

Boks to become cash cows

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The most popular Springbok players could earn up to R1-million for each product endorsement they do following the South African team's victory last weekend at the Rugby World Cup.

That's on top of the R1-million a player that SA Rugby paid to the members of the squad who lifted the Webb Ellis Cup in Paris.

And marketing experts believe the strong Springbok brand can now move into the international sports merchandising market.

Daniel Kustelski, general manager of new business at Megapro, one of the country's largest sports marketing agencies, says the most popular athletes in South Africa are currently earning as much as R1-million per deal.

The team's victory, watched by millions of rugby fans around the world, was a huge bonus for the team's sponsors.

"Association with the entire team proved valuable to sponsors such as Sasol, Absa and Castle. Individuals will probably be approached more frequently, having won the World Cup," says Kustelski.

But the team may have to wait a while before reaping the rewards of their success.

"The Springbok victory will probably not immediately affect the team's sponsorship deals, other than the fact that winning the World Cup offers great value to those who are currently sponsoring the team.

"But certainly, when contract negotiations start for the next contract, winning the World Cup will affect the demand for the limited supply of association opportunities with the Springboks," says Kustelski, adding that South African rugby has to "do some strategising to ensure the team secures the most lucrative deals".

Soccer body Fifa has demonstrated, in its most recent commercial plan, that having fewer sponsors is better, he says.

"Those sponsors have to pay more, thus increasing their revenues and creating more value for [the sponsors] themselves. SA Rugby has only so many opportunities for sponsors, and demand for those opportunities is quite high. From a supply perspective, companies are more compelled to pay higher fees for association with world champions."

Next month, Megapro is set to host a sports sponsorship strategy conference, in conjunction with Pretoria University's Gordon Institute of Business Science, which will touch on these and other issues.

Kustelski adds that one SA Rugby sponsor, in particular, has shown the way forward for future deals.

"Sasol are a great partner for SA Rugby. They have done much more than just write cheques, and their relationship demonstrates the future of sponsorships."

Eddie Roux, a sponsorship insights manager from Sports Marketing Surveys, says players like Bryan Habana, Francois Steyn, Victor Matfield and Schalk Burger stand to gain lots more money out of endorsement deals. "Players with strong public support will always be valuable to sponsors," he says.

Although most agreements with sponsors were signed before the World Cup, Roux says he believes "clauses exist that will alter the sponsorship amounts should SA Rugby lose the Springbok emblem".

The win could place the Springbok brand on an international stage, says Roux. "The effect of the win will be telling in the non-traditional rugby market. The Springbok team has received

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great praise internationally, and so the effect may be greater beyond our borders than internally."

Roux says consistent success and effective management will play a role in sustaining the Boks' support base, which could be further enhanced if game viewing is made more accessible.

"The Springboks have strong brand awareness and a fanatical fan base that is growing, although that growth is limited by the fact that rugby is not consistently broadcast on a channel available to most South Africans," he warns.

"The move to pay TV in 1996 certainly hampered the positive effects of the 1995 World Cup victory, and unless it is resolved soon, will continue to do so," adds Roux.

Janice Spark, managing partner of Idea Engineers, says that in despite of the many issues affecting South African rugby, the brand is becoming stronger. "Despite the uncertainty surrounding the future of the country's overseas players and the tenure of coach Jake White, the Springbok brand is in resoundingly good health."

She is confident that Bok fever will continue, adding that the brand is now at its strongest since being readmitted to international sport.

"South Africa is basking in a green and gold World Cup glow, which looks likely to last for some time. A surprisingly easy route through the tournament aside, South African rugby has put in a good team effort over the past four years to create a unified identity and to manage public expectations," she says.

Nikolaus Eberl, author of the soon to be released BrandOvation, says, "Hosting the best World Cup ever was even more positive about what the World Cup win would do for the South African rugby brand. Winning the 2007 Rugby World Cup has ushered in an unprecedented opportunity for the SA Rugby brand to push the Springboks up the premier league of global sporting brands."

Eberl, whose first book is titled BrandOvation: How Germany won the World Cup of Nation Branding, also refers to other strong sporting brands, such as the All Blacks, who have taken "deliberate steps to occupy a corner of the global consumer's mind".

"Now is the time to take the Springbok brand to the next level and turn it into a global brand leader, that might soon rival famous sporting brands such as Manchester United or Real Madrid," he believes.

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