

SPONSORSHIP STUDIES SERIES

Short Note 1

Analysis of the Sponsorship Deal Between FC Barcelona and SEIKO



Media
Reputation
Intangibles



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FC Barcelona just announced a deal with SEIKO. SEIKO becomes the official watch partner of FC Barcelona for the next three years. We propose a co-branding reputation analysis of this agreement.



As part of the press release, both parties commented the benefits of the agreements for the brands: The Vice President of FC Barcelona's economic area, Mr. Javier Faus, was delighted to see this agreement signed. "We are delighted with this partnership with such a prestigious and internationally well known brand that has always collaborated so closely with the world of sport. We are convinced that this relationship will further encourage both brands to continue their work for excellence and success."

Meanwhile, the President and CEO of Seiko Watch Corporation, Shinji Hattori was also pleased with the partnership. He said "We are delighted to be appointed as an international partner of FC Barcelona. The history, culture and ambition of the Club are a perfect match with Seiko and we look forward to a successful co-operation in the coming years."

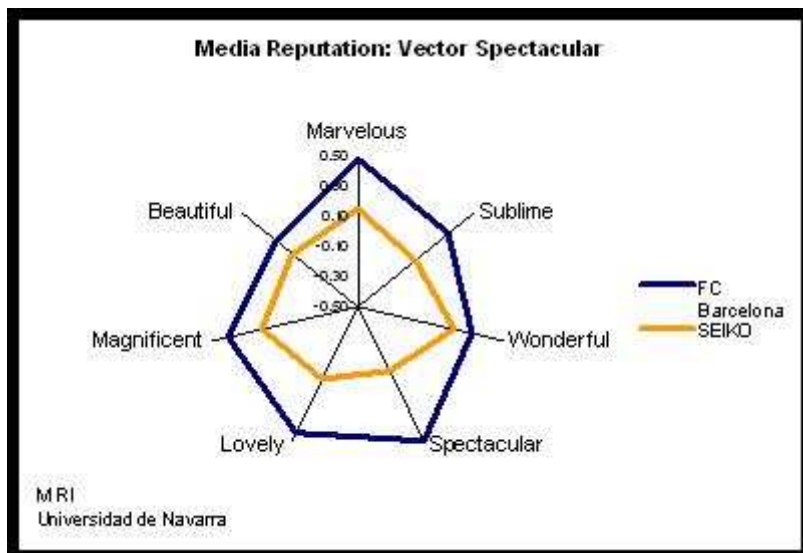
FC Barcelona and SEIKO

We provide in this post how both brands are perceived by the media right now, to check the accurateness of the branding deal.

Empirical analysis is based in the content analysis of news about SEIKO in United States and United Kingdom newspapers during February 2011 (75 articles). News about FC Barcelona cover the same market and the same period, and represent 3.300 different news. Media reputation of SEIKO requires an extended period of analysis in order to count with a more representative number of different news.

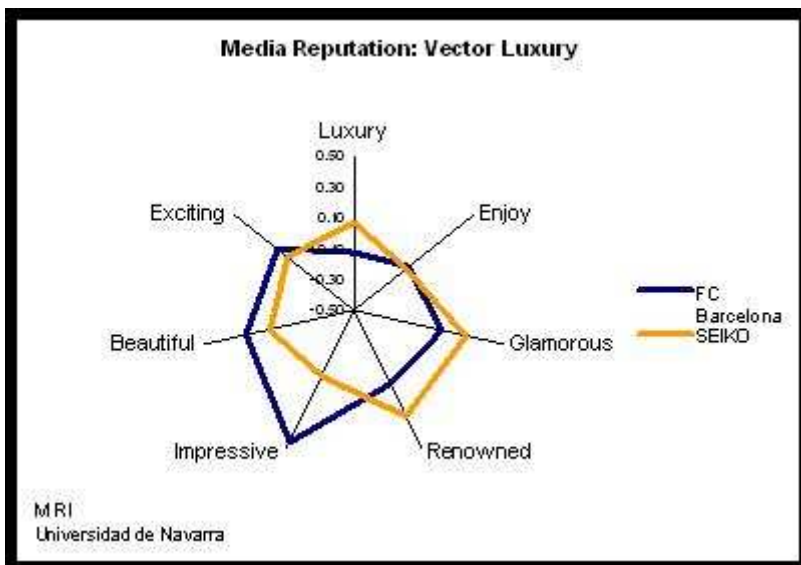
We do not proceed here to a systematic co-branding analysis. This is why we just pick some of the brand vectors as examples, but we do not present all existing brand vectors.

First brand vector is "Spectacular". In this first brand vector FC Barcelona clearly dominates, as it is a brand much more associate to "Spectacular" than SEIKO. This is specially the case for the components marvellous, sublime, lovely and spectacular. With this agreement SEIKO can take advantage and reinforce this brand component with the new association with FC Barcelona.

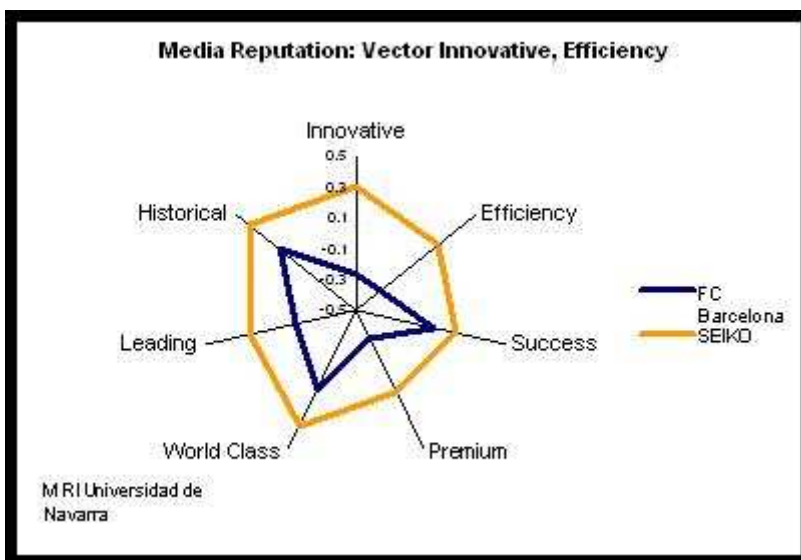


The second brand vector is also relevant for the watch industry. It is the brand vector "Luxury". According to our results, both brands present synergies in this field, as they are complementary. SEIKO is more associated to the components luxury, glamorous

and renowned than FC Barcelona, and FC Barcelona outperform on impressive, beautiful and exciting.

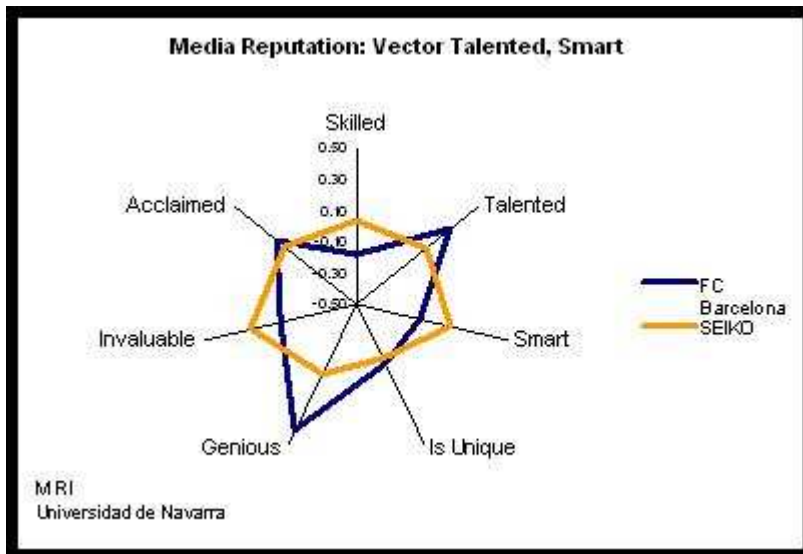


SEIKO is clearly much more associated than FC Barcelona to the brand vector "Innovative, Efficiency". This is thus a brand profile that will not be reinforced at SEIKO thanks to this new agreement. In the other side, the new co-branding could be eventually useful to FC Barcelona, if the alliance receives visibility.



Finally, concerning the last brand vector selected as example, we observe that the association to "Talented, Smart" presents again a complementary profile for both

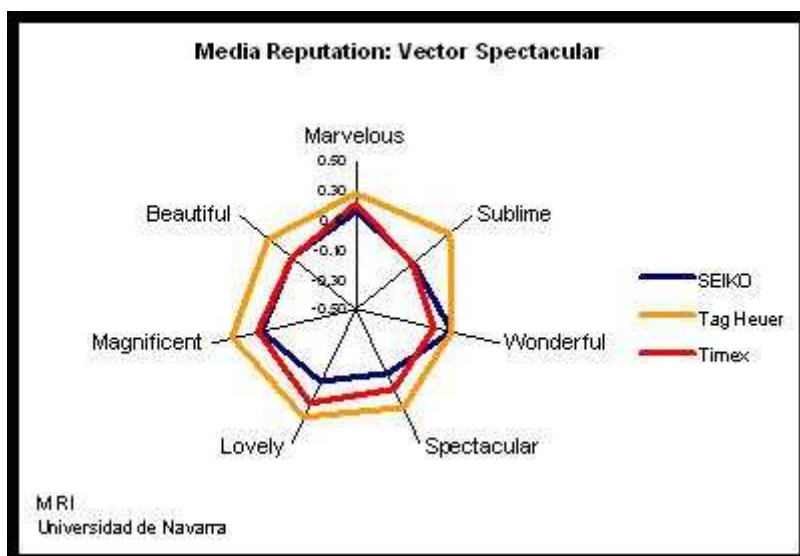
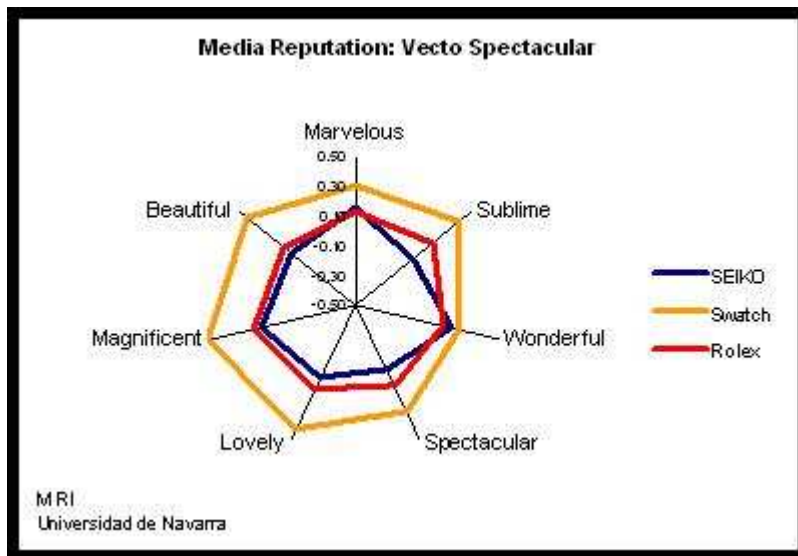
brands. FC Barcelona excels on the components talented and ingenious, while SEIKO takes advantage in the components skilled, smart and invaluable.



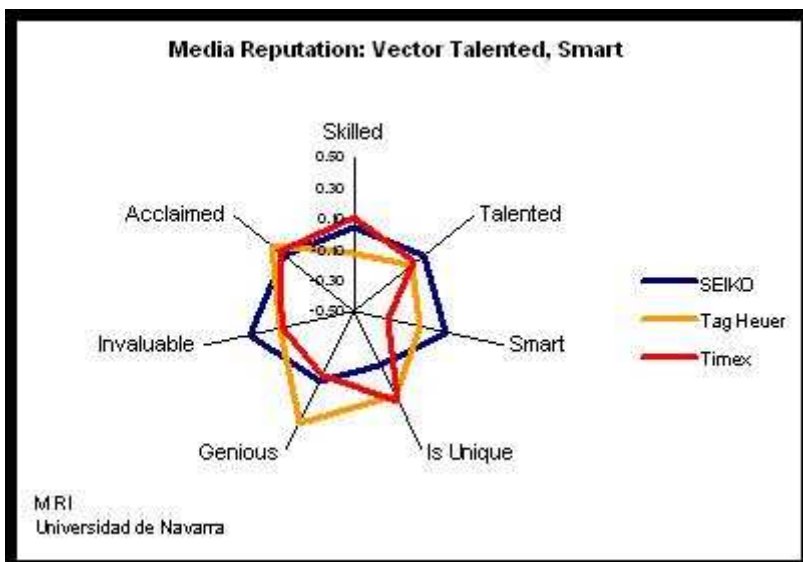
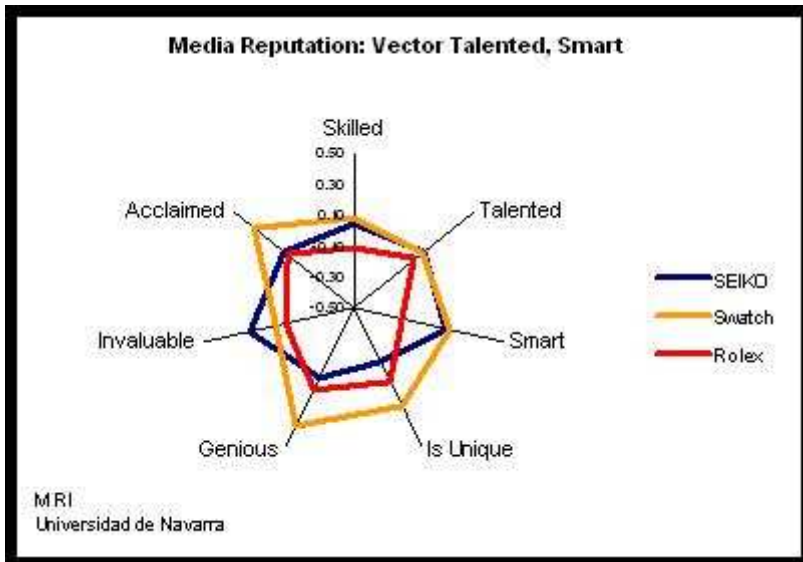
The overall assessment of the new co-branding deal based in the example of the four selected brand vectors is that this sponsorship deal should be beneficial to SEIKO branding interests, especially if they are interested in reinforcing the emotional brand aspects, like "Spectacular". AS for FC Barcelona, besides the financial compensation, the incorporation of this new brand among the sponsors is apparently positive for maintaining its brand equity.

Was for FC Barcelona the perfect fit, or could it choose a definitive better option among watchmakers? Using our approach we can provide some elements to this kind of questions that evidently each one of two sides considers before signing a sponsorship deal. We show below the results concerning the brand position of SEIKO against some competitors. We analyse first the relative position of SEIKO concerning the brand vector "Spectacular". We have chosen four competitors: Rolex, Tag Heuer, Swatch and Timex. According to our results, the best reference in this moment is Swatch, follower by Tag Heuer. If we consider SEIKO interests, we can conclude that they are not the benchmark in the sector in terms of association with "Spectacular". This also implies that there is still room to increase in this brand vector. This result reinforces the initial result that this sponsorship deal could be a winning tool for increasing the brand equity of SEIKO, as we have shown before that FC Barcelona is

strongly associated to "Spectacular". If the transmission of values between co-brands actually occurs with this new deal, we should observe in the future an increase of the "spectacular" brand profile of SEIKO. It also requires of course a correct activation of the sponsorship alliance.



The second and final brand vector that we show in this note is "Talented, Smart". In this relevant brand vector, Swatch still leads generally, especially in the components acclaimed, genius, and unique. Nevertheless, SEIKO is the reference concerning the component invaluable. It also equals Swatch as benchmark in the components skilled, talented, smart. Remember that as compared to FC Barcelona, there was a complementarity between both brands under this brand vector.



All in all, SEIKO is apparently a good reference for FC Barcelona, as its present media reputation is at least in line with other prestigious brands in the sector. Our results suggest nevertheless that Swatch could create a more powerful association.

It is probably surprising to find a relative poor media reputation of Rolex brand, in comparison with other competitors. We had a closer look to the articles referring to Rolex, and we observe that a substantial amount of media references to Rolex are not directly related to Rolex products, but precisely to sport competitions and other events sponsored by Rolex. For instance, the Rolex Sport Car Series Daytona, Rolex Grand Prix of Miami (Motor racing), Rolex Fastnet Race (Sailing), Rolex World Golf Ranking (Women), Rolex Farr 40 Worlds (Sailing).

This means that our results reflect to some extent the media impact and the media brand profile of the sports events sponsored by Rolex, in some cases acting as title sponsor. This is one probably unexpected result of a sponsorship strategy: brand recognition and its media reputations moves from the product reputation to the reputation of the sport event. This is in fact what sponsorship deals look for. But our empirical results suggest that this new media reputation can deform the original quality of Rolex brand reputation, losing ground against competitors. This result also confirm how reasonable is to evaluate the accurateness of the affected brands before signing a sponsorship deal.