

Brand Beckham kicks off soccer's American appeal

The former England captain needs to win over a new army of US fans to secure LA Galaxy's financial success, writes David Owen

From deodorant to double-glazing, many brands turn to celebrities raise their profile and increase sales. But few have made a bigger splash than Major League Soccer, the US's leading association football league.

When it emerged in January that David Beckham, the former England captain, was to join the MLS club Los Angeles Galaxy in summer, the announcement immediately boosted the club's profile around the globe.

The deal is one of the most lucrative in professional sport and it is thought it could pave the way for the 31-year-old to earn as much as \$250m over five years.

As the new US season prepares to kick off at the start of next month - with Beckham scheduled to arrive mid-season - the marketing and sponsorship world is trying to assess whether the benefit of the club's strategy can outweigh its potential pitfalls.

MLS has in the past consciously avoided spending money on oversized player contracts. Moreover, ageing superstars such as the Brazilian Pele failed to popularise the sport sustainably in the world's richest market in the 1970s.

"As a sporting nation, the Americans know what they like," says Philip Patterson, account director at Karen Earl Sponsorship, a consultancy. "And whilst Beckham's presence may raise the profile of the game (and LA Galaxy itself), it is doubtful whether it will create a new army of truly committed fans."

Others, though, believe that since the Beckham brand represents more than sporting prowess, his arrival should help football reach

beyond America's die-hard sports fans, as well as expanding the US League's international appeal.

"It takes their ability to market football to a whole new level," says Nigel Currie, director of Brand Rapport, a sports marketing specialist. "They can use him to get to not just a football market, but an entertainment/fashion market, whereas if you are, say, Wayne Rooney, you are just a footballer. That's Beckham's big appeal."

Don Garber, the MLS commissioner, has no doubt the

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investment will pay off. "We are working very closely with 19 Entertainment [Beckham's personal management agency] to make sure that the whole is greater than the sum of the parts," he says.

Beckham's presence is likely to make Galaxy's Home Depot Center, at least fleetingly, one of the places to be seen for Hollywood's beautiful people. But though the Englishman should invest this underexploited outpost of planet football with a greater sense of style and align it more with the sport's European mainstream, the league's gamble will really pay off only if his impact outlasts this initial buzz among first-time spectators.

Alexi Lalas, the former US international footballer who is now LA Galaxy's president and general manager, says it will be up to him and his colleagues to "feed that curiosity and turn it into a passion that lasts well beyond the time of David Beckham".

Mr Patterson for one believes they will have to work hard and imaginatively to achieve that goal: "There is no doubt that celebrity marketing does help brands, but usually only if your strategy chimes well with the public's perception of what feels right."

Existing trends bode well. For Mr Garber, Beckham's imminent arrival - made possible by an easing of the league's strict salary cap - is an important sign of MLS's growing maturity as it gets ready for the start of its 12th season on April 7.

"We are entering the second phase of our growth," he says, listing a string of reasons for optimism about soccer's future in the land of baseball and gridiron. These range from encouraging US viewing figures for last year's World Cup final between France and Italy to the increasing number of MLS teams playing in soccer-specific stadiums. As he adds, it is still one of the cheapest forms of entertainment in LA.

"All those things working together give us a sense that it is time for us to ... begin to take a bit more risk and accelerate the growth of the league," he says. "America is rapidly becoming a soccer nation."

In that context, raising product quality by importing stars such as Beckham looks a good strategic call. As LA Galaxy now appreciates, however, top talent does not come cheap, with salaries in the biggest European markets underpinned by fabulously rich television deals.

While MLS has some way to go before its TV rights prove as lucrative as those for top European leagues, it is another sign of MLS's progress that its latest round of rights deals will see it receive fees for the first time. "Over the term of those agreements, which are eight years, the television rights total several hundred million dollars," Mr Garber says. "It is minuscule compared with the other major leagues in America,



but it is certainly a good start from where we were."

The club has found other sources of revenue to justify the fancy price tag on its latest star acquisition. Reported details of the structure of Beckham's deal suggest that LA Galaxy's management has sought - sensibly - to link the player's earnings to the financial results of the club.

Although part of the \$50m a year headline figure is thought to relate to sponsorship deals independent of the club, he is also expected to earn a share of revenue increases from sales of items such as replica shirts, for which he is deemed partly responsible.

"There is a method to any perceived madness," says Mr Lalas. "If and when the Galaxy does well, David Beckham will do well. We would expect a huge increase [in replica shirt sales] and obviously a huge interest in a David Beckham Galaxy jersey. But that wasn't the rea-

son that this deal was done. That is the cherry."

If any MLS club can make a success of its investment in Beckham, it is probably LA Galaxy. Though it is coming off what Mr Lalas describes as "a disappointing season" in 2006 on the field of play, it has been consistently profitable - unlike some other MLS clubs - and is one of three MLS teams controlled by Anschutz Entertainment Group, which has pre-existing ties with Beckham through his international football academies.

So are US sports fans now ready to embrace the world's most popular sport as enthusiastically and obsessively as their counterparts abroad?

An appetite for high-quality football clearly exists but part of Mr Career's problem is channelling it towards MLS, rather than non-US competitions.

Yet it is easy to be sceptical about Mr Garber's assertion that "our goal is not to be anything more than one of the great soccer leagues around the world" - particularly when US investors are pumping money into the English Premiership.

Beckham or no Beckham, such high ambitions for US soccer will take a long time to realise.

THREE STEPS TO CELEBRITY MARKETING

• Get your timing right.

Major League Soccer believes it has laid sufficiently solid foundations to take bigger risks in pursuit of faster growth. This is why it changed strategy by paving the way for the arrival of big-name players such as David Beckham from this season. It remains to be seen whether the extra revenues will justify the outlay needed to bring him to California.

• Tie the right face to the right product.

Beckham is a global fashion icon whose image supersedes sport. There is reason to think that this star quality makes him a good choice for a team

based in the world's entertainment capital. A team based in Texas might be better advised to seek out a star player of Hispanic nationality; a team from Chicago, an east European.

• Guard the celebrity's rewards to your returns.

A portion of Beckham's annual earnings is expected to depend on the extra revenues he generates for his new club, via income streams such as replica shirt sales. If things go well, he stands to make a tremendous amount of money, as he should," says Alexi Lalas, LA Galaxy's president and general manager.

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