very heavily dependent on tobacco has been Formula 1. The regulations applying to Formula 1 vary throughout Europe at present which is why you get cars with logos at some circuits, without logos at others and nothing at all at others.

It seems that efforts are being made to enable tobacco sponsors to retain their exposure levels within the sport by introducing new Grand Prix venues in countries which are more sympathetic



to the promotion of tobacco. Formula 1 became over dependent on tobacco sponsorship and will find it very hard to replace the levels of revenue it has had from tobacco sponsors. Of course a new breed of sponsors such as computer and mobile communications companies and brands are now very prominent. But tobacco companies had so few other alternative ways to promote themselves that the levels of money they were committing to Formula 1 were and are out of sync with the rest of the sponsorship marketplace.

SR In a similar vein to tobacco sponsorship, alcohol sponsorship is, of course, banned in France and there are signs of a debate beginning in the UK about the role of so called 'junk food' sponsors in the UK targeting children. Do you think that these two industries will face tougher regulations in the near future and if so, is this likely to be at national or European level?

NC Different countries approach things differently and apply different rules and regulations. This is where ESA has a key role to play in liaising and working very closely with the EU in Brussels. Individual countries within the EU have the power to introduce bills, which could become effective across the whole of the EU. That is why we have to be vigilant to make sure that the strength of feeling in one particular country doesn't result in the rest of Europe being subjected to legislation that they don't want and which will have a major impact on their business. France did try to get alcohol sponsorship banned across Europe about five years ago and ESCA was instrumental in resisting this. There will always be individuals or groups that have very strong feelings on certain

issues and we need to be aware of these and able to react. Alcohol and junk food are again coming under the spotlight. However it is an indication of the power of sponsorship as a marketing media that it is continually referred to when there is talk of banning the promotion of certain product categories.

SR Given ESA's role in speaking for the sponsorship industry, can you tell me how it plans to communicate with its members, the sponsorship industry as a whole and those it seeks to influence outside the sponsorship industry?

NC It is relatively easy to communicate with the sponsorship industry in the UK. The sponsorship media and marketing media are read by most of our industry and we have an outstanding networking system with the ESA members. Across Europe it is not so easy as things are much more fragmented and the sponsorship industry is in different stages of development in different countries.

ESA also stages the foremost sponsorship industry Congress each year which is attended by the key professionals within the industry and always seeks to cover the major issues affecting the industry. Our role as industry spokesman is key and we intend to be to the fore in banging sponsorship's drum as the sponsorship industry continues to work its way relentlessly up the marketing food chain.

We need to begin with marketing directors in general and those who control budgets. So we are targeting this group to spread the message and educate them about the use of sponsorship as a marketing tool. There are some real converts who



use it extensively; there are also many companies and industry sectors that don't touch it.

SR Can you give me an example of an industry sector that doesn't use sponsorship much?

NC There are some brands in the FMCG (Fast Moving Consumer Goods) area, for example, that haven't used sponsorship, or use it very sparingly. Obviously it doesn't apply to the likes of Coca Cola etc, but other traditional brands such as washing powders and grocery products.

To get to them, we need to generate more activity in the media and marketing press in general. We also need to put across what the industry does. In its infancy, I think sponsorship consultants were a bit reticent to promote themselves. Now we have to stop being afraid and apologetic: we have evidence that sponsorship works and we need to be a little more hard-nosed about conveying that.

SR There has been a lot of talk in recent years about establishing links between, for example, ESCA and the academic community. Now that ESA has been established, how do you see this progressing?

NC Through our training and education seminars and conferences we have had some contact with the academic world. There have been several initiatives launched to integrate sponsorship more into the academic world and get it accepted more as a genuine marketing discipline. This is crucial for the continued development of sponsorship. Students are offered courses in marketing, which will very often include elements of the PR and

Advertising business. There is, I believe, a lack of understanding among a lot of people about what sponsorship is and what it can do as a marketing tool. It is vital that sponsorship is given more time and credibility within academic marketing syllabuses, and this will require a greater understanding of the discipline by those responsible for preparing and teaching marketing courses at the higher education level. To this end, ESA would welcome the opportunity to talk more to the academic world about sponsorship and what its potential is as a marketing discipline.

SR Given the proliferation of sports management programmes and general marketing courses in universities, what do you feel are the sponsorship skills that need to be taught to students?

NC Students need a basic understanding of all the marketing disciplines - advertising, PR, sponsorship, hospitality, sales promotion, selling, direct marketing and so on. Above all, though, they need to learn about communication and the media. The media is key for most marketing disciplines and an understanding of how sponsorship works across all the different types of media is absolutely vital.

SR Obviously ESA is a new body still finding its feet - where do you see the organisation in two years time and in five years time?

NC In two years time I would expect ESA to have at least doubled in size, partly through natural growth but also as a result of the growth in the sponsorship industry. Because so much is changing in sponsorship and it is developing and



growing all the time, new ideas, personnel, companies and technology are constantly emerging. This is great for the industry because, despite general economic difficulties which have hit related sectors such as television/new media and marketing recently, sponsorship has continued to grow and address new challenges positively.

A good example is the fact that the expansion and proliferation of the media (particularly television) is making it harder for advertisers to reach their target markets. This means greater opportunity for sponsorship and, if we are able to capitalise on these attributes, I expect sponsorship to double its share of the total marketing spend in the UK in the next five years. Across Europe it is harder to be so precise because sponsorship is at different levels of development and acceptance in different countries, but in several major European territories growth will mirror what we can expect in the UK.

SR It is interesting that you mention the different rates of growth for sponsorship in Europe. Sports marketing and sponsorship has traditionally been seen as strong in the northern European countries and this is reflected to a large extent in the membership of ESA. Do you think that this is beginning to change with France, Spain, Italy, Portugal and Greece becoming more sophisticated in their use of sports marketing, and how can this be promoted further in such countries?

NC Italy is already fairly well established in its adoption, acceptance and use of sponsorship. France is way behind and the advertising industry has severely hampered the development of sponsorship there. Greece and Portugal will benefit hugely from staging the Olympics and European

Championships later this year. And indeed all European countries will benefit from the fact that over the next three years Europe will be hosting almost every major world sporting event. The levels of sponsorship involved in these events is enormous.

SR One big issue that sports marketing and sponsorship seems to need to confront is evaluation. There are, of course, difficulties in producing a model for evaluation when sports rights can be used by so many different organisations and to address so many different objectives. Do you think it is worth trying to standardise any measurement techniques and, if so, which ones? Would ESA be looking to play a role in this area?

NC Research has always been a thorny issue and one that has been unfairly thrown at sponsorship as being its weakness. If you look at any marketing discipline you could query how it is measured and evaluated. Sponsorship has relied very heavily on a research and evaluation methodology based around awareness levels and advertising equivalent value. At ESA we are formulating ideas on developing standard evaluation methodology which will naturally include advertising equivalent values received from media exposure in the press, and on radio and television. However, it will also attempt to value the other benefits that sponsorship develops from a business point of view, such as the value of tickets and hospitality and the benefits to sales teams, direct sales and revenue opportunities, direct mail benefits, ability to engage existing and potential customers, image and perception benefits and so on.



SR As a body that is effectively speaking for the industry as a whole in Europe, what do you see as the main issues facing sports marketing and sponsorship at the moment (as opposed to specific issues that ESA is addressing) and have you detected any trends in terms of the health of the market and new directions for the industry?

NC Again, proliferation of the media is crucial resulting in the fact that it is becoming so much harder for advertisers to reach their core target markets. Also new technology is making it possible for viewers to by-pass the adverts. The TIVO system (disk-based personal video recording) in America is becoming more commonly accepted and used and once it becomes easy to skip the commercial breaks, advertisers will start to query further their advertising investments.

Sponsorship's advantage lies in the fact that it is in the heart of the action - on the playing shirts, around the perimeter, on the interview boards.

SR There is some talk, in the UK in particular, about media buyers becoming increasingly active in sponsorship. Have you detected this and what implications do you think it has for the industry? Does it also mean that the days of the advertising agency having a sponsorship department are numbered if clients see it as a media buy and advertising agencies being less relevant than both media buyers and sponsorship agencies?

NC The advertising industry has flirted with sponsorship over the years, and there is a fine line between the different disciplines particularly when broadcast sponsorship is brought into the equation. Sponsorship consultants are experts in

their field as are advertisers in theirs and in many cases advertising should be used to complement sponsorship activity. I think we will see more sponsorships becoming the hub for companies' marketing activity with other disciplines such as PR, advertising, sales promotion, hospitality, direct marketing being employed to work around the sponsorship. This is a big step and one that marketers are nervous about taking - usually on the advice of their advertising agency.

However as it becomes harder for advertisers to reach the big audience and the levels of poor advertising remain as high as they are, so the opportunities for using sponsorship to drive marketing programmes becomes more appealing.

SR You mention the difficulty that advertisers have in reaching a big audience, and this can obviously be true at a national level. Do you think that the globalisation of sport is also helping to give sponsorship a major advantage over other marketing platforms?

NC Sport is a universal language and crosses borders in a way that advertising very often struggles to do. One global sponsorship campaign can be used to target whole continents - even the whole world - without the need to develop new executions for different countries with different cultures and languages.

SR And do you think that the internet is playing an increasingly important role in sponsorship?

NC The internet has not had as big an impact as people might think but that is a reflection on the internet in general. A lot will depend on



secondary/internet broadcasting rights. This is where the internet could have a key role to play particularly with its ability to globalise content and by-pass the legal and technical problems of reaching individual territories.

SR Nigel, thank you for taking the time to talk to the International Journal of Sports Marketing & Sponsorship.



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Biography

Nigel Currie began his sponsorship career in 1982 with Sports Sponsorship International before joining John Taylor International in 1988 and Craigie Taylor in 1991 which in 2002 became part of GEM Europe, of the CSS Stellar Group. He has worked across all aspects of the sponsorship business and has been heavily involved in developing and running sponsorship programmes for companies such as Vodafone, The Famous Grouse, Courage, TXU Energi, Powergen, Peugeot, Carlsberg-Tetley, UBS and Toyota. He has been involved with the European Sponsorship Association since 1994 and was elected Chairman of ESCA in June 2002 and played a key role in the merger with ISS to form ESA in October 2003. He is now Joint Chairman of the new Association.