

LIQUID AND LINKED

COCA-COLA'S SCOTT MCCUNE TELLS KEVIN ROBERTS ABOUT THE NEED FOR A NEW MODEL IN SPORTS SPONSORSHIP AND WHY THE INTERNATIONAL OLYMPIC COMMITTEE (IOC) NEEDS TO BE MORE CONSISTENT IN ITS BRANDING APPROACH.

SCOTT MCCUNE has a way of cutting right to the chase.

As head of global partnerships at the big-spending Coca-Cola Company he is one of the most influential figures in global sport, but he is not about to let that shift his focus from the job in hand...selling Coke and the company's raft of other drinks products.

"I am not in sports marketing, I am in the beverage business," he says, taking time out of his hectic 2012 Olympic Games schedule at Coca-Cola's Langham Hotel headquarters in London.

Before joining Coca-Cola 18 years ago McCune was "in the beer business" at Anheuser-Busch, another of the world's most prolific sports sponsors. But despite that pedigree, he has little time for some of the fluff and nonsense which sometimes attaches to the discipline and 'science' of sports marketing. To him it is simply an effective means to a corporate end.

"We've hired people who are passionate about football and they end up marketing football rather than doing their own jobs," he adds. "The IOC is in the sports marketing business, Chelsea is in the sports marketing business, FIFA is in the sports marketing business. I am not."

McCune, a graduate of Ohio University, the school which topped the inaugural SportBusiness International Postgraduate Sports Course Rankings in 2012, takes an entirely pragmatic approach to his role. Sport is a platform and a channel and right now it appears to deliver the results he needs.

"I've been fortunate enough to work for two great companies," he reflects. "At Anheuser-Busch the focus was very much on recruiting what we called 'minimum-aged beer drinkers', largely for the Budweiser and Bud Light brands.

"At Coca-Cola we are using sports and entertainment as passion points which tie our brands to our consumers by providing them with something of value.

"Coke is very much a teenage brand and when you look at teenagers around the world their first passion is music. The other things they are consistently passionate about are sport - in particular football - gaming, technology and fashion so we look for platforms that can deliver on those."

Coca-Cola, which has been involved in the Olympic Games since 1928, built its strategy for London around an understanding that teenagers are more interested in the social elements of the Games than the sports themselves.

"It's about what Michael Phelps is listening to on his iPod," McCune says. "This time around we took the platform of the Olympics, the passion for music and the iconic and aspirational host city of London as our three core elements to create our 'Move to the Beat' campaign which aims to get teenagers up and moving and enjoying the Olympic Games."

The campaign was built around Coke's Olympic anthem, created by DJ and producer Mark Ronson who fused the sounds of sport, dance music and signer Katy B's voice in a

song which was at the heart of a platform that spanned no countries and, for many, became the soundtrack for the Games.

Move to the Beat ticked more or less every box, creating opportunities for engagement from country to country and rafts of audio and video content that could be found both online and on TV. In short, it was another statement of intent from Coca-Cola that it is ready and able to think beyond the accepted boundaries of marketing around a major sports event.

"In a world that is liquid and linked and everything is blurred we are no longer just going to buy the rights to some tickets, logos and boards and then let the broadcaster have all the moving images. That just doesn't work," McCune says. "Our vision is to create content and experiences which are so compelling that a consumer would actually pay for them if they had to."

It's a critical point and one which is illustrated by some of the company's established activities. Coca-Cola, it must be remembered, is a company that sells around **\$1 billion** of branded merchandise each year - that's **\$1 billion** of revenue from people choosing to advertise their own brand.

Add to that the million or so people who pay \$16 a head to visit the World of Coca-Cola Experience in Atlanta and you begin to get a picture of the power of the brand and the choices its marketers are able to make.

But when Coca-Cola sent the Jules Rimet Trophy - the FIFA World Cup - on an 80,000-



mile, nine-month-long journey to 89 cities in 86 countries, a different approach was taken.

"We decided not to charge because that's a marketing decision," says McCune, who adds that the event attracted **200,000** fans in Africa alone. "But we had succeeded in creating an experience which was so compelling that people would have paid. The issue for us is how we continue to identify and create those compelling experiences and in that regard how we work with partners fundamentally has to change."

McCune's vision is for a world in which relationships between brands and sports are based upon a sophisticated understanding of shared value rather than a simple cash transaction in return for a set of rights.

"At the moment things are not changing fast enough," he says. "The world is changing, we feel the need to move faster and the traditional sports organisations need to figure out a way to move faster as well."

"My generation grew up with the Olympic Games but I would say - and all the number indicate - that today's teenagers are not as engaged in the Olympics as the last generation.

"Our core business is engaging with youth and this has been the first Olympics where we have used the platform specifically as a vehicle to recruit teenagers. So one of the ways we are working with the Olympic Movement is not just in recruiting the next generation of drinkers of Coca-Cola, but in recruiting the next generation of people to fall in love with the Olympics."



Scott McCune
Head of Global
Partnerships, Coca-Cola

Scott McCune oversees Coca-Cola's worldwide sports and entertainment partnerships and the activation of global platforms such as the Olympic Games and the FIFA World Cup.

McCune began his career with Coca-Cola in January 1994 as director of strategic media, and in 1995, he was promoted to assistant vice-president of worldwide media. In 1997, McCune was promoted to vice-president of worldwide sport, where he became responsible for overall management of the company's global sports sponsorship programmes.

Prior to joining Coca-Cola, McCune spent eight years at Anheuser-Busch, where he held a variety of positions in media, sports, entertainment, ethnic and grass roots marketing. Previous to that he was an account executive with the Anheuser-Busch-owned Sports Time cable network.

McCune has a Master's degree in sports management from Ohio University and a Bachelor's degree in business from Wittenberg University in Springfield, Ohio.

But - and here's the rub for sports bodies - if a partner brand is working and investing to deliver added value, they will inevitably expect to see that effort reflected in the level of rights-fees.

"That doesn't mean there isn't cash moving from one party to another, but it has to be at a level which recognises the value we bring and how we create shared value," McCune says.

"There are great opportunities here. That's our vision and we are already quite far along the road with some partners. With others, however, we have further to go, but we are moving in that direction and eventually we are going to have to make a decision in terms of different business models and who we want to do business with."

No matter which way you look at it, that sounds like a wake-up call to the world of sport and, reading somewhat between the lines, McCune gives the impression that FIFA may be a little further down the road than others in its understanding of the concept.

"FIFA is all about using football for the good of the world and because we activate on football at a grassroots level in around **200** countries, we are adding to their mission and they are starting to recognise that it does provide value for them because it helps them achieve their vision," he says.

In considering the role of Coca-Cola in sport it's important to understand the sheer scale of the company, the breadth of its operation and its range of marketing imperatives.

Today, it is a commercial behemoth with

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a portfolio of 500 brands and many more individual products, operating in 204 countries, with 146,000 staff and an income measured in billions of dollars. Every day 18 billion Coca-Cola Company products are sold worldwide, of which around 80 per cent are the core Coca-Cola brand and its derivatives.

And it is synonymous with sport, with global sports properties such as the Olympic Games and FIFA World Cup, as well as a range of others in its US heartland - where it is a partner of the National Basketball Association, NASCAR and local teams across many sports - and other nations around the world.

"We have really smart people in countries around the world, and I like to think of them as the best and the brightest," McCune says. "At Coca-Cola, when it comes to media and partnerships, we are a very well networked community of people.

"Collectively that community works from a marketing asset framework which starts with brand fit. And while some sports and properties might not be a brand fit with Coca-Cola itself, others in the portfolio might be right.

"So while Coke might not fit with a combat sport, for example, it might be right for a local sports drink."

That 'think and act local' approach was clearly demonstrated during Coca-Cola's five-year title sponsorship of the English Football League which ended in 2009. The brand won widespread praise not only for its decision to back the 72 clubs below the Premier League but for the creativity of its execution which included a competition that enabled fans to win a player for their club and a revolutionary branding exercise that saw the world famous Coca-Cola logo rendered in the colours of each Football League club.

"The strategy was to get involved in communities which are passionate about their football," McCune explains. "We have a football [soccer] unit in Atlanta but it was totally driven by business in the UK."

Given the size of the brand and its current visibility in sport, Coca-Cola is a target for sponsor seekers everywhere and is constantly

being linked with new properties. In August, media reports in the UK linked the brand, perhaps inevitably, with Formula One, but McCune is anxious to stress that the sport wouldn't work for the Coca-Cola brand itself.

"Our role is to look at all areas of consumer passion and both I and the company have great respect for Bernie Ecclestone and Formula One and what they have done," he says. "They have built a phenomenal platform and its popularity is obvious. We are evaluating the property to see whether there is a brand fit.

"I think it is fair to say that the Coca-Cola brand is about youth, bringing people together, and happiness. Formula One delivers technology and cutting-edge innovation and attracts an older demographic. There is not a natural brand fit for Coca-Cola but we have other brands in the portfolio where potentially there could be."

Asked whether Coca-Cola publishes a figure for its investment in sport the answer is a blunt "no".

"We don't break it down because we just don't see it like that," McCune says. "Our sponsorships are marketing investments which just happen to be in sport because that is what customers are passionate about. We are in the business of refreshing consumers every day and getting them to fall in love with our brands. Sport is one of the investments which help to do that."

As a TOP (The Olympic Programme) partner, the Olympics are clearly one of the most significant of those investments and McCune is anxious to stress that the legacy of the spend produces dividends way beyond the Games themselves.

"The Olympic Games give you the chance to do things differently and in the host country we start work five years out," he says. "In Beijing our work transformed our relationships with our bottling partners, persuaded the Chinese to drink their Coke ice-cold - which was a cultural change - but most important was the sense of pride it gave to our associates in the country. The level of engagement went up.

"In Britain our local business units ran a programme extension called 'Future Flames' which aimed to provide a balance to people's negative perspectives of youth. People often connect youth

with the London riots of last year but the youth of Britain were doing great things this year and nobody was shining a spotlight on that.

"Future Flames used the Olympic torch relay to identify, recognise and reward young people doing great things and it won't stop here. We are looking to expand this beyond the Britain in the future."

There are issues, however, around the Games which McCune views less positively. Among them is what he sees as the inconsistency with which the IOC applies its rules on branding.

"We are fine with the IOC's concept of clean venues but the problem is they are not always clean," he says.

"The IOC allows branding on the field of play because it is seen as a natural element to have branding on uniforms. As a result you see a lot of adidas and Nike and, in the case of timing, you see Omega.

"But when it comes to Powerade, one of our brands which is chosen by athletes to be with them on the field of play, they make us remove our branding. It would be great if they could be more consistent as it has become a point of contention that we are the only brand which is not identified. That in itself is not authentic."

All of which brings us to the issue which arises every time a major sports event appears on the horizon and excitable media, urged on by the health lobby, run stories which link two sponsors in particular, Coca-Cola and McDonald's, with obesity.

It's a question he's been asked time, time and time again but McCune retains his appetite for the subject.

"We acknowledge that global obesity is a problem and we want to be part of the solution," he says. "It is a question of calories in and calories out. Consumers have to have a choice about what they put in and motivated as to what they get out in terms of exercise. Our consumers have a choice of zero calorie drinks, waters, sports drinks or an ice-cold Coke.

"It's down to education and people who suggest this [that Coca-Cola should not be sponsoring sports] don't fully understand or are looking for an easy scapegoat."