



# **MARKETING**

## **AN INTRODUCTION**

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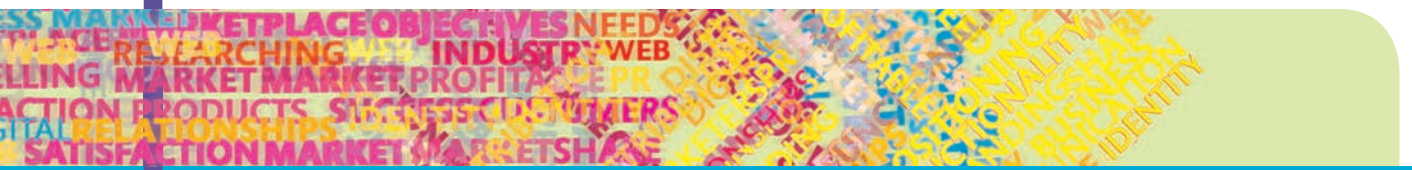
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# MARKETING

## AN INTRODUCTION



THIRD EDITION

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# PREFACE



## WELCOME TO THE THIRD EDITION!

Our goal with the third European edition of *Marketing: An Introduction* has been to retain the great strengths of both the classic US original – among which are its clarity, coherence and authority – and those of the two prior European editions – among which are their contextual detail and incorporation of material on new and embryonic marketplaces – and to do so while fully incorporating the latest developments, evolutions and changes with respect to the practice and theory of marketing. Further, great effort has been expended in developing and diversifying the European-oriented material in order to create an even more effective text from which to learn about and teach marketing in a European context.

Most students learning marketing require a broad, complete picture of basic marketing principles and practices. They need a text that is complete yet easy to manage and master, one that guides them through the great variety of topics that come under the rubric of marketing without confusing or bewildering them – one that helps them prepare their assessments but also prepares them for careers in marketing or related fields. We hope that this text serves all of these important needs for marketing students, and that it strikes a careful balance between depth of coverage and ease of learning. Unlike more abbreviated texts, *Marketing: An Introduction* provides a complete overview of marketing in theory and in practice. Unlike longer, more complex texts, its moderate length makes it possible to use fully in one semester.

*Marketing: An Introduction* makes learning and teaching marketing more effective, easier and more enjoyable. The text's approachable style and design are well suited to cater to the enormous variety of students that may take introductory marketing classes. These students will be helped to learn, link and apply important concepts by generous use of up-to-date cases, exemplars and illustrations. Concepts are applied through many examples of situations in which companies from Spain to Russia and from Denmark to Turkey assess and solve their marketing problems. This third edition has no fewer than 48 cases – of which 10 are brand new and the remainder updated thoroughly. Integrated with accounts of contemporary practice, each chapter has had the roster of supporting academic literature updated to reflect the latest thinking and research.

Finally, this text presents the latest marketing thinking – as advocated and implemented by the reflective professional working in established or developing industries or job roles. It builds on an innovative and integrative marketing framework, one that positions marketing simply as the art and science of creating value *for* customers in order to capture value *from* customers in return. We hope that the great diversity to be found in Europe and marketing is found within.

### Creating customer value and relationships

Today's marketing is all about building profitable customer relationships through interacting face to face or online. It starts with understanding consumer needs and wants, deciding which target markets the organisation can serve best, and developing a compelling value

proposition by which the organisation can attract, keep and develop targeted consumers. If the organisation does these things well, it will reap the rewards in terms of market share, profits and customer equity. From beginning to end, *Marketing: An Introduction* presents and develops this integrative customer value/customer equity framework.

Marketing is much more than just an isolated business function – it is a philosophy that guides the entire organisation. The marketing department cannot build profitable customer relationships by itself. Marketing is a company-wide undertaking. It must drive the company's vision, mission and strategic planning. It involves broad decisions about who the company wants as its customers, which needs to satisfy, what products and services to offer, what prices to set, what communications to send and receive, and what partnerships to develop. Thus, marketing must work closely with other departments in the company and with other organisations throughout its entire value-delivery system to create superior customer value and satisfaction.

## How do we get you learning?

This edition of *Marketing: An Introduction* builds on five major themes:

- 1 **Creating value for customers in order to capture value from customers in return** Today's marketers must be good at *creating customer value* and *managing customer relationships*. They must attract targeted customers with strong value propositions. Then, they must keep and grow customers by delivering superior customer value and effectively managing the company–customer interface. Today's outstanding marketing companies understand the marketplace and customer needs, design value-creating marketing strategies, deliver value and satisfaction, and build strong customer relationships. In return, they capture value from customers in the form of sales, profits and customer equity.
 

Marketers must also be good at *relationship management*. They must work closely with partners inside and outside the company jointly to build profitable customer relationships. Successful marketers are now partnering effectively with other company departments to build strong company value chains. And they are joining with outside partners to build effective demand and supply chains and effective customer-focused alliances in virtual and real worlds.
- 2 **Building and managing strong brands to create brand equity** Well-positioned brands with strong brand equity provide the basis upon which to build profitable customer relationships. Today's marketers must be good at positioning their brands powerfully and managing them well across diverse and sometimes conflicting cultures.
- 3 **Measuring and managing return on marketing** Marketing managers must ensure that their marketing budget is being well spent. In the past, many marketers spent freely, often without sufficient care in respect of the financial returns on their spending. That attitude belongs to the past. Measuring and managing return on marketing investments has become an important part of strategic marketing decision making.
- 4 **Harnessing new marketing technologies in this digital age** New digital and other high-tech marketing developments are dramatically changing both buyers and the marketers who serve them. Today's marketers must know how to use new technologies to connect more effectively with customers and marketing partners in this new digital age – not to mention understanding how consumers are using these same technologies. Several of the new cases focus on the impact of social media and digital distribution on marketing and markets.
- 5 **Marketing in a socially responsible way around the globe** As technological developments make the world an increasingly smaller place, marketers must be good at marketing their brands globally and in socially responsible ways.

## Important improvements and additions

Marketing is a set of extremely varied practices, and Europe is a diverse and exciting continent. In this book we will look at Spanish clothing being manufactured and shipped, Russian beer brands being launched in the UK, French cars being advertised in Germany, Scandinavian foods being sold in Arab supermarkets and European aircraft being marketed around the world – among many other examples of marketing in, to and from Europe by companies like Rolex, Google and Alibaba. The rise and rise of technology as an influence on businesses, customers and markets is reflected by examining the digital distribution of software, advertising in video and computer games, the use and abuse of social media, and the market impact of new digital markets – seen through the prisms of Angry Birds and 3D home printing.

This third European edition of *Marketing: An Introduction* has been thoroughly revised to reflect the major trends and forces that are affecting marketing in this age of customer value and relationships.

The first chapter on the importance of managing customer relationships effectively begins by looking at some of the marketing activities carried out by UEFA, the governing body of European football, and those past masters of attracting lucrative sponsorships deals – Manchester United. Later on the role and importance of marketing is discussed by three current managers – two from the well-known firms of Electrolux and Land Rover, and the third from Acme Whistles – who together show that marketing ideas are applicable to small firms as well as global mega-corporations. The new case in this chapter looks at the text and context of the use of metaphors in marketing in the dialogue between marketers and between marketing organisations and their stakeholders.

The second chapter considers the importance of marketing strategy and the difficulties inherent in managing complex businesses in the dynamic context of Europe. Examples of key issues are taken from companies including Monsanto, Danone and Under Armour. We hope that our book will act as a guide on marketing *to* Europe, as well as within and from it. The chapter contains a new case about the crucial logistics services provided by Maersk. The other case in this chapter about British Telecom (BT) is integrated with the stories of Taiwanese and Danish engineering companies hoping to deepen and broaden their European markets.

All firms operate within dynamic marketing environments. Recent economic turbulence has caused many managers to pause and reflect on their marketing environment – the context of business. Recent events, coupled with the perpetual complexity and variety of Europe geographically, demographically and politically, have meant that Chapter 3 is very different from the equivalent chapter in the second edition of the text. Cases for this edition consider a Scandinavian dairy products company having a torrid time in countries with radically different cultural and societal norms, a case looking at the story of how a shoe retailer has developed a business model to help disadvantaged children in South America, and a new case examining how companies are getting themselves into hot water quickly and on a global scale through the two-edged sword of social media. The unique nature of the European Union (EU) is examined in some detail – not just politically, but also the impact of the community on national and multinational economies and legal frameworks – and its relationships with other countries and trading blocs in and out of Europe.

In order to understand their customers, markets and environments, firms need to collect, process and manage marketing information. The opening case to Chapter 4 considers the importance of tourism to many European nations – large and small – and the efforts in Scotland to collect and interpret data from tourists at a national/sector level. The critical importance of information and relationship management hardware, software and marketing processes is brought home through the new case in this chapter on CRM at Air France and KLM. Privacy, and the increasing number and significance of companies that you've never heard of but who know a great deal about you, are discussed. As an aid to student learning and research, a comprehensive table is presented giving suggested sources

of marketing intelligence across and within Europe. The final case in this chapter looks at how market researchers are collecting information using social media like Facebook and Twitter.

Airbus is a leading player in the global aerospace industry, and the particular problems in selling the new generation of large-capacity airliners are examined in the opening case to Chapter 5, which deals with consumer and business buying behaviour. Marketing to consumers is, of course, a major component of this chapter, and a second, brand-new case is presented on the lengths firms must go to in order to satisfy their older customers in the context of one company – Doro – offering simplified hi-tech products. The wide diversity of European customers is reflected in examples of financial services especially designed for Muslims, French anti-pollution technology, Italian tyre manufacturers and a final case looking at how General Electric is connecting with partners on a global scale.

Europe is more than the EU. Chapter 6, dealing with segmentation, targeting and positioning, opens with a case about a Russian brewery and its efforts to match the right beer to the right drinker in markets outside Russia. We look at the success Ryanair has garnered by targeting specific market segments for its cheap flights. The new case in this chapter looks at how men's suiting is an excellent demonstration of how markets can be segmented in subtle but powerful ways. Original examples include wealth management services for the increasing numbers of women with investment portfolios, the sophisticated ways and means by which companies such as Experian segment markets for their clients, and how one clothing retailer has tried to make itself stand out through a unique positioning strategy.

Every country in Europe has brands that are famous on the international stage and a near infinite number that are new or known only locally. Chapter 7, dealing with product, services and branding strategy, considers some of these famous brands, drawing on cases on Dunhill and Cloon Keen Atelier. While Dunhill epitomises cool Englishness, and has been world famous for many years, Cloon Keen Atelier is a quirky Irish brand of cosmetics which is at the other end of the spectrum from mega-brands such as Guinness, IBM and Intel. The chapter contains a detailed discussion of the impact of legal restrictions on the development and support of brands, and the case on naming brands has been updated to reflect recent examples of success and failure.

Chapter 8 explores new product development and product life-cycle strategies. In this chapter we look at the strategies employed by global brands such as Apple and Procter & Gamble. The first case looks at how Google is hot-housing innovation in order to stay ahead. We reflect on how Electrolux is bringing together diverse teams in order to improve product development. The final case in this chapter considers the development and marketing of products by VW and Alfa Romeo.

In Chapter 9 we look at pricing. Even though many countries in Europe have adopted the euro, there are still a lot of different currencies in use across the continent, which can complicate the pricing decision. Two of the companies that are discussed in this chapter have arrived at quite different answers to the problem of setting 'the right price'. The chapter opens with a case study about Primark, a clothing retailer that sets prices so low that some people think there just has to be something wrong! This provides us with the chance to explore the difficult issues associated with pricing ethics and in particular allegations that low prices in Europe may only be possible because of exploitation of workers in developing countries. On the other hand, German electrical appliance manufacturer Miele has arrived at an entirely different answer to the pricing question from Primark. The Miele answer? Offer products of such high quality and reliability that they win one consumer award after another, and have the confidence to charge a premium price for the value that you are offering to the consumer. That lesson is continued by Rolex, the subject of the second case in this chapter which has been reinforced by material to show how pricing impacts upon and is impacted by marketing strategy over the long term.

All organisations operate within complex networks of firms moving raw materials, components and finished manufactured goods up and down supply chains. Effective management of these channels is a key factor in becoming and staying a successful business.



Chapter 10, on marketing channels, gives many examples of companies large and small dealing with issues of logistics and distribution at the sector and company level – examples such as the European Plastics Distributors Association and the famous French hauliers Norbert Dentressangle appear alongside lesser-known family firms such as the Spanish company Pinturas Fierro – the focus of the opening case. Recent concepts, driven by the emergence of the Internet and e-marketing, such as disintermediation, are addressed in the case on Steam, the dominant player in the market for the digital distribution of computer games. On that theme, the increasing importance of partner relationship management and how it fits into the distribution mix are considered.

Chapter 11 on wholesaling and retailing opens with a case about the German discounter Aldi. The threat of these hard discounters to established supermarkets is timely in the context of multiple crises at Tesco. Alongside a second and highly evolved case on Dutch cooperative wholesaler The Greenery, there is a case discussing top retailing brands in key European markets. You may be surprised to learn that the biggest shopping mall in Europe is not in London or Paris but rather Istanbul. At the other end of the size scale, the chapter gives many examples of the small to medium-sized firms that make up the bulk of most European economies – firms like Henry Poole & Co. and the many members of the Euronics network.

Advertising, sales promotion and public relations management are the focus of Chapter 12. The opening case discusses French cars being advertised in Germany and another – significantly updated – case considers the rapid growth of advertising in computer and console games. New and up-to-date statistics and tables are presented on European advertising expenditures at the national and international level with special emphasis on social media spending, and there is a third case on how advertisers are using technology to narrowcast tailored promotional messages to individual customers.

The other elements in the promotional mix are covered in Chapter 13 on personal selling and direct marketing. Personal selling is illustrated with a case on Philips. The legal, ethical and technical issues of direct marketing in Europe are considered in depth. A new case in this chapter looks at the rise and near fall of Groupon. The European direct marketing industry is described in some detail with specific attention paid to governing and regulating bodies at national and EU level. A second case illustrates how even small firms can use modern IT equipment to target specific communications to individual customers.

Chapter 14 concerns marketing in the digital age, and is necessarily substantially altered and updated from the second edition of *Marketing: An Introduction*. Substantial changes were inevitable because of the rate of change in the technology and consequent developments in marketing techniques. The new chapter opening case shows how technologies associated with 3D printing – or additive manufacturing as it is more formally known – may well disrupt multiple areas of marketing activity. A second case illustrates how charities such as the International Red Cross are using these same technologies to advance their messages and causes at a reduced cost. The chapter presents a substantial set of statistics on the personal and commercial use of the Internet across different European countries – including expenditure on online advertising – and there is a renewed case giving the example of the Angry Birds app as a new type of product in a rapidly developing and growing market.

One of the characteristics of Europe, a continent with a large number of nation states squeezed into a rather compact land mass, is that often a firm will find that it has one or more ‘international’ markets closer at hand than the major markets of its own country. For example, Nice in south-east France is just over the border from Italy and is closer to the capital cities of Italy and Switzerland than it is to Paris. European customers are buying products and services across international boundaries with increasing regularity and confidence. Chapter 15 considers issues relevant to the global marketplace with a case on the trials and tribulations faced by Volkswagen in China. New figures show the leading brands globally, and the chapter now has numerous examples of firms marketing to and from Europe alongside a case looking at the past, present and future of McDonald’s in Russia.

The brand-new case in this chapter looks at the complexities caused by culture and society when doing business in Asia.

Finally, Chapter 16 builds on the strength of the US original in respect of its detailed considerations of marketing ethics and social responsibility. There is enhanced coverage of social marketing: the use of marketing techniques to bring about desirable social changes and the coverage of sustainable marketing has been developed and improved – how can marketing contribute to a sustainable planet? The first case in this chapter looks at the success of a recent EU-wide campaign to reduce the number of young people who smoke, the second case at the international debate on who is to blame for obesity, and the final case at how a major European retailer is trying to reduce its environmental impact without inconveniencing its customers, while collaborating with a major charity to combat poverty in developing countries. The chapter asks readers to take a critical look at the issues involved in marketing ethics, social responsibility and sustainability.

This edition includes new and expanded material on a wide range of other topics, including social media, managing customer relationships, brand strategy and positioning, supplier satisfaction and partnering, supply chain management, data mining and data networks, marketing channel developments, environmental sustainability, cause-related marketing, marketing and diversity, socially responsible marketing, new marketing technologies, global marketing strategies, and much, much more.

Throughout all 16 chapters you'll find links to European bodies, political and sector specific, through new chapter-specific sets of weblinks. Each chapter refers to recent marketing journal articles with a European focus and many of the images contained within the book are new for this edition. Every chapter is supported by a matching set of lecture slides created by the authors themselves, which have been produced to a standard – not down to a price. Each chapter has an updated set of multiple-choice questions suitable for use with a variety of software platforms and many of the cases are supported by audio-visual material from the case authors and companies involved.

We don't think you'll find a better, fresher solution to teach and learn about marketing anywhere.

# ABOUT THE AUTHORS



**GARY ARMSTRONG** is Crist W. Blackwell Distinguished Professor Emeritus of Undergraduate Education in the Kenan–Flagler Business School at the University of North Carolina at Chapel Hill. He holds undergraduate and masters degrees in business from Wayne State University in Detroit, and he received his PhD in marketing from Northwestern University. Professor Armstrong has contributed numerous articles to leading business journals. As a consultant and researcher, he has worked with many companies on marketing research, sales management and marketing strategy. But Professor Armstrong’s first love is teaching. His Blackwell Distinguished Professorship is the only permanent endowed professorship for distinguished undergraduate teaching at the University of North Carolina at Chapel Hill. He has been very active in the teaching and administration of Kenan–Flagler’s undergraduate programme. His recent administrative posts include Chair of the Marketing Faculty, Associate Director of the Undergraduate Business Program, Director of the Business Honors Program, and others. He works closely with business student groups and has received several campus-wide and business school teaching awards. He is the only repeat recipient of the school’s highly regarded Award for Excellence in Undergraduate Teaching, which he has won three times. In 2004, Professor Armstrong received the UNC Board of Governors Award for Excellence in Teaching, the highest teaching honour bestowed at the University of North Carolina at Chapel Hill.

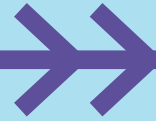
**PHILIP KOTLER** is one of the world’s leading authorities on marketing. He is the S.C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg Graduate School of Management, Northwestern University. He received his masters degree from the University of Chicago and his PhD from MIT, both in economics. Professor Kotler is the author of *Marketing Management*, now in its 12th edition and the most widely used marketing textbook in graduate schools of business. He has authored more than 20 other successful books and more than 100 articles in leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi Award for the best annual article published in the *Journal of Marketing*. He was named the first recipient of two major awards: the Distinguished Marketing Educator of the Year Award given by the American Marketing Association; and the Philip Kotler Award for Excellence in Health Care Marketing presented by the Academy for Health Care Services Marketing. Other major honours include the 1978 Paul Converse Award of the American Marketing Association, honouring his original contribution to marketing, the European Association of Marketing Consultants and Sales Trainers Prize for Marketing Excellence, the 1995 Sales and Marketing Executives International (SMEI) Marketer of the Year Award, the 2002 Academy of Marketing Science Distinguished Educator Award, and honorary doctoral degrees from Stockholm University, the University of Zurich, Athens University of Economics and Business, DePaul University, the Cracow School of Business and Economics, Groupe HEC in Paris, the Budapest School of Economic Science and Public Administration, and the University of Economics and Business Administration in Vienna. Professor Kotler has been a consultant to many major US and foreign companies in the areas of marketing strategy and planning, marketing organisation and international marketing. He has been Chairman of the College of

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# CASE MATRIX



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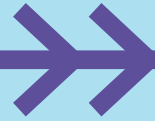


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## Figures

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## Logos

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# PART ONE

DEFINING  
MARKETING AND  
THE MARKETING  
PROCESS



## IS MARKETING FOR EVERYONE?

If someone told you that effective marketing was crucial in large companies with well-known brands like Electrolux or Land Rover you might readily agree. Do smaller firms need to think about their marketing? How about cities – can marketing ideas be useful to them? Is it possible that a charity like VSO could usefully spend time thinking about its marketing strategy? St Paul's Cathedral – surely marketing could never be something that might concern that august institution!





# CHAPTER 1

## MARKETING: MANAGING PROFITABLE CUSTOMER RELATIONSHIPS

### AFTER STUDYING THIS CHAPTER, YOU SHOULD BE ABLE TO

- define marketing and outline the steps in the marketing process
- explain the importance of understanding customers and the marketplace and identify the five core marketplace concepts
- identify the key elements of a customer-driven marketing strategy and discuss the marketing management orientations that guide marketing strategy
- discuss customer relationship management and identify strategies for creating value *for* customers and capturing value *from* customers in return
- describe the major trends and forces that are changing the marketing landscape in this age of relationships

## THE WAY AHEAD

### Previewing the concepts

We'll start with a simple question: What *is* marketing? Simply put, marketing is managing profitable customer relationships. The aim of marketing is to create value for customers and to capture value in return. Chapter 1 is organised around five steps in the marketing process – from understanding customer needs, to designing customer-driven marketing strategies and programmes, to building customer relationships and capturing value for the firm. Understanding these basic concepts, and forming your own ideas about what they really mean to you, will give you a solid foundation for all that follows.

Our first stop is to look at an organisation that you might not think of as having much need for marketing ideas and concepts – UEFA, the governing body of European football.

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## MARKETING EUROPEAN FOOTBALL

What are the biggest sporting events in the world? Everyone has their own opinion, but if you weigh a number of factors like television audience size, number of countries or teams involved, revenues and expenditure – not to mention the ability to bring much of the world to a halt – then the top five probably include the World Cup, the summer Olympic Games, the European Football Championship, the Super Bowl and the European Champions League.

Of these five, three are football tournaments and two of those are overseen by UEFA – the Union of European Football Associations. There is a lot at stake here: regional and national pride, global TV audiences in the billions, and lots and lots of money. UEFA defines its core purpose as being to promote, protect and develop European football at every level of the game, to promote the principles of unity and solidarity, and to deal with all questions relating to European football. It does this by taking the excitement, the attention and the cash that big tournaments generate and using it to support its other activities.<sup>1</sup>

Because of this, a lot of what UEFA does is marketing related – whether sponsorship of an event or tournament by a commercial enterprise, a social programme to use the power of sport to alleviate problems like racism, the buying and selling of broadcasting and merchandising rights, public relations and managing relationships with governments, teams and an almost infinite number of journalists – not to mention the fans!

The marketing function of UEFA – people, resources and responsibilities for marketing affairs – is split across four divisions, each with its own focus.

The **Marketing and Media Rights Division** develops marketing and media strategies for all UEFA competitions – the Champions League, the UEFA Cup, the European Football Championships and less prominent competitions like women's football, junior-level tournaments and various 'futsal' events (the name is a contraction of the Portuguese term *futebol de salão* and the game is an indoor version of the standard sport). It has the responsibility to find the best price for broadcasting rights and agreeing terms and conditions with broadcasting partners and then maintaining relationships with these key partners.



Source: Getty Images/AFP.

**UEFA Marketing and Media Management (UMMM)** is the commercial division of UEFA responsible for generating revenue from sponsorship and licensing for competitions, and managing the relationships with all associated commercial partners. In essence, this division sells the rights to be associated with prestigious and exciting international events. It maintains high prices by strictly limiting the number of companies that are given these licences. Euro 2016 in France will have a core sponsorship panel of just six companies – big global names like Carlsberg, Continental, Coca-Cola, Hyundai and McDonald's will be joined by one company you've probably never heard of – SOCAR. That would be the State Oil Company of Azerbaijan Republic.

In the 2014–15 Champions League season, the competition had just seven sponsors – Heineken, Mastercard, Sony, Nissan, Heineken, UniCredit and HTC. Any number of merchandise items are produced for major tournaments – replica team strips, footballs, and even items for the desk-oriented like mouse mats and coffee mugs.<sup>2</sup>

**UEFA Media Technologies SA (UMT)** is the service company created by UEFA to support broadcast and sponsorship partners with multimedia content. It links with the TV companies to try to ensure the best possible coverage of games. Other than TV, this division is increasingly involved with supporting UEFA's online operations – whether providing and maintaining statistical databases or selling downloadable recordings of games in order to maintain and develop relationships with fans and journalists.

The **Communications and Public Affairs Division (CPAD)** is responsible for public relations activity – such as briefing and supporting the activities of journalists. The division also has the responsibility of managing the work UEFA does with various charity and social groups.

For example, CPAD works with the International Red Cross and FARE (Football Against Racism in Europe) on projects with other organisations that have charitable or social causes to advance through the money and publicity generated by the sport.

That UEFA expends so much effort on marketing activity may surprise you, but think about it – it has brands, it provides services, it has connections and relationships with various publics and it generates significant revenue. How much revenue? One senior UEFA marketing manager, Guy-Laurent Epstein, commented on the recent winning of the rights auction for the UK by BT, who took over from Sky:

**UEFA is delighted to welcome newcomer BT Sport to the family of UEFA Champions League rights holders. Since its launch in the summer, BT Sport has been UEFA's partner for the UEFA Europa League and has demonstrated its ability to deliver premium sports coverage. We look forward to working with BT Sport on both competitions in the 2015–18 rights cycle.<sup>3</sup>**

How much did BT pay for these broadcasting rights? £900m.<sup>4</sup>

Is everyone happy with the marketing activities of UEFA? Not quite. Some people are not convinced that UEFA is sticking to its core mission of supporting football – they worry that it is moving too far towards becoming fully commercialised and that the sport is being used to make some people rich while traditional fans are being sidelined. UEFA's decision to award a future tournament to Russia has been rightly criticised, but let's consider one of the stories to come out of a recent tournament:

**For Yves Stemmler, Switzerland's opening match against the Czech Republic in the 2008 European soccer championship won't be just about advancing to the next round. It will be about his civil rights.**

**'They want me to drink only Carlsberg beer and wear things with this,' said Stemmler, 36, pointing to the Euro 2008 logo on his hat as he sat in a Lugano café before a warm-up game with Slovakia. 'They can't tell me what to wear.'**

Some fans say UEFA, European soccer's governing body, has put profits ahead of their interests and plans to turn them away from stadiums and 'fan zones' if they wear clothes bearing the logos of companies that aren't tournament sponsors. UEFA estimates the 23-day championship, which begins June 7 in Basel, will generate 2 billion Swiss francs (\$1.9 billion) in revenue from media rights, tickets

and sponsors. After expenses, it expects to retain 330 million francs to cover administrative costs and fund other tournaments.

A Swiss tabloid, *SonntagsBlick*, published a caricature showing UEFA President Michel Platini as Moses holding up 11 commandments to heed during the event. The first: Drink only Carlsberg beer. Lamp posts around Zurich are sprouting stickers saying, 'UEFA: We Care About Money,' a play on the group's slogan, 'We Care About Football.'

Organisers of previous events have protected sponsors' rights inside stadiums by refusing entry to groups of fans paid to wear corporate logos. UEFA is extending its campaign against ambush marketers into fan zones, areas in each of the host cities where supporters gather to watch games on giant TV screens. That has aroused the ire of some fans.

'Fan zones are paid for and run by the city and access is free,' says Patrick Cotting, who lectures on marketing and sponsorships at the University of Lugano. 'There's no legal precedent that would forbid individuals from entering a public space because they're wearing the wrong T-shirt.'

Copenhagen-based Carlsberg is paying at least 100 million kroner (\$21 million) for the sponsorship, its biggest ever, giving it the right to exclusive sales in the eight biggest fan zones in each host city.

'There are plenty of other places in the local cities where fans can drink other beers and we totally respect that,' said Keld Strudahl, head of international marketing for the company.

In Austria, beermaker Ottakringer Brauerei AG is taking advantage of the popular backlash by selling its beer with a red-white-red logo, the colours of Austria's flag, and calling it the 'unofficial fan beer' drunk by 'real fans who want to show their support in whatever way they want'.

'Soccer used to belong to the people,' said Carlo Kuemin, 70, as he huddled under an umbrella in the standing-only curve of Lugano's Cornaredo Stadium during the Switzerland-Slovakia match. 'Not any more. The sponsors govern the events now. It's all about the money.'

Stemmler, the fan in the café, isn't taking UEFA's actions lying down.

'I have a ticket to the opening match between Switzerland and the Czech Republic,' he said. 'I'm only going to wear things they don't allow.'<sup>5</sup>

UEFA then is an organisation that recognises the need to build and maintain relationships with its



stakeholders – including customers. Our example shows, however, that marketing actions can have unintended consequences – care and attention is needed!

UEFA is not the only organisation involved with marketing in the sport of football. During the summer of 2011 it emerged that Manchester City had sold the naming rights to its stadium for an incredible £100m to Etihad – an Abu Dhabi airline.<sup>6</sup> In 2010, Barcelona ended a 111-year tradition of not having its shirts sponsored by signing a record £125m/five-year deal with the Qatar Foundation. Prior to this, the only non-club logo on the shirts was for UNICEF – and Barcelona made an annual donation to the charity for the privilege.<sup>7</sup>

One team above all, though, is master of attracting sponsorships, and that team is Manchester United.

The *Daily Mail*<sup>8</sup> takes us through the facts and figures:

**Question: What do Mister Potato crisps and Smirnoff vodka have in common?**

**Answer: They are both official sponsors of Manchester United Football Club.**

And they pay handsomely for the privilege. These two distant products may appear to have little to do with football but they can wear the same badge as Robin van Persie, Wayne Rooney and Co because of United's exhaustive quest for maximum commercial revenue. That figure is now approaching an astonishing £130million a year and will only continue to rise. No wonder United recently became the first sports team in the world to be valued at \$3BILLION.

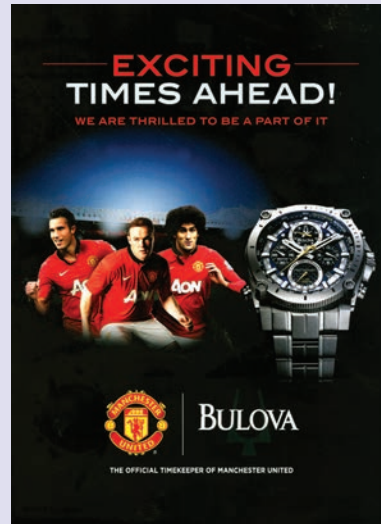
There are no fewer than 32 companies listed as sponsors of the club on their official website and this does not even include three – somewhat peculiar – deals announced this month.

First there was the tie-up with Indonesian tyre manufacturer Multistrada on January 7, then came Wahaha, a Chinese soft drinks producer, a week later, and on January 18 we heard Japanese paint manufacturer Kansai had become the club's first 'paint partner'. Painting the town red, perhaps.

Each contract will run for three years and business experts speculate are worth between £1m to £2m annually. United announced such deals as part of last summer's listing agreement on the New York



Source: Corbis/Catherine Ivill / AMA / AMA.



Source: Image courtesy of The Advertising Archives.

Stock Exchange but the exact financial terms can be withheld unless they are large enough to affect market and shareholder interests.

Those numbers might not sound massive but when you consider that in return all United need provide is their logo and occasionally ambassadors for appearances the sums become startling. The link works for these companies because of the huge boost their brand receives from associating with arguably the most famous club in the world.

If you snigger at what you see as the prostitution of the club by the owners, consider this: Manchester United

**TABLE 1.1** Manchester United's sponsors (according to club website)

<b>AON</b>	Principal sponsor of Manchester United – £20m a year
<b>DHL</b>	Official logistics partner of Manchester United – £10m
<b>NIKE</b>	Official kit supplier of Manchester United – £25.4m
<b>CHEVROLET</b>	Official automotive partner of Manchester United – £12m
<b>SINGHA</b>	Official beer of Manchester United – £2m
<b>THOMAS COOK</b>	Official travel partner of Manchester United – £1.3m
<b>BWIN</b>	Official online gaming and betting partner of Manchester United – £2.4m
<b>CASILLERO DEL DIABLO</b>	Official wine partner of Manchester United – £2m
<b>HUBLLOT</b>	Official timekeeper of Manchester United – £4m
<i>The below are all worth approximately £1m–£2m. . .</i>	
<b>SMIRNOFF</b>	Official responsible drinking partner of Manchester United
<b>TOSHIBA MEDICAL SYSTEMS</b>	Official medical systems partner of Manchester United
<b>STC</b>	Official integrated telecommunications partner of Manchester United for Saudi Arabia
<b>PCCW</b>	Official integrated telecommunications partner of Manchester United in Hong Kong
<b>TURKISH AIRLINES</b>	Official airline partner
<b>EPSON</b>	Official office equipment partner of Manchester United
<b>MISTER POTATO</b>	Official savoury snack partner of Manchester United
<b>YANMAR</b>	Official global partner
<b>TM</b>	Official integrated telecommunications partner of Manchester United in Malaysia
<b>GLOBACOM</b>	Official integrated telecommunications partner of Manchester United for Nigeria, Ghana, Republic of Benin
<b>VIVA KUWAIT</b>	Official integrated telecommunications partner of Manchester United in Kuwait
<b>MTN</b>	Official integrated telecoms partner of Manchester United for South Africa/Zambia/Rwanda/Uganda/Swaziland/Botswana
<b>AIRTEL</b>	Official telecommunications partner of Manchester United in India/Sri Lanka/Seychelles/Bangladesh
<b>ZONG</b>	Official telecommunications partner of Manchester United in Pakistan
<b>GLOBUL</b>	Official telecommunications partner of Manchester United in Bulgaria
<b>MAMEE</b>	Official noodles partner of Manchester United for Asia, Oceania and Middle East
<b>VIVA</b>	Official integrated telecommunications partner of Manchester United in Bahrain
<b>TURK TELEKOM</b>	Official integrated telecommunications partner of Manchester United in Turkey
<b>A.P. HONDA</b>	Official motorcycle partner of Manchester United in Thailand
<b>AIRTEL AFRICA</b>	Official telecoms partner in Burkina Faso, Chad, DR Congo, Gabon, Kenya, Madagascar, Malawi, Niger, Sierra Leone, Tanzania, Congo Brazzaville
<b>BEELINE</b>	Official telecommunications partner of Manchester United in Vietnam, Cambodia and Laos
<b>BAKCELL</b>	Official telecommunications and broadcast partner of Manchester United for Azerbaijan
<b>KAGOME</b>	Official soft drink partner of Manchester United for Japan
<b>WAHAHA</b>	Official soft drink partner of Manchester United for China
<b>PT MULTISTRADA</b>	Official tyre partner of Manchester United
<b>KANSAI</b>	Official paint partner of Manchester United

Source: <http://www.dailymail.co.uk/sport/football/article-2269599/Manchester-Uniteds-incredible-list-sponsors-helping-3billion-super-club.html>

