

What the aftermath of the European Super League controversy will mean for sponsorship

A week ago, the attempt by twelve of Europe's leading football clubs to break away from their existing governance structures and create their own league dropped a bombshell on the business of sport. As much as the immediate reality of a European Super League was short lived, the ramifications of the announcement will have ripples that play out in the commercial conversations of stakeholders for many months and years to come.

So little of the proposal appeared to have been properly worked through, from the reality of global versus domestic broadcast rights, to the future role of the Super League as part of the football "pyramid". But for those like me, sitting at the connecting point between rights holders and brands, it was particularly remarkable how little consideration had been given to the revenue stream that supports approximately a third of those breakaway clubs' current revenues, namely sponsorship and commercial partnership.

I have enormous sympathy for the sales and account management teams at those twelve clubs. They were undoubtedly not consulted or even informed about the impending decision. And yet they've been left quite a mess to clear up.

Pretty much every recent partnership sales deck delivered by these teams has leaned on two points:

- Firstly, by working with their club, a partnering brand is able to reach a massive global audience delivered through a well-understood and established European competition and, especially in the case of the Premier League, a successful national league.
- Beyond sizeable reach, a partnership is able to deliver a narrative that allows a brand to connect with some truly powerful values, commonly based around the history of the club and the passion of its most loyal fans.



In a single announcement, these clubs blew a gigantic dollar-shaped hole in both these assertions.

Regarding the size of the global audience, the attention appeared to be on broadcast value and not necessarily audience size, which, as the industry has seen from other sports, is not necessarily the optimum way to drive long term interest. And that's even before considering the sanctions of national leagues. As the FIFA Club World Cup, International Champions Cup and UEFA Super Cup have shown, it takes more than matches between the top teams to generate consistently strong global audiences.

But it may be the reputational impact to the clubs' brand positioning that could end up damaging them even more. A staple in their partnership proposals, clubs regularly refer to the depth of engagement of their fan bases, their importance to local communities and the heritage and loyalty of those relationships. By disregarding this group, the clubs, or perhaps more accurately, their owners, demonstrated those relationships as secondary to their long-term ambitions to further monetise the global masses.

The leading brand activators in football have learnt that they first have to consider the fans in order to extract value from their partnerships. *Be thanked or be blanked.* By providing value to fans, the best sponsoring brands are appreciated which in turn brings subsequent engagement to their own messaging. Ignore those fans and, at best, a brand can expect to be ignored in return.

Questions will rightly now be asked by existing and potential new partners as to how committed the clubs are to these values. Furthermore, they will be asking whether these clubs will continue to provide the engagement platforms with football fans that brands desire. With individual contracts each worth tens of thousands of Euros / Pounds per annum, we may expect an increased rigour around the deliverables expected.

Throughout the machinations of the last week, the rights holders outside the twelve have by comparison appeared as the good guys which could well have helped their negotiating positions. But their partnerships will not have escaped unaffected.

Partners of UEFA, FIFA and the national competitions will each be looking for assurances in their contracts on the stability of their long-term relationships. If the main clubs and players cease to be involved, whether it be from their own choosing or otherwise, what measures will be in place to protect the value of their contracts?

Last Sunday and Monday had executives scrambling to their contracts looking for different answers. And despite the immediate climb-down, the tension between club and partners will certainly rumble on.

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