

The World's Top Sports Brands

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In the multibillion-dollar sports industry, the most competitive contests are often fought off the playing field, where athletes, businesses, teams and events jostle for name recognition in hopes of capturing a bigger share of the entertainment dollar. So who's doing it best?

Our second Forbes Fab 40, a ranking of the world's top sports brands, reveals that Tiger Woods, Nike, Manchester United and the Super Bowl are the most valuable names in their respective categories.

To determine our list, we ranked athletes based on endorsement income relative to peers in their sport; businesses based on the amount of the enterprise's private market value attributable to its name; teams based on the portion of their overall value not a result of market demographics and league; and events based on revenue generated per day of competition. While polls can provide a whimsical take on how someone feels at a particular moment, our brand values quantify the equity built up in a name over many years.

That's why Tiger Woods holds top spot among athletes with a brand value of \$82 million. Even though Woods isn't likely to see a repeat of the \$105 million he earned from sponsors last year anytime soon, his remaining deals, including those with Nike, Electronic Arts and Procter & Gamble's Gillette, will still earn enough to keep him the world's highest-paid athlete in 2010, even if he does not hit a single golf ball all year. Woods' 2009 endorsement total, on which this list is based, was more than the next three highest-earning athlete spokesmen combined.

Should Woods seek tips on how to rebuild a tarnished image, he should take some cues from Kobe Bryant's comeback. The Los Angeles Lakers star, who lost most of his sponsors after sexual assault charges were filed against him in 2003, is now earning more in annual endorsements than at any point in his career. Bryant's brand ranks sixth among athletes and is one of six names to appear on our list for the first time.

A strong brand and a carefully crafted image can last well into retirement. Take Michael Jordan, who last played an NBA game almost seven years ago, but whose brand is worth \$30 million today by dint of deals with Nike, Hanesbrands and PepsiCo's Gatorade.

With a value of \$10.7 billion, the Nike brand is the most valuable among sports businesses. The growth and profitability generated by Nike's intangible assets, like its globally recognizable swoosh logo and "Just do it" slogan are reflected in its price-to-book ratio of 3.4, which is 50% better than the overall market.

Of the company's \$18.4 billion in revenues last year, 90% was attributable to merchandise emblazoned with either the Nike or Nike Golf logos. The company also has the distinction of being the only sports apparel maker whose worldwide market share has increased since the start of 2008, according to industry tracker Sporting Goods Intelligence.

At \$10.5 billion, Walt Disney's ESPN ranks second among sports businesses in brand value, down one place since our inaugural ranking. We estimate the sports media giant generated \$8.5 billion in revenues last year, buoyed by increased subscription fees charged to cable operators for their ever-expanding offering of domestic and international cable channels, as well as its popular magazine, Web site and licensing and radio divisions. ESPN's market value of \$35 billion is \$10.5 billion more than a network without its name would be worth.

Watch ESPN long enough and you're bound to see the latest news on Manchester United, the world's most valuable team brand, worth \$270 million. Even though Spanish soccer power Real Madrid generates \$60 million more in revenue, Man U's brand is \$25 million more valuable.

Why? Shrewd worldwide marketing efforts. The team boasts that more than half its followers hail from Asia. The Red Devils, as the team is known to its fans, will collect more than \$22 million this year from a jersey sponsorship deal with troubled insurer AIG, more than any other soccer team. That figure is set to increase once another American insurance company, Aon,

takes over the sponsorship next season. Over the last two seasons Man U has advanced to consecutive UEFA Champions League finals for the first time, winning one of them.

Of course, winning is something the New York Yankees know better than anyone. The Bronx Bombers are the most valuable team brand in North America, worth \$266 million. The Yankees account for roughly one-third of all Major League Baseball licensed merchandise sales, and that's before factoring in last year's postseason, which sparked a merchandising frenzy with gross sales of \$450 million for World Series- and Yankees championship-related goods. Recognizing the strength of the Yankees brand, ownership has leveraged the team to create broadcasting and concession businesses and have grown the team's parent company to become what Forbes estimates as a \$3.3 billion business.

When it comes to sporting events, there's no spectacle quite like the Super Bowl. With an expected U.S. TV audience in the neighborhood of 100 million for Sunday's game--double last week's State of the Union address--the Super Bowl has become a de facto national holiday. Last year's Super Bowl generated \$420 million in media, sponsorship, tickets and licensing revenue, more than a typical day of the Summer Olympics and soccer's World Cup combined.

The cheapest seats cost \$500 at face value and are next to impossible to come by (less than 1% of tickets are made available to the public through a random drawing). That's a far cry from the first Super Bowl in 1967, which was played before a half-empty stadium. CBS and NBC, both of which broadcast that game, didn't think much of it either. Neither bothered to keep all of their footage.

Sources: Howjago Brand Marketing; TNS Media Intelligence; SNL Kagan; Deloitte LLP; Premier Global Sports; Front Row Analytics; Churchill Downs; NCAA; NFL; IOC; FIFA; UEFA; ISC; FactSet Research Systems; annual company reports; Forbes.

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