



Paul Vaughan

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Paul Vaughan, Rugby Football Union, Rugby House, Rugby Road, Twickenham TW1 1DS, UK • Tel: 020 8831 6603 • Fax: 020 8607 9411 • e-mail: paulvaughan@rfu.com

Michael L. Silk, School of Physical Education, Sport & Leisure, De Montfort University, 37 Lansdowne Road, Bedford MK40 2BZ, UK • Tel: 01234 793337 • Fax: 01234 350833 • e-mail: msilk@dmu.ac.uk

An Interview with Paul Vaughan, Commercial Director, The Rugby Football Union (RFU), England

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Introduction

Within this interview, Paul Vaughan, Commercial Director of the Rugby Football Union (RFU), focuses on the challenges and opportunities that the sports industry faces from the transnational flow of capital, people, goods, services and images. Vaughan highlights the importance, even for an organisation keyed on the promotion, celebration and success of national identity, of engaging with and negotiating with the presence of transnational organisations, institutions and movements.

MS: Could we start off by talking a little bit about you in regard to your background, how you got to where you are now in the industry?

PV: I got into the business when I was working with Whitbread. I joined Whitbread in 1980 on the food and drinks side. I went there to open up the brewery as more of a commercial operation and as part of that we were trying to make the assets work a bit more in terms of the brewery itself.

The Stella Artois tennis tournament at Queen's, for instance, was one of the events that Whitbread were fairly new into at the time. So we approached them with a view to saying could we do all the catering at the

Stella Artois, and so from there we started to build into all the stuff that Whitbread were doing using the same resources but equally giving us some revenue. That was where my relationship started and then in 1984 I was invited to become sponsorship manager for Whitbread and it developed from there, through sponsorship director and marketing operations director, before I left in 1996 and joined Alan Pascoe in what was then API. Alan then sold out to the Interpublic group and we became Octagon. I basically ran the consultancy division of Octagon until I left there at the beginning of this year.

MS: You have probably seen some major developments in the last 10 years or so with regard to transformations within the industry. I look at Octagon's Web-site and they talk about the sport industry having taken on a completely new shape within the last 10 years. Could you outline some of those major transformations that you have seen, and been involved with, in the sports industry?

PV: I think professionalism would be the first one and its recognition of the business of marketing within sport. I won't call it sports marketing. Marketing within sport has been a serious discipline in terms of a brand reaching a particular interest group of ►



people within particular socio-economic parameters and geographies. I suppose that's the biggest shift. I think as a result of that, as a cause of it, prices have all gone up dramatically. So the cost of entry into the market now is far higher than it ever was when the approach was very much value-for-money, needing a big return in terms of media against investment. Now it is not necessarily about media value. Media value is only a part, so now if you are an advertiser or marketer you are looking at trying to do two things. You are trying to change consumer behaviour and you are trying to change consumer attitude. So read into those in either order anything from awareness down to consideration down to actual purchase. That's what you are actually trying to achieve. So it is not just about sticking your name on something, signing the cheque and hoping for the best, which is probably what it used to be in the main a long time ago. Having said that, some people still have the primary objective of awareness, particularly when you have bigger groups who have just changed name, or merged and adapted their name, and are looking at trying to make a statement about scale and just trying to get the recognition of the marketplace. AXA is probably a good example. Lloyds TSB when they came together as the two brands was another good example and I guess people like CGMU, or Norwich Union as it is now, are also now going through this whole sort of shift.

MS: So the move to the RFU, you are now the commercial director, could you just outline the main responsibilities involved in your role?

PV: It's fairly straightforward, I am responsible for all the income for the Union, and secondly to market the game.

MS: Market the game purely at an international level or the game generally?

PV: The whole game. That will cover things like how do we attract people to come and play it, how do we attract people to watch it, how do we keep people playing it once they come in. We have a drop-off of kids of the age of 16 who find other things to do as they come into their teenage years. Mostly beer, women and so on. We have got to find ways of keeping them within the game, as they get older. Some of them do come back at a later point but there is that gap where people end up dropping out.

MS: What type of strategy would you employ to try and maintain the interest?

PV: Early days at the moment, but we are already looking at if they are going elsewhere in order to do other things: the simple way of doing it would be how can I bring other things into the game in order to keep them there.

MS: Which I guess is an opportunity to bring in sponsorship and so forth to tie in products associated with that age group.

PV: Yes absolutely. It is changing some of the traditional aspects of the game. Not necessarily and not exclusively. It is how do we make the game attractive in the modern era. How do we make it relevant in terms of



perceptions to younger people now? Like any product or brand we have to update it continually. While the way in which the game is played has been updated, the way in which it is structured and indeed made attractive to a younger audience has not changed, so we have to find ways of making it more interesting.

MS: What might some of the elements be of “making it more interesting”?

PV: I suppose it's easy to say it but making it sexy, how do we make our brand sexy to a 16-year-old, and is that through association with other sexy brands, Nike for instance. So the correlation between the two works together. I think there are lots of other things you can think through. Is it music? Is it about the way in which we present the game? Should we make Twickenham more accessible to kids, therefore giving them opportunities to actually come to some of the bigger games here? There are numerous things we can do, it is just a matter of getting there which will take time.

MS: It's my assumption, it could be off base, that the majority of youth would be consuming sport from television. As such does that way of thinking affect the way in which you would negotiate television rights, who you would negotiate with?

PV: They are not necessarily consuming the game through television. The total number in England is about nine million interested people in the game, of which about one-and-a-half million are the playing population. There

is quite a substantial base. We are doing some research at the moment to discover who and what these nine million are, but you could probably take a punt that a number of them have been within that one-and-a-half million category. So that they have played the game at some stage, have an interest in it, and still watch it. Now their access to the game is through television only. When you come to the younger end and you are at school you are probably playing followed by watching and I've yet to be proven right or wrong. It's not a difficult hypothesis to make.

MS: So I guess the import is on the community initiatives, these become paramount.

PV: There is a massive growth in mini rugby and kids taking part in that and we are developing new areas. Tag rugby is now quite big and it is now incorporating boys and girls.

The next set of initiatives really involves things that we call fun-a-longs. This is a strategy that does not necessarily involve full contact because we have to make the game accessible. It's things like beach rugby. Beach rugby is probably more suited to rugby than it is to soccer because our game is about handling the ball whereas a soccer ball dies when it hits the sand.

MS: That's interesting. I guess the question then becomes how do you get that message across on beach rugby. How do you promote that – it wouldn't automatically hit me, beach rugby, many would probably not have even heard of it. How do you get that message across as being fun, sexy, interesting? ➤



PV: Well, it's a communications challenge if you like, in terms of reaching them. But it is about reaching the target group through wherever they might be, probably during the summer, through pubs and clubs. The Internet is a very strong source, particularly to people who we know are interested in the game. We are currently developing our database in order to get the ability to be able to talk to people who we know are interested in the game and that is primarily driven by e-mail.

This is a very cost-effective, cheap option. It gives us an opportunity of having access to a cluster of people and, because they are interested in the game, they have effectively given us permission really to talk to them because they know we are going to offer them something which maybe of interest. Whether they have bought tickets or merchandise or whether they are interested in what's coming up, the history of the game or whatever it might be, there is a dialogue that you can actually start to manufacture. Amazon is very good at this sort of thing. If you buy a book on Amazon your pattern of shopping is there as to what types of books you are buying.

MS: Could you give an indication of the marketing structure of the RFU?

PV: The way in which the marketing works is that the clubs obviously do their own thing and constituent bodies, such as the armed forces or universities, do their own thing as well at the moment. The professional marketing really for English rugby comes from the RFU. The separation is for the marketing

of the club game. So you have got Premier Rugby who run basically 12 clubs . . .

MS :They are the Zurich Premiership clubs?

PV: Yes, that's right. The Premiership is based across the road and they have got their own marketing team. They will promote and market their own competition. It's very straightforward, that's what they do. I market the international game but I also market the game, which will include premiership clubs as part of it, so there is a cross-over and it is linked. It is not hugely different to soccer if you think about it. The way the Football Association (FA) runs and the Premiership runs, the FA will market at grass-roots level. The only exceptions are in football where you end up with some sub-divisions where you get things like the Nationwide Conference and the Football League. Broadly speaking there are really two main elements of marketing rugby, us here at the RFU and the Zurich Premiership.

MS: Is there synergy between the two?

PV: Absolutely. Really moving out of marketing into revenue streams, we market our television rights jointly and negotiate them jointly as well, because it is more value collectively if they are done together rather than separately.

MS: In regard to the RFU specifically, what are you looking for in a sponsor?

PV: A number of things really, but primarily brands that are comfortable with us and we



are comfortable with them, blue chip brands. And we want proactive sponsors who are going to take some marketing initiative. By that I mean sponsors who are happy to work with us in order to help us collect the market growth of their brand and our game.

MS: Say, for example, we see Tetley's branding on shop fronts within the Twickenham ground area . . .

PV: Absolutely, basically above the line advertising using the imagery of the game.

MS: Tetley's again come to mind when I think of this. Again thinking of one of their television advertising campaigns . . .

PV: Absolutely, and they tend to do a lot of the poster advertising as well, they also put their association with us on their [beer] cans. That takes it into the supermarket as well, which is great.

MS: Now, I guess that it is key, that the sponsors are tied into the nine million people you have identified as being interested in rugby. What exactly is the breakdown of that nine million?

PV: Well, TGI will tell you that it is predominantly men but not exclusively. We over index in that group. We are predominately 25- to 55-year-old, ABC 1 and slightly skewed towards the south.

MS: So the brands that you have associated with the RFU are BT Cellnet, Nike and Tetley's . . .

PV: Yes, those brands are strong and we are

very happy to be associated with them. It is not the end of our involvement because Lucozade Sport has been very good to us as well, that is Glaxo Smith Kline, and a number of other smaller firms work with us. We have just done a licensing deal with MBNA, for instance, for a credit card, which will help develop interest as well.

MS: With regard to the FA's Premier League, it has been mooted that they are looking to distance themselves from alcohol sponsors. Are there any strategies which the RFU wants to employ especially given that you are looking to target a younger age group?

PV: Well, I'd disagree with the premise of your question first of all. I think that the FA say that to try and jump the price. Rumour has it that they might end up doing a deal which is joint with Carling and one other – Carling for domestic arrangements and the other for the overseas rights. Now whether that will happen or not remains to be seen, but if Carling had put the amount they were asking for on the table they would have said yes. They have gone back to Carling twice having other deals along the way. So I don't think they are trying to distance themselves from an alcohol sponsor. OK, from our point of view we have no problems with alcohol at all. In fact if I do a description of a day of rugby versus a day of football, which is part of the work I did at Octagon when we were looking at how to leverage Guinness' involvement with the '99 World Cup, if you start looking at the key differences between the two sports, rugby is very much seen as an occasion of which the game is only a ►



small part. It's an 80-minute game, but what came out of the focus group that we ended up doing, was that you can leave home first thing in the morning to go to the thing even though the kick-off is at 3pm and you are probably not expected to be home until very late that evening, having had an awful lot to drink and seen a lot of your mates. It's more of a congregation than football because we don't have segregation, we don't have tribalism that is associated with it. Everybody supports their own side but part of it is about broadening the community as well. It is about meeting mates that you haven't seen for a while or people that you know will always be in the same place all the time having gone to a match. Football on the other hand, you get up and tend to go to the game and you come home again and you never see or speak to anybody who supports the other side, which I think is really sad. So if you take the two, alcohol is certainly part of the environment and I don't think we have had one arrest here in 10 years, and that I think is a pretty reasonable way of doing it. It is almost self-policing because if somebody gets a bit rowdy peer-group pressure will actually tell them to get back in line.

MS: The brands that you are associated with are specifically BT Cellnet and Tetley's, I'll come on to Nike shortly. These are obviously brands which evoke a strong British, sorry English, resonance. English brands. Is that important for the RFU?

PV: No. I would be happy with international brands. As long as it fits the criteria that the brand is suitable for our market and that we

can work the symbiosis if you like, have mutual benefit, then fine. Ford is another one of our big supporters. They tend to do a lot through the grass roots of the game right through to senior game, so are they an English company or are they American? Lost in the mists of time somewhere. They have a big British interest, but you wouldn't be unhappy with some of the Japanese brands, Sony, for instance, I would be delighted to have Sony.

MS: So you think the nine million or whoever wouldn't have any stronger affiliation or leanings attached to British brands as opposed to international brands coming in such as somebody like Nike?

PV: I don't think so.

MS: So no real pitfalls associated with placing an international brand against an English team?

PV: No, I don't think so. I think the test will come if there was a country that we were not very keen on: as a nation, would you accept their brands? I'm not quite sure that we wouldn't, quite frankly. For example, what about Orange, which is French? I don't think that it actually makes any difference. I think we live in an international world and the international brands make a lot of sense. Mercedes, BMW, all those great German brands, would you turn them down? No. It's rather like as a tourist you going shopping: on any high street, you will find the same brands, there is no distinction between New York and London, with a few exceptions. Everybody has got Gap, everybody has got



virtually the same stores. Instead of Saks we have got Harrods and Selfridges.

MS: So do you think that these global brands such as Nike, Gap you mentioned, Benetton . . . do you think the public see these as domestic brands or do you think they see them as international brands that have the same resonance throughout the world?

PV: That's a very good question. I have not seen any research, but anecdotally I would suggest that people just see them as international brands with some heritage in some of the brands. People do know that BMW is a German brand, great German engineering, because they play on it. Same with Audi. Now Nike is not necessarily marketed as an American brand, it's marketed as an international brand but it is a youth culture brand.

MS: Based more on lifestyle maybe . . .

PV: Absolutely

MS: Nike and Coke, for example, try very hard to ingratiate themselves in a particular locality, be it in England, Australia or wherever, in a distinct attempt to differentiate the firm and to make sure that they fit the particularities of a local culture. So Nike football, for example, is focused on UK Sunday morning league football and so on.

PV: Yes, I agree. Reebok is actually originally an English brand, but now seems American. Or is it seen as American? Or do people really know, or do people really care?

As long as it says the right things about you, if you are wearing it, then fine.

MS: You have already mentioned some of the above-the-line campaigns. Do you find that sponsors think strategically when they come on board with you by trying to tie their sponsorship to an overall global strategy? What is the working relationship between you and a particular sponsor in that regard?

PV: It depends on who they are. I guess if you take Lloyds TSB, for instance, who sponsor the Six Nations Championships. I was involved in the original deal on the other side of the fence when it was just the Five Nations Championships (before Italy joined) bringing five different market places together in order to get them to agree and take a title. Lloyds TSB do that for awareness and for tactical reasons of being able to integrate some of the sponsorship within the bank and their staff. Because if you imagine the two populations, one brought up on a Lloyds heritage, the other on TSB heritage, and the difficulties of bringing the two cultures together, it was trying to give them a singular focus to get behind. In terms of the stuff they have done within the bank and with their staff it has given them bigger responses than anything they have done before in terms of offering tickets and those sort of things, running competitions. Running competitions, branch against branch, within headquarters as well – it has been quite interesting.

MS: Is the Lloyds TSB name association with the Six Nations seen throughout each of the six nations or is that just within the UK? ➤



PV: It's seen throughout, with one exception – France. There is a slight trade-off because France have Societe Generale as a sponsor, so there is obviously a conflict, but France are within the Six Nations competition, so therefore they have to adopt the title, but their delivery of rights is not the same as anybody else's. So you will get the impression that it is, but it doesn't look the same as the other five venues.

MS: What is the resonance of the name or the brand Lloyds TSB within the other locales?

PV: Well, certainly within the home countries it's strong and within Italy and France it isn't, but then again it is more important in terms of television coming back to the UK.

MS: So the import is on the television within England for, say, the Wales/Italy game in Italy. This brings us on to television, I guess: what are you looking for when you negotiate television rights?

PV: Two things really. One is revenue and the second is reach. It's just trying to strike the balance between the two which provides the pain. At the end of the day, everybody wants to have as broad a reach as possible, but we have to trade off some of that in order to be able to drive the revenue that we need in order to be able to sustain the grass roots of the game. So there is a virtuous circle there, if you like, in terms of the elite end of the game, which provides the revenue but not from the broadcaster with the largest reach. But this is done in order to be able to drive revenue or funds back into the grass

roots of the game which inevitably, in turn, supports the elite end. And there is quite a nice model that you can draw up which demonstrates that. You will always have people who refuse to watch anything that is not on terrestrial television. We have to take a broader view, and I am not in fact sure whether some of those people actually realise that the analogue signal will be switched off within five to six years anyway.

MS: What about the global reach of English rugby?

PV: We are a brand that competes on the international stage, but it is quite odd because until fairly recently we had a very limited market for the English brand because traditionally everyone hates the English, so we have an extraordinary position as a brand in the market place.

MS: So it becomes very difficult to promote brand England in the global setting?

PV: Unless they are English, but everyone claims to be Irish and not English! The global reach of English rugby is, I wouldn't say limited, it is broad-scale in that it is seen in many parts of the world through international TV companies. Not only is it our own team that people want to see, it is whoever we are playing. We can only rely on the *ex-pat* population wanting to see England win or England play, but the other teams are just as important. So if it is the South African team, then that it is of interest to any South Africans living anywhere in the world – they want to see it as well. Then you



get the general rugby fan after that, who wants to see what's going on. Rather like here we watch southern hemisphere internationals and southern hemisphere Tri Nations games, Super 12s, and all that sort of thing. So there is an interest on a global base of watching good quality sport and good quality rugby for rugby fans.

MS: Is sponsorship tied in with that? Are there complicit strategies for a global audience of English rugby?

PV: I think certainly. If you talk to Nike I am sure they would talk to you about wanting to be associated with the global game and be seen to be with one of the world's top sides, of which we are one.

MS: Do you feel there is a need or desire on the part of RFU to broaden that specific market you have mentioned – ABC1 you mentioned. I was just thinking that currently in the papers, for example, race issues are everywhere and, if you'll excuse the pun, it is the political football at the moment. Is there any sort of RFU strategy in terms of inclusiveness and trying to embrace diversity?

PV: Absolutely. Fifty per cent of the people that work at the RFU, for instance, are women, which is quite an interesting statistic. We certainly target the disabled; we have a lot of inner-city initiatives: I am trying to get kids who have never had the opportunity to even try the game to have a look at it. There was a fabulous scheme which involved a guy who plays for Wasps Rugby Football Club called Trevor Leota. Strange

coloured hair. He started, well, he fronted the scheme, The Trevor Leota School of Hard Knocks. Basically it's an inner-city initiative and it's getting kids to have a go at rugby instead of hanging about the streets, taking their aggression out in this game. I understand that it is doing quite well. It is early days but quite interesting.

MS: Can I ask how important for your role at the RFU and for the continued transformation of the sport industry generally do you consider the Internet and convergence of television technologies?

PV: It's terribly important, I think. The next area I think is necessarily going to be about broadband, which is about achieving global access for minority sports, therefore giving scale of numbers. If an individual market has 100,000 people a broadcaster is not going to worry terribly much about it. There is little point in buying rights for lots of money; they are not going to pay anything for it basically. But if you have a global presence generating 100,000 people in each of 20 markets, suddenly you get more interesting numbers. So it doesn't matter where you live, you are breaking the geography down by reaching consumers in dispersed markets. We also have a Web-site that is in the process of being updated and the architecture being improved upon it, this is the access to my nine million supporters of the game. Again, if we come back to the demographics, we are quite fortunate that we over-index heavily in access to these technologies and that is primarily because of the socio-economic group that we are drawing from. So starting from ►



that, what we are looking to do is to make the RFU site really the portal for English rugby, and we would hope that every club would have a mini site within it. In order to make that happen, to make it workable, it's about every club in England being able to post their team selection and their training times; where the bus leaves from; notifying when the games been cancelled; when the next social event is. We really want to make it a dialogue rather than just a notice board. If you're thinking of further down the road, because we have now got access to this wider group, you are starting really with a one-and-a-half million playing group. It has got to have something that is interesting and attractive. So we do see content inevitably as the key, like most people, but at least we are starting with a bricks-and-mortar base. It's about results, it's about information, it's about how we use what we have got to view the content, it's about putting on our tour of the stadium and museum, it's doing all those sorts of things in order to drive traffic. Currently, aside from match days, 25 per cent of our merchandise revenue is generated on the net, which I think is a pretty impressive figure. If I can reach a wider audience because it's stickier and all the rest of it then I will be able to drive that volume quite considerably. Moving on from there, if we are looking at broadband, if we can have broadband access to our current footage we are going to show great tries, analyses of games, etc. You really start to get into a market where people who wouldn't have been able to see it, based in Timbuktu, suddenly have access to actually have a quick look at, not the full story, but

the important bits of the game that they have missed.

MS: You mean you're broadening your nine million, as you say, by breaking down borders. It could be me consuming it because I sit in my office in New Zealand checking it out. With that in mind, do you sell, or is there an initiative in place to sell sponsorship and rights differently or separately on the Internet?

PV: We are in early days at the moment, but what we are doing is making sure that we are controlling our rights properly in terms of television, live, delayed and then broadband. Whether it be satellite, terrestrial, whichever platform it is on, we are looking at ensuring that everybody who invests with us is getting what they pay for and, at the end of the day, we get what we need which again comes back to a balance between revenue and reach. I think that as we go on I am fascinated to know what will happen when analogue gets switched off, because a whole raft of the population will suddenly have to switch. It is four or five years yet, maybe five or six, but as analogue gets switched off what happens then, does everybody suddenly have a box? If you have a box who are you going to choose to deal with?

MS: What about virtual advertising? Can you see this having a major impact on rugby sponsorships?

PV: There are some interesting virtual things that I've seen. I am a great believer of this; it's one of the reasons we are looking at



potentially having our own production company. It is about who owns the signal at which point.

MS: Would that provide more scope for hitting say the international audience with a different message, commercial message, than the local?

PV: Yeah, it does a number of things. One is that, for instance, if we spend £1 million on a brand-new pitch, which we are likely to do in the next two years, I'd rather keep paint off it. If we can keep paint off of it, but insert advertisements virtually, then that's great from our point of view. It satisfies the sponsors' needs and doesn't ruin the pitch, so that's one great benefit. And let's say England are playing South Africa: if you can split the branding in terms of relevant territories – then great. That will enable us to do that. And sell the same thing twice.

MS: What benefits from a commercial perspective do you see in hosting the 2007 World Cup? What opportunities exist?

PV: A number of things really. The primary one is the ability to be able to market the game through having a large-scale global event on your own territory. If you go back to 1991 when it was here, albeit shared, it actually boosted the interest in the game as did the 1995 World Cup. The 1997 British Lions representative side did it, the 1999 World Cup did it and the Lions will do it again this year, again that will give the game another fillip. The 2003 World Cup is in Australia. It is about how we can make it relevant to the game here – and we would like to win it!

MS: Is rugby pushing for readmission to the Olympics? Does the RFU have a role in this and, again, what are the benefits of this from a commercial perspective?

PV: It's very much an International Rugby Board initiative, an organisation of which we are a member. We are already in the Commonwealth Games, so it's really a matter of what would happen if we go into the Olympics in terms of broadening the appeal. There are a huge number of countries that play the game – some are very amateur and under-developed – but it is about development of the game globally, that is the IRB's remit. So the broader platform you can get from the Olympics has to give us a better opportunity. Having said that, the single-sport World Cup from my own perspective works well as well.

MS: There is some popular discourse in regard to England entering a Four Nations tournament, home and away, with New Zealand, South Africa and Australia as opposed to the Six Nations. Is this commercially a more attractive option?

PV: Not necessarily, I mean it has been mooted before . . . there is nothing wrong with people putting forward suggestions like that. I think that the great strength of what we play now – what was the Five Nations, now the Six Nations – is the fact that they are our neighbours and there is a history of attrition . . . there is a great rivalry between the home countries, and France and now Italy have come into it, and it's again starting that. All you have to do is talk to anybody who has ever played at the top level for England: ➤



even 20, 30 or 40 years ago, if they ever played against Wales they will always want to beat them because they are Wales. Equally the Welsh always want to do us. So there is this great sort of rivalry and it's the same in Scotland. It's no different to when we had home nations football: I think it is very sad to have seen that disappear but, from what I understand, the calendar is a little crowded if you are playing 64 league and cup games. So, the Six Nations has huge value because it is the domestic competition – well the domestic European competition – which actually generates good television. It's very focused; it's got a lot of history. A new competition potentially between ourselves and anybody else again would be interesting if it were sustainable. I think what's interesting is if you look at how the Tri-Nations, which is only now five or six years old, has generated enormous interest in those three markets. The challenge for them is how to broaden it, because it is quite limiting over a period of time. So whether they think that other countries in the southern hemisphere can make that much difference, I don't know. We have a reciprocal arrangement, we do play Australia every year and we play South Africa now as well. So there is a continual competition there. We have a cup we compete for against Australia, called the Cook Cup which has never been marketed really, and one of my challenges is how to market that, not only to English people but equally to Australians that are here. We have a massive number over here and therefore we need to make it into a more meaningful event and therefore give it some greater value.

MS: If that tradition is not there then I guess it can be manufactured.

PV: Yes, you have to start somewhere.

MS: My experience of the southern hemisphere is that there always was the history there and competition between South Africa, Australia and New Zealand that is deeply and politically ingrained, but once the Super 12 was created then rivalry was also built up between teams. I mean the Otago Highlanders from New Zealand versus say the Australian ACT Brumbies was, to some degree, manufactured by the heads of the NZRFU, or perhaps more appropriately by Sky Sports New Zealand. I think something that has come to the fore here in the last few days is Bristol's tie-up with Mitsubishi. Does that to any degree worry you, or perhaps the RFU more generally in regard to the role of Mitsubishi as a company may have on rugby in the particular community? I'm thinking here of the role that Rupert Murdoch has had with the creation of the Super 12 club competition in the southern hemisphere, the Australian Rugby League competition, and the movement of southern hemisphere teams from their traditional homes to potentially-more lucrative markets.

PV: No, I don't think so. I think that if you look back at Harlequins, which for the last three or four years has been the NEC Harlequins, we have not seen any great sort of shift into something else that detracts from the game or from the way it should be. I think that the broader example again would be if you look at Nike's influence on the game. Again if you look at football as the model, with Nike's involvement with Brazil and again Nike's



involvement with the England rugby team. There are all sorts of things in terms of the ability to become involved in new fixtures and tournaments, but issues arise as to who owns what rights and so on and so forth.

MS: I guess that Nike, with regard to their contract with Brazil, has been criticised for making the Brazilian team play in locations where they might not normally play. For example, I think they have played in Singapore a number of times and I think that certain players have had to play. Is there any pressure at all on the RFU in terms of this global reach to play in particular localities that are emerging markets for Nike (or other sponsors)?

PV: There has been absolutely no question of doing that. There have been some interesting discussions but it's part of the RFU role as a member of the IRB in order to expand the game. So we will tour in places which are not necessarily financially lucrative for us, but in terms of its development, the game's development, we will go. So for instance we are touring Canada and the USA this year. Our belief is that the USA is a huge market and if the game could become stronger there, then the whole world game will pick up on this, which would be quite interesting.

MS: Just a couple of general questions if I can. In a broader sense globalisation has entered the popular realm to an extent that it is a term that is probably overused and quite meaningless. From a marketing perspective, or in the marketing sphere, do national symbols or icons continue to have any resonance and/or relevance?

PV: Yes, absolutely. I mean we are very much the cross of St George. Yes, the whole sort of Englishness and icon of following the flag seems to work pretty well.

MS: We have talked before about international brands such as Nike being associated with youth culture as a lifestyle. Do you think that rugby reflects that type of lifestyle? It has its own community and I guess, in that sense, what brands could be associated with the rugby brand?

PV: Well, let me just start from the beginning. Rugby has traditionally embraced a lifestyle or something you are proud to belong to or happy to belong to. However, I think one of the biggest challenges that we face is trying to gain a balance between this group belonging and trying to make the game more accessible. We don't want to make it cliquy, which it is in danger of becoming, because effectively the world moves on around it and the game stays where it is – we should have moved on another 10 paces and we haven't. So the challenge is, how do we develop modern values, what do we really believe our brand value to be – we are just about to embark on that piece of work. So if we are trying to make it accessible to youth culture – is it not accessible enough or is it not attractive enough or what should we add to it – it's about how we develop that. In terms of the brands that come to be associated with that, we don't want to lose the sense of community that we have got, much as I would like them to be attractive to the whole nation. Part of the specialness is what it has within that club environment – it is a ►



difficult balance to achieve. We do want to attract a wider base and we are not frightened of attracting new people into it, but we have got to maintain the core values of this community. We don't want to end up with segregation. We don't want to end up being heavily policed. We want supporters to be very much following the game as well as their team, not just supporting their team.

MS: Okay, so let's look at brands associated with this global rugby lifestyle or community. For example, despite that fact that Guinness is an overtly Irish brand, do you think that the brand was a signifier of the rugby community at the last World Cup?

PV: Absolutely. It's an accessible brand, it is a brand of the game because of the way in which it markets itself and it's a brand that's available here at Twickenham. It is part of the culture, a cultural value as well.

Out of the 72,000 to 73,000 who come here to Twickenham, several thousand people have a picnic: not many, proportionally on the size of it, but there is this great vision of people picnicking, and it's the same people time and time again and they have a great time. It's not just turning up with sandwiches. They go to town on some of this stuff, which again is part of it and their wives are involved and girlfriends are involved and again it's part of that broad rich culture inviting other people into it, so it's not just a pure male domain. Women's support of the game is now growing which is quite interesting, so if you come here on any game now you will see an awful lot of women.

MS: Again this is a more general or global question rather than just related to rugby. We've talked about the particularities of local markets and about international brands. Do you see any dangers for sponsors and other promotional activities in this regard? What contingencies are there that need to be recognised for particular localities with regard to global advertising/marketing initiatives?

PV: I think there are some inevitable difficulties. If you take the World Cup coming to Europe – and let's say it goes to France – there is an immediate restriction on alcohol. Not because the game wants to restrict it but because of the government, and that obviously disadvantages the game. I think from that sort of perspective it makes me a little wary of the future. I support the fact the tobacco is not part of it, but from our point of view an alcohol ban would be tough, very tough, in terms of the social environment that is part of the game. I am not entirely sure whether there are any great restrictions in terms of domestic markets. If we go back to the Commonwealth Games, again alcohol was a problem. Carlsberg could do advertising some but they couldn't do very much. It was an odd relationship between them and Malaysian culture. It was all a bit difficult, things like that are problematic, but I'm not convinced that there is too much really apart from that.

MS: Do you think that's more the brands being seen as transnational or more international as opposed to being rooted in any particular locale. This is despite the fact that brands have history. Coke, for example, has a history in the US, but



maybe it is seen as an international brand therefore they don't really have to overcome or negotiate any difficulties with local cultures.

PV: Brands have to adapt to local cultures and most of the big international global brand players know they have got to do that – they have got to adapt slightly to a local marketplace. Consistency will help through the imagery of the brand, albeit with a different voice-over or slightly different lettering in the print or whatever the local restrictions are. Global advertisers have been around long enough now to understand that if you go and reach a new market then you have to bring relevance to the market, otherwise what's the point. I think there are very few exceptions actually.

MS: Do you think sport, for a global brand such as Nike, can become a way in which the brand can "fit" or ingratiate itself within a local culture?

PV: Sport is the only vehicle that is truly multi-market and consistently multi-market. You might get the odd music event that cuts across all boundaries, but very rarely. We don't have too many Live Aids, but even then it's not as wide as Formula One, the football World Cup, even the rugby World Cup.

MS: I guess I am thinking particularly of Nike in the way in which, in Australia, Shane Warne is used as a symbol of Australia and aided Nike to settle in to the Australian market place. I am just wondering if that's the same degree with the RFU and Nike fitting in with the English marketplace given your sponsorship association?

PV: Nike's above-the-line work is of relevance to us and to rugby union. They did this very neat campaign with Lawrence Dallaglio. I am not sure if you remember the executions but there was a picture of Lawrence's back that had been raked . . .

MS: That, to me, fits in more with a sort of culture of brand rugby as opposed to brand England.

PV: Yes, but they are using Lawrence, the English guy, very much as the heart of the campaign.

MS: Okay. Thanks very much, Paul.

PV: You're very welcome.



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Biographies

Paul Vaughan became the RFU's first Commercial Director in November 2000. He is responsible for all marketing and sales activities including sponsorship, merchandising and the RFU's Web-site.

Paul has been intimately involved with a number of major rugby sponsorships. Under his direction, the marketing team has already delivered results like the sell-out of the Tetley Bitter Cup Final.

Former Executive Vice President of Octagon Marketing UK, Paul negotiated the Lloyds TSB sponsorship of the Six Nations in addition to Zurich's sponsorship of the Premiership. Whilst at Octagon, he also worked on the British Lions campaign in ➤



1997 and compiled the commercial package for the British Lions 2001 tour.

Earlier he headed the marketing operations at Whitbread PLC working on numerous campaigns including the Rugby World Cup in 1995 and the Heineken European Cup.

Michael L. Silk is a graduate of West Sussex Institute of Higher Education, the University of Alberta, Canada, and the University of Otago, New Zealand. At present Mike is a Senior Lecturer at De Montfort University; in August he is taking up a new post as an

Assistant Professor at the University of Memphis. His main research areas are the economic, political and cultural conditions in which televised sport production takes place and the changing relations of global capitalism, the changing nature of consumption, and the changing relations of political and economic power on the sports industry. Dr Silk has published articles in journals that include the *Journal of Sport Management*, *Journal of Sport and Social Issues*, *International Review for the Sociology of Sport*, *Culture, Sport & Society*, and the *Sociology of Sport Journal*.



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Winthrop Publications Ltd
55-57 North Wharf Road
London W2 1LA, UK
Tel: +44 (0) 20 7915 9612
Fax: +44 (0) 20 7915 9636
E-mail: info@winpub.demon.co.uk
www.winpub.co.uk