

# David beckham case analysis essay



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Written by Conor Carroll, University of Limerick The Final Days of Brand Beckham – Is there still life left in David Beckham brand? David Beckham is one of the world’s most celebrated footballers and he has earnings of around ? 12 million per year. Of that only a portion comes from his wages at soccer club Real Madrid, while the rest comes by the way of lucrative endorsement contracts. He is a marketing phenomenon, endorsing several products for millions of pounds ranging from mobile phones to soft drinks to football boots.

Nothing could go wrong for the Beckham brand as he was the England captain, had a celebrity wife, a millionaire lifestyle, a fashion icon, and was perceived as a loyal, happy family man – the perfect role model. However in April 2004, the Sunday tabloid newspaper, the “ News of the World” broke the story that shocked the world and became a media sensation. David Beckham the world’s most famous footballer/celebrity/family man had an alleged extra martial affair with his former personal assistant Rebecca Loos.

This news sent shockwaves around the world, especially in the boardrooms of some large multinationals that had invested millions in the Beckham brand, cultivating its image into one of the most lucrative sports marketing properties in the world. Beckham as a brand has had its fair share of highs and lows. A player can one minute be idolised by a nation for scoring or vilified for missing two penalties. At a young age the footballer had a prestigious talent.

Back in 1995, he entered into the public mindset, with probably one of the greatest goals seen in the English football, where he lobbed a goalkeeper

from the half way line, scoring a wonder goal that will always be remembered. He cemented his position in the Manchester United team, scoring spectacular goals and setting up brilliant crosses for their strikers. His profile was on the rise. Having a celebrity wife, former Spice girl “ Posh Spice”, boosted his celebrity status even further. He gained English caps, and was regarded as a rising English football superstar.

During the 1998 World Cup in France however his image took a battering, when he was sent off during a crucial match against England’s footballing nemesis, Argentina. In a moment of petulance, he kicked out at an opponent and was sent off. Beckham was blamed by an entire nation for losing the match, and he was vilified in the media for his actions. The Beckham brand had reached its nadir. Following a slow and steady redemption, he won back the support of fans through his subsequent displays for Manchester United and England.

His superstardom reached a zenith, when he scored a spectacular goal against Greece, in the final seconds of the match, to secure World Cup qualification for England. He was now the nation’s hero once again. The Beckham brand was established not only through his footballing prowess, but also through his celebrity lifestyle, the image of being a family man and his model looks. Men saw him as an excellent footballer, whilst women saw him also as a glamorous celebrity and quiet family man.

The world’s media had a voracious appetite for all things Beckham, especially with his marriage to Victoria Adams, aka “ Posh Spice”, earning the couple the moniker “ Posh & Becks” which has entered the modern

lexicon. Interest in the couple grew from when they began dating. Their plush wedding in an Irish castle, earned the couple fame for its extravagance. The couple famously sat in large royal chairs during the event, allowing the media to make inferences that the couple were indeed the “ new” British royalty.

Celebrity magazines and tabloid newspapers were filled to the brim with stories relating to the couple and their lifestyles. Unlike other footballers, David Beckham benefited from huge awareness levels through the massive levels of exposure he gained in the media by posing for fashion shoots, giving pictorial features in celebrity lifestyle magazines etc. Furthermore his fashion choices were always under scrutiny and created much public debate. The footballer was famously slagged off in the press for wearing a skirt while on holidays.

Similarly his choice of hairstyle, which has gone through numerous incarnations, has been followed religiously by the general public and fashion watchdogs. In his early footballing career, he was known for his gelled hair. Through this awareness, he garnered a lucrative endorsement from Brylcreem, a hair gel company. However much to his sponsors chagrin he chopped all his hair off for one season. Subsequently he grew a “ Mohican” haircut, grew a mullet, went blond, grew it long, had a ponytail etc. His hairstyle and hair colour changed much like the seasons, adding to his brand as a style icon.

The Beckham brand has been carefully managed through an array of publicity devices such as appearances at fashion shows, photo specials in

celebrity lifestyle magazines, press releases, interviews, and special one-hour television documentaries depicting the couple's glamorous lifestyle and their happy family life. The couple employ public relations advisors who zealously protect their clients' pristine image, controlling the media's access to their famous clients. The value of the Beckham brand continued to grow and grow, as he had now become one of the world's most well recognised soccer players and most photographed.

The player was ripe for celebrity endorsements as he had a well-developed brand persona that companies saw as a perfect fit for their products.

Beckham and his wife had entered the cultural psyche, and not only were well known in the UK but worldwide. He was seen as a perfect role model and pitchman for a variety of products – he was talented, globally well known, successful, and had a glamorous wife – the perfect poster boy for any product. Adidas, the sports goods company, signed Beckham at a young age, and was one of their most successful acquisitions.

He has become synonymous with their football-related products. Nike, Adidas's bitter rival publicly rued their failure to sign Beckham originally as one of their biggest ever sports marketing failures. Beckham has signed numerous personal endorsement deals with leading international companies. He has endorsed such products as boots, phones, shavers, soft drinks, a clothing line and a video game. These deals can be seen in figure 1. The range of products that he endorses is vastly larger than other footballers, who typically only have boot deals with sports clothing companies.

It is a testament to the brand value and appeal of the Beckham brand that he can successfully be used to promote such a wide array of product, even motor oil! Figure 1 – The Beckham Brand & Product Endorsements Current Deals

- Pepsi – Deal worth ? 2 million a year. He appears in a series of adverts alongside other world-class footballers.
- Motorola – Earns ? 2. 5 million a year from mobile phone maker. Has a three-year deal.
- Adidas – Have sponsored Beckham to the tune of ? 3 million a year during his career. He is one of their highest profile celebrity endorsers.
- Gillette – The deal with Gillette is reputedly worth over ? 2. 5 million a year. It was surprisingly signed after the revelations over Beckham’s private life were revealed.
- Police Sunglasses – Beckham was reportedly earning ? 1. 5 million a year for the endorsement, due to end soon.
- Coty Fragrances – Launched line of David Beckham fragrances, selling at ? 20 a bottle. Under the DVB logo, launched in August 2006.

Old Commercial Deals

- Coca Cola – Although sponsored by Pepsi, Coke can still use Beckham’s image rights due to his role as England captain, because Coke have a deal with the UK’s Football Association.

He receives a percentage of the overall sponsorship deal, where his image can be used in certain campaigns.

- Brylcreem – Earned close on ? 1. 5 million over three years by the hair gel manufacturer. Beckham during his early playing career was associated with hair gel.
- Castrol – The oil company paid him ? 500, 000 for promotions in the Far East.
- Marks & Spencer – Put his name with a range of kids’ sports clothes called DB07 until 2005. Since his move to Real Madrid, the deal has been tarnished as he no longer plays in the UK and now wears the No. 23 rather than his famous No. 7 shirt.

The contract was worth ? 10 million for its duration. • Vodafone – Signed a one year ? 6 million deal to front television adverts. • Rage Software – The video game maker developed the best selling “ David Beckham Soccer” video game for Playstation. The company is now in receivership. Paid ? 1. 5 million for the deal. • TBC – Tokyo Beauty Company, a chain of beauty saloons, he is estimated to have received ? 2 million for his work. • Meiji – A Japanese chocolate biscuit maker. • Tsubasa Systems – A Japanese computer company. His sports marketing agents typically earn commission of between 10% and 15%

In the summer of 2003, Beckham was sold to Real Madrid for ? 18 million. The sale raised many eyebrows in that Manchester United were selling one of their biggest marketing and merchandising assets. The Beckham brand had huge appeal in the lucrative Far East markets. Many commentators claimed that the Spanish footballing giant bought a marketing tool rather than a footballer. His signing in Madrid was greeted with delight. The player’s medical examination for the club even became a live pay per view television event, which was sponsored by a local private hospital.

The signing of Beckham at Real Madrid helped broaden their geographic and demographic reach, gaining new overseas supporters. The Spanish club hoped to gain more fans, vying to see their footballing hero, and buying an array of Real Madrid merchandise with the Beckham’s image and name emblazoned upon it. Real Madrid shirts sales alone rose ? 14 million when he joined the club. Marketing managers see sponsorship as a highly effective way of reaching their target audiences. Traditional advertising has become increasingly costly.

There is increasing media fragmentation, and increased clutter in marketing communications. All of these factors have contributed to the rising disillusionment with traditional advertising methods. Marketers are seeking new ways to communicate brand values. Through celebrity endorsements they can break through this clutter to communicate their brand's messages. Having a celebrity like Beckham endorsing a product increases the awareness levels of the message because of his celebrity status; also the product gains from any positive brand associations that may accrue.

For example, if you buy Adidas Predator boots perhaps you too can bend the ball like Beckham, or buy Police sunglasses you too become fashionable, and so on. Furthermore by having a celebrity endorser, the firm may be able to reach a certain target demographic, gain increased media coverage, and position the product in a favourable light. The benefits of having a celebrity endorser are immense. Major brands constantly seek out willing celebrities to endorse their products, paying them huge sums of money. LeBron James a 19-year-old rising basketball player in the US was paid ? 5 million by Nike to endorse their products. However using a celebrity does have its downsides. Firstly, obtaining an endorser is expensive. The endorser may experience a dip in form, lack of success or popularity. For example the recent dip in form experienced by the golfer Tiger Woods was attributed in the press to a new Nike golf club he was using. Secondly, the company may be exposed to the risk of a celebrity's possible misbehaviour, which may have ramifications for the endorser. Controversy is never far from the life of a UK soccer star.

Countless footballers have been caught in a quagmire of scandals over the past decade. Off the pitch scandals concerning drugs, kiss and tell stories,

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gambling and alcoholism have become commonplace. When companies invest in a football player, not only do they have to be concerned about his performance on the pitch, but also his behaviour off the pitch as well. During summer 2004, Wayne Rooney the English soccer wonderkid, along with his then fiancée Coleen McLoughlin were seen as the next “ Posh & Becks” couple. The media and the general public had a voracious appetite for all things Rooney.

He was seen by the sports marketing industry as the “ next big thing” in terms of endorsement potential, only for his brand to shatter by revelations that he cheated on his fiancée and visited brothels. When stories of his misbehaviour emerged regarding the player frequenting brothels, his sponsors were shocked. Coca-Cola one of his major sponsors, issued a statement publicly chastising the player’s behaviour, stating that the player’s behaviour did not match the values and image that Coca-Cola wanted to project.

The company warned that the player must take full responsibility for his actions, but they are still keeping the player for promotional activities, stating that everyone deserves a “ second chance”. Similarly Ford reviewed their deal with the player after news of the story broke. Nike stated in the press that they never commented on any of their endorsers’ private lives and that they were not cancelling their contract with the soccer player. It seems that despite all the revelations, the promotional value of having a celebrity endorser can sometimes offset any potentially damaging brand associations and is worth the risk.

The Beckham brand was thought to be scandal free and solid. Yet rumours began to circulate in the media that all was not well in the “ Posh & Becks” kingdom. The tabloids questioned why his wife had not moved with him to Spain, and why the footballer was out late at night, clubbing with a mysterious brunette. The couple had switched their agents to Management 19, owned by Simon Fuller, the ex-manager of the Spice Girls, dumping David Beckham’s old sports marketing agency SFX. Rebecca Loos, the personal assistant of David Beckham in Spain was fired by the SFX after the Beckham account was lost.

After this, she went public about their alleged affair with the England captain. The News of the World broke the story. The alleged mistress then obtained a whirlwind of publicity surrounding the affair, with media organisations entering a bidding war, vying for an interview. Loos then went on to receive ? 500, 000 for an exclusive Sky One interview on the subject. Text messages between the couple were published, in an effort to prove the existence of the relationship. Subsequently another woman emerged giving details of his infidelity with her only a week later.

The Beckham’s marriage and brand was under serious threat. The player, through a released press statement strenuously denied the allegations stating that the claims were simply ludicrous and that he was happily married. The Beckhams put on a show of strength for the cameras by appearing for the paparazzi on holiday riding their quad bikes together, and posing for the cameras. The brand that had been meticulously crafted was now under severe scrutiny. Was Beckham still the perfect role model and brand endorser? Figure 2 – Other Famous Sponsorship Controversies Michelle

Smith & Pantene Shampoo – Ireland’s four-gold Olympic swimming champion at the Atlanta game, was sponsored by the Pantene shampoo brand, only to be found out later as a drugs cheat. • Leicester City Football Club & Alliance & Leicester – Members of first team squad were thrown in a Spanish jail in 2004 over alleged rape claims. • Eric Cantona & His Infamous Kung Fu Kick – Nike weren’t too pleased. • Kobe Bryant – US basketball superstar who plays for the LA Lakers was accused of rape in Colorado. Had endorsement deals with McDonalds and Sprite.

He is one of the world’s wealthiest sports stars through his corporate endorsements. • OJ Simpson – Endorsed numerous companies and organisations such as Hertz, before the Los Angeles infamous murders and freeway chase. • Mike Tyson – The heavyweight boxer was at one time sponsored by Pepsi. • Michael Jackson – The fallen music popstar was also sponsored by Pepsi. • Greek sprinters Kederis & Thanou & Adidas – Greek runners were embroiled in drugs controversy during Athens Olympics. Adidas had to remove their billboards during the games as a result. Roy Keane & 7UP – When footballer Roy Keane walked out on the Irish football team in the 2002 World Cup, 7UP who sponsored Keane had their posters featuring the footballer defaced, as the nation thought he had betrayed his country. • Festina Cycling Team & the Tour de France – The watchmaker sponsored an entire cycling team that was implicated in a major drugs scandal. • Supermodels Naomi Campbell & Cindy Crawford infamous U-Turn on wearing fur – In the 90’s the supermodels campaigned for PETA, an anti fur lobby, only later to be seen modelling fur clothes.

Many in the football world, now see the Beckham's football as secondary to all the fashion shoots, celebrity lifestyle interviews and the publicity junkets that he undertakes. In the wake of the controversy, the general public felt sympathy for their hero due to the excessive levels of media intrusion into the private lives of a family. In the summer of 2004, Beckham's corporate endorsers still placed their faith in the Beckham brand, with Adidas renewing their deal until 2008, and Gillette signing up the footballer to launch their new line of shaver products.

Leading brand names are still placing their faith in their glamorous celebrity endorser. Vodafone has renewed their contract with the footballer on an extended contract to promote their products. They are also developing a Beckham content suite, featuring games, screensavers etc. This is ironic in that much of the bad publicity surrounding the alleged affairs included stories of lurid messages between the couple using text messages.

According to industry reports his advisors are now looking at reducing the number of his endorsement deals, only focusing on five major endorsement contracts with " global partners" such as Gillette, Motorola, Pepsi and Adidas. This strategy of dropping local endorsement deals means that he may now be able to focus more time on actually playing football. Now the Beckham brand faces a renewed threat. After a mediocre performance in the 2006 World Cup, Beckham announced a tearful farewell and resigned as England captain.

Although scoring and assisting in setting up crucial goals, Beckham's place in the team came under renewed threat from football analysts. For the new

Euro 2008 campaign, the new England manager dropped him from the squad, causing a huge shock. On news that Beckham was dropped by the England, his sponsors circled the wagons around their celebrity endorser, with Gillette saying that “ David Beckham remains an international sports and style icon”. As his playing career enters its final years, the Beckham brand could finally be on the wane.

It faces the challenge of dealing with retirement from football and being out of the public limelight. If Beckham fails to showcase his talent on the international stage, and at a high profile club, then it could signal the end of his commercial associations with his variety of sponsors. Now the Spanish football club Real Madrid are negotiating an extension to his contract for another two years. This is reputedly worth millions, as the footballer wants a greater slice of his image rights, which could make him the world’s best-paid footballer at the age of 31. Brand Beckham is obviously still ringing the cash tills around the world.

In an unexpected twist in January 2007, David Beckham announced that he had broken off negotiations with Real Madrid to join L. A. Galaxy in July 2007. He had accepted a ? 128m (Euro 180m) five year deal to play in US Major League Soccer. The intention was to improve the standard of and bring credibility to US soccer. The move was greeted by a headline in the Los Angeles Times which ran ‘ Hello, Brand Beckham! ‘

Questions 1.? Discuss what factors should be considered selecting a successful sponsorship property/icon? 2. ? Identify and discuss the risks associated with sponsorship using the case as an illustration.