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## **THE ANALYSIS OF SPECIFIC DETERMINANTS OF SPORTS BRAND AND ITS VALUE\***

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### SUMMARY

Nowadays the sports brand plays an essential role in the sports industry and is one of the key factors for marketing strategies development. This article provides a theoretical background regarding sports brand, sports brands' value and methods of the brand value measurement. Furthermore, based on these theoretical backgrounds, specific determinants of sports brand are analyzed and the brand value of most valuable global sports brands is specified. Brand value measurement is a very complicated issue that continuously develops and therefore, there exist several methods of brand value measurement. For the purposes of this article are applied three acknowledged methods of brand value measurement, namely methods according to Interbrand, BrandZ and Forbes. Analyzed is not only the value of sports business brands but also the value of brands of sports teams, athletes and events. The awareness of the brand value is significant especially for the creation of sponsorship programs, obtaining contributions from sponsors, for the licensing programs preparation, for ticketing and other business activities. Moreover, a strong and valuable brand contributes to canvassing loyal customers, gaining competitive advantage, obtaining business partners and sponsors, ensuring financial stability and to the resistance to economic recessions and crises.

**Key words:** sports brand, brand value, brand value measurement, sport marketing

### INTRODUCTION

Nowadays the sports brand plays a very important role in the sports industry as the competition in the sports industry has very significantly increased during the last decades. Therefore, the subjects active in sport (i.e. sports clubs, organizations, etc.) are forced to lay stress on building of a strong brand in order to gain competitive advantage compared to other brands. Currently sport marketing is hence a very up-to-date topic that covers both sports brand and the utilization of sport in other fields of business.

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Thanks to the brand name (i.e. the trade mark) sports clubs, sports organizations and sporting events can differentiate from their competitors and thus gain the competitive advantage. Such a competitive advantage can facilitate them not only to gain new customers (spectators) and to keep the existing ones but also in other strategic fields as e.g. sponsoring, thus, to easily obtain business partners.

Other advantages that a strong brand brings are the guarantee of quality and a long term tradition (Machková, 2006). Thanks to that customers know that their expectations will be met. Very important for brands of sporting events as well as for sports clubs and organizations is mainly the fact, that the brand also forms the image of customers and represents their life style (Machková, 2006). Many spectators visit or watch various sporting events because they want to persuade their friends and other people in their surroundings of who they are and to create their own image in this way. For the others this is simply the expression of their life style (e.g. fans, sports fanciers, etc.).

## PURPOSE

The purpose of this article is to provide a theoretical background regarding sports brand, sports brands value and methods of the brand value measurement and furthermore, based on these theoretical backgrounds, to analyze specific determinants of sports brand and to specify brand value of most valuable global brands both from sport and other industries.

Analyzed is not only the value of sports business brands but also the value of brands of sports teams, athletes and events. Brand value measurement is a very complex issue that continuously develops and therefore, there exist several methods of brand value measurement. For the purposes of this article are applied three acknowledged methods of brand value measurement, namely methods according to Interbrand, BrandZ and Forbes. In addition, the value of the most valuable global sports brands according to these methods is identified and consequently the recognized differences are analyzed.

## SPORTS BRAND

Nowadays we consider as a sports brand not only brands that specialize in production and sale of sports apparel (e.g. Adidas, Nike, Puma, Head, Wilson) or sports services (e.g. Holmes Place, World Class, Factory Pro) but also brands of sports clubs, organizations, events and competitions. The well-known sports clubs and organizations often do not have a form of a non-profit organization any more as they changed their business form during the last decades into limited liability companies or public limited corporations. Therefore, brand building is one of the key functions that such companies have to concentrate on. For the purposes of building of a strong brand sports clubs, organizations and events should use various marketing tools that need to be conformed to sports brands' specifics.

As mentioned above, there are different kinds of sports brands that can be categorized into two main groups. The first group includes brands that specialize in production and sale of sports apparel and services, whereas, the second group includes brands of sports clubs (teams), organizations and events (competitions) (Petráčková, 2009).

## **Brands of sports apparel and services**

Although brands that specialize in production and sale of sports apparel and services are very specific, these brands do not show significant differences from other brands that deal with the production and sale of products in other business fields from the marketing point of view. Therefore, such brands can govern its marketing activities according to classical marketing rules as there are no specific determinants that would inhibit from this.

## **Brands of sports clubs (teams), organizations and events (competitions)**

Compared to the brands of sports apparel and services the brands of sports clubs (teams), organizations and events (competitions) require in many aspects entirely different attitude to the building of a strong and valuable brand. This kind of sports brands is unique especially due to the specific market situation regarding the physical education and sport products supply, furthermore, due to specific characteristics typical for this category and also concerning distribution (Čáslavová, 2000). The specific determinants of these brands are analyzed in the following chapter.

### THE ANALYSIS OF SPECIFIC DETERMINANTS OF SPORTS BRAND

The typical determinants of sports brands, especially of the brands of sports clubs (teams), organizations and events (competitions) are (Čáslavová, 2000):

- Subjective valuation by customers (spectators) – the valuation of products that these brands offer is very subjective (e.g. somebody can be very satisfied with the performance of the team by particular match and somebody else not at all);
- Discreteness and intangible character – these products cannot be stored or produced into stock, they are also very dependent on the time and place;
- Unpredictable development – in the foreground is the excitement from the unpredictable development, nevertheless always the same quality cannot be guaranteed;
- Little possibility to control their structure – it is not possible to certainly ensure a good level of the performance during the match;
- Complex of performances and general supply – it concerns products composed by many subcomponents (sports stadium and its equipment, club membership, various sporting events, individual players, etc.), these products are connected with a variety of other business fields as e.g. trade, advertising, politics, culture and education;
- Sport as public goods – e.g. part of the supply of the sports club can be designed only for the club members and not for the general public but other part of the supply can be designed for everybody (e.g. teams matches, special events, and trainings);
- Partial absence of a market-price – it is very difficult to determine the price for these products and the classical cost models of price creation cannot be used (Čáslavová, 2000).

Schilhaneck (2006) presents in his article “Brand Management in Professional Team Sports” three basic economical traits typical for sports clubs’ brands that represent problem areas for the management of these brands. These traits are: heterogeneity of the

target audience of professional sports clubs, characteristic specifics regarding provision of these services and specific features regarding the product structure of the professional team sport. Although Schilhaneck (2006) concentrates only on professional sports clubs in his article, these traits can be generalized also for the brands of sports organizations and events.

- Heterogeneity of target audience of these brands – there are five basic groups of the target audience regarding these brands, however, also within these particular groups exists certain heterogeneity. These groups of the target audience represent direct and indirect spectators (fans, regular visitors, families, VIP visitors, and TV audience), sponsors, licensees, agencies and media. The responsible managers should take into account different interests of all the target audience groups and find as much similarities as possible. Moreover, all the target audience groups should take part in the brand building, thus, thanks to the usage of a suitable marketing mix. The main aim is the creation of a desired brand image for all of these target audience groups (Schilhaneck, 2006).

- Characteristic specifics regarding provision of these services – among these specifics are included the intangibility, the necessity to use external factors, the experience of the target audience, etc. One of the problem areas is the impossibility of the direct description of the offered services. Therefore, it is very important to use other methods for the brand usage as e.g. employees' attire, reference subjects (entrance tickets, merchandising, posters, magazines, newspaper, car fleet, etc.) and infrastructure (stadium, sale rooms, practice facilities, fan shops, players lounge, club room, etc.). The brand placement regarding the infrastructure is possible to implement through flags, banners and through other logo integration into the internal and external equipment.

Very important is also the customers' experience with the provided services and the clubs or organizations reputation (Schilhaneck, 2006). Hence it is very important for these brands to create a strong brand image and to influence the customers' experience in the desired way.

- Specific features regarding the product structure of these brands – one of the most important features of successful brands is permanently the same product quality. Concerning services not only in the sport industry the same quality cannot be always certainly guaranteed. Regarding the brands of sports clubs (teams), organizations and events (competitions) this factor is amplified by the fact that there are always needed at least to subjects (e.g. two teams in a soccer match). The effort to maintain always the same products' quality represents for the brand management a very significant and complicated challenge. The basis for this consists in a broad standardization of the performance spectrum, thus:

- Tangible and intangible inputs – event marketing on the stadium (supporting program, large screens on the stadium, internet access for the spectators, prize competitions, etc.);

- Personnel – well educated and experienced personnel, abidance by rules regarding behavior to customers, sufficient number of personnel;

- Related processes – care of sponsors, complaint management, fixation of the waiting time concerning: sale of entrance tickets, entrance and sale of refreshment;

- Infrastructure – stadium and its equipment, sponsors' rooms, outdoor and indoor screens, playgrounds for children, indoor parking, transportation availability, etc;

- Fans' base – the fans' base contributes to the creation of a specific atmosphere in the stadium (Schilhaneck, 2006).

## BRAND VALUE

Brand value represents so called value added of a brand and reflects especially how customers think, feel and behave in relation to a specific brand. The brand value is therefore an important intangible asset that represents both psychological and financial value for a company (Kotler & Keller, 2007). The brand value is influenced by the customers' loyalty, brand knowledge, brand awareness, etc. However, it is also crucial to verify to what extent the brand is a personification of quality and how the customers associate products with the brand (Machková, 2006).

The differences that occur in the brand value of various brands are determined by customers' brand knowledge, thus, by all thoughts, feelings, imaginations, experience and beliefs associated with the brand. Therefore, brands should create strong, favourable and unique associations by customers in order to increase the brand value. As a result, one of the most important marketing goals should be that customers gain the desired type of experience with company's products, which would lead to a desired knowledge structure regarding the brand (Kotler & Keller, 2007).

Brand value is also considerably influenced by brand image. Brand image can be defined as a set of costumers' associations with a brand. These associations reflect customers' imaginations of a brand and a brand meaning for costumers (Ouwersloot & Tudorica, 2001). A sports brand image is influenced e.g. by athletes' behaviour, fans' behaviour, business activities of main sponsors, merchandising, etc. (Messing & Kilian, 2004). Brand image is formed based on a brand identity, i.e. perceptions of an own brand by a company. Brand identity represents an intention of a company of what the brand should symbolize in the future (Aaker & Joachimsthaler, 2000). The deepening of a brand identity to brand image depends on customers' perceptions of company's products (Heider, 2001).

## METHODS OF BRAND VALUE MEASUREMENT

Brand value measurement is a very complicated issue that continuously develops. Therefore, there exist several methods that can be used for the brand value measurement. The most acknowledged and most frequently used in practice are the Interbrand and the BrandZ methods. In addition, regarding the sports brands, there exists also a method used by the well-known magazine Forbes.

### **Interbrand**

The Interbrand method is a very sophisticated method used for brand value measurement of global brands that was created by the Interbrand Corporation. In cooperation with the magazine BusinessWeek the ranking of 100 most valuable international brands is annually published. In order to be included in the ranking the brand has to fulfil several criteria (BusinessWeek, 2010):

1. The minimum brand value exceeds 1 billion USD;
2. At least one third of the annual turnover is realized abroad;
3. The company has to publish its annual financial results;
4. The company has to be recognizable beyond its base of customers and have publicly available marketing.

This method is based on the qualified estimation of future revenues and profits, whereas, their calculation is based on the verified data from the renowned consulting companies J. P. Morgan Chase, Citigroup and Morgan Stanley. Into account are taken also business risks, market position, company's stability and the ability of its further international development (BusinessWeek, 2010).

This methodology evaluates brand value in the same way other corporate assets are valued, thus, on the basis of how much it is likely to earn in the future. The brand's valuation is based on analysts' projections, company financial documents, and its own qualitative and quantitative analysis in order to determine a net present value of those earnings. The brand values are based on data collected during the 12 months prior to June 30, 2009 (BusinessWeek, 2010).

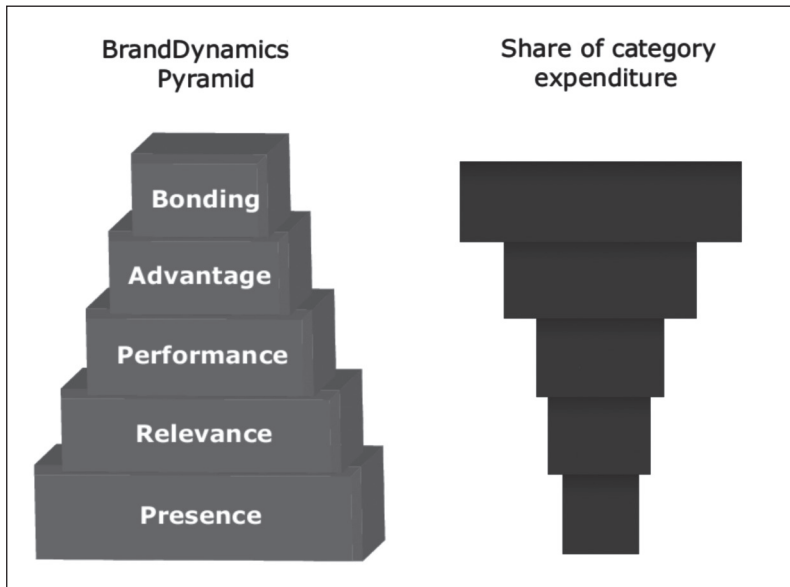
Firstly, it has to be calculated how much of company's total sales fall under a particular brand. Using analysts' reports, Interbrand projects five years of sales and earnings tied to each brand's products and services. It is followed by the calculation how much of those earnings derives from the power of the brand, i.e. operating costs, taxes, and charges for the capital employed are excluded in order to specify earnings attributable to intangible assets. As a result it is possible to estimate the brand's effect on earnings relative to other intangible assets, such as patents and management strength. Finally, those future earnings are discounted (i.e. against interest rates and also against the brand's overall risk profile to factor in brand strength) in order to determine the net value. In this respect the brand is valued as a financial asset, which represents the estimation of brand's true economic worth (BusinessWeek, 2010).

It is important to emphasize that Interbrand ranks only the strength of individual brand names, not portfolios of brands. Thus, airlines are not ranked because it's too hard to separate their brands' impact on sales from factors such as routes and schedules. Pharmaceutical brands do not appear in the ranking because consumers typically relate to the product rather than the corporate brand (BusinessWeek, 2010).

## **BrandZ**

This method was introduced by the marketing research companies Millward Brown and WPP. It is based on the brand strength and the core of this method is a pyramid called BrandDynamics (see figure 1) that shows the stages of the strength of brand's relationship with customers. In connection with the customers' expenditures, loyal customers spend much more of their total category expenditures on the brand than those at lower levels of the Pyramid. The BrandDynamics Pyramid shows the number of consumers who have reached each level (BrandZ, 2007). The levels are:

- Bonding – customers have rational and emotional attachments to the brand to the exclusion of most other brands, customers at the level of bonding are likely to be active advocates of the brand;



**Figure 1.** Brand Dynamics Pyramid vs. Share of Wallet (BrandZ, 2007)

- Advantage – customers feel to have an emotional or rational advantage over other brands in the category;
- Performance – customers feel to deliver acceptable product performance and the brand is on the consumer’s short-list;
- Relevance – the brand is relevant to consumer’s needs, in the right price range or in consideration set;
- Presence – active familiarity based on past trial, saliency or knowledge of brand promise (BrandZ, 2010).

According to this method, brand building consists of a continuous range of steps, whereas, each step depends on the successful achievement of the previous step (Kotler & Keller, 2007). These steps are shown by the BrandDynamics Pyramid. The goal is to build as large group as possible of truly loyal consumers, by sustaining a suitable relationship and increasing their loyalty to the brand (BrandZ, 2010).

The ranking is based on a brand valuation methodology that is grounded in both customized consumer research and in-depth financial analysis. The brand value is based on the intrinsic value of the brand resulting from its ability to generate demand. It represents the sum of all future earnings that a brand is supposed to generate, discounted to a present day value (BrandZ, 2009).

BrandZ uses two sources of data – customers’ opinions and financial performance of the companies. In order to gain customers’ opinions BrandZ has set up an own database for gathering the data how consumers and business customers evaluate brands. Its annual output is a quantitative brand equity study. The financial data is gathered from Bloomberg,

analyst reports, Datamonitor industry reports, and company filings with regulatory bodies (BrandZ, 2009).

The valuation process has three main steps. Firstly, the proportion of company's earnings generated under the specific brand is calculated, whereas, the capital charges are then subtracted. The result is the value the brand adds to the business, i.e. intangible corporate earnings allocated to each brand (hereinafter "IE"). Secondly, it is determined how much of the branded earnings are generated due to the brand's close bond with its customers, also called brand contribution (hereinafter "BC"). It represents the brand's role in generating earnings and is mainly based on the customer's opinion. Finally, the growth potential of the brand driven earnings is specified, thus, both financial projections and consumer data are analyzed and the specific growth opportunities and barriers are taken into account. This represents brand multiple (hereinafter "BM"), which is an indexed figure that ranges from 1 to 10 (BrandZ, 2009).

The formula for brand value calculation is (BrandZ, 2009):

$$\text{Brand value} = \text{IE} \times \text{BC} (\%) \times \text{BM}.$$

### **Sports brands valuation according to Forbes**

The magazine Forbes published in February 2010 a list of the top 10 most valuable sports brands in four separate categories: teams, athletes, events and businesses. Similarly as in case of the previous methods, the estimated values represent the brand value alone, not the complete value of any team, athlete, event or business (Forbes, 2010).

For each category there are different criteria for the brand value determination. The value of brands of athletes is calculated based on an endorsement income relative to peers in their sport. The calculation of the value of brands of businesses is based on the amount of the enterprise's private market value attributable to its name. The value of brands of sports teams is determined based on the portion of their overall value and it is not a result of market demographics or league. Finally, the value of events' brands is calculated based on revenue generated per day of competition. Furthermore, the brand values quantify the equity built up in a name over many years (Forbes, 2010).

## **RESULTS**

Both Interbrand and BrandZ annually publish a ranking of 100 most valuable global brands. As each method uses other criteria for the determination of the brand value, their annual published rankings significantly differ. Therefore, in the following subchapters both the brands' value according to each method and the differences in the brands' valuation will be analyzed.

### **Interbrand**

As already mentioned, Interbrand in cooperation with the magazine BusinessWeek annually publishes the ranking of 100 most valuable international brands. Among these brands there are also three sports brands, i.e. Nike, Adidas and Puma. The table below



shows the first ten most valuable brands in the world and also the sports brands that are included in the top 100 (BusinessWeek, 2010).

According to this method the world's most valuable sports brand is Nike with the value of 13.2 billion USD. Nike has the biggest share in the North American market for sporting goods and this share is still increasing. Moreover, it continues to pioneer online marketing with youth-oriented social networks. On the contrary Adidas generated impressive sales growth in Latin America and China, nevertheless, it did not succeed in enlarging its market share in the U.S. (BusinessWeek, 2010). Puma is a strong competitor of the above mentioned brands and recently it has been promoted especially thanks to the Jamaican sprinter Usain Bolt who broke the records in 100m and 200m at the World Championships in Athletics (Berlin) that was held in 2009. He represents an asset of an enormous value for the Puma brand and facilitates this brand in its success.

**Table 1.** Most valuable brands plus most valuable sports brands according to Interbrand (Businessweek, 2010)

| Ranking 2009 | Ranking 2008 | Brand name    | Brand value in 2009 (billion USD) | Brand value in 2008 (billion USD) | Change in % | Country of origin |
|--------------|--------------|---------------|-----------------------------------|-----------------------------------|-------------|-------------------|
| 1            | 1            | Coca-Cola     | 68.734                            | 66.667                            | 3%          | U.S.              |
| 2            | 2            | IBM           | 60.211                            | 59.031                            | 2%          | U.S.              |
| 3            | 3            | Microsoft     | 56.647                            | 59.007                            | -4%         | U.S.              |
| 4            | 4            | GE            | 47.777                            | 53.086                            | -10%        | U.S.              |
| 5            | 5            | Nokia         | 34.864                            | 35.942                            | -3%         | Finland           |
| 6            | 8            | McDonald's    | 32.275                            | 31.049                            | 4%          | U.S.              |
| 7            | 10           | Google        | 31.98                             | 25.59                             | 25%         | U.S.              |
| 8            | 6            | Toyota        | 31.33                             | 34.05                             | -8%         | Japan             |
| 9            | 7            | Intel         | 30.636                            | 31.261                            | -2%         | U.S.              |
| 10           | 9            | Disney        | 28.447                            | 29.251                            | -3%         | U.S.              |
| <b>26</b>    | <b>29</b>    | <b>Nike</b>   | <b>13.179</b>                     | 12.672                            | 4%          | U.S.              |
| <b>62</b>    | 70           | <b>Adidas</b> | <b>5.397</b>                      | 5.072                             | 6%          | Germany           |
| <b>97</b>    | N/A          | <b>Puma</b>   | <b>3.154</b>                      | x                                 | N/A         | Germany           |

## BrandZ

BrandZ also annually publishes the ranking of 100 most valuable global brands. The ten most valuable brands according to this methodology are shown in the table below. Concerning sports brands there is only one sports brand in the top 100, thus, the Nike brand. Nevertheless this method publishes also most valuable brands in several categories, as e.g. apparel, beer, bottled water, cars, coffee, fast food, financial institutions, insurance, luxury, mobile operators etc. In the apparel category there are included also sports brands, i.e. Nike, Adidas and Puma. Nike is the second most valuable brand in the world in this category, whereas Adidas is the fifth and Puma the seventh. Most of the brands in this sector experienced a drop in the brand value in comparison to 2008 especially due to the economical crises (BrandZ, 2009).

**Table 2.** Most valuable brands plus most valuable sports brands according to BrandZ (BrandZ, 2009)

| Ranking 2009    | Ranking 2008    | Brand name    | Brand value in 2009 (billion USD) | Brand value in 2008 (billion USD) | Change in % | Country of origin |
|-----------------|-----------------|---------------|-----------------------------------|-----------------------------------|-------------|-------------------|
| 1               | 1               | Google        | 100.039                           | 86.057                            | 16%         | U.S.              |
| 2               | 3               | Microsoft     | 76.249                            | 70.887                            | 8%          | U.S.              |
| 3               | 4               | Coca-Cola     | 67.625                            | 58.208                            | 16%         | U.S.              |
| 4               | 6               | IBM           | 66.622                            | 55.335                            | 20%         | U.S.              |
| 5               | 8               | McDonald's    | 66.575                            | 49.499                            | 34%         | U.S.              |
| 6               | 7               | Apple         | 63.113                            | 55.206                            | 14%         | U.S.              |
| 7               | 5               | China Mobile  | 61.283                            | 57.225                            | 7%          | China             |
| 8               | 2               | GE            | 59.793                            | 71.379                            | -16%        | U.S.              |
| 9               | 11              | Vodafone      | 53.727                            | 36.962                            | 45%         | Britain           |
| 10              | 10              | Marlboro      | 49.460                            | 37.324                            | 33%         | U.S.              |
| <b>59</b>       | <b>53</b>       | <b>Nike</b>   | <b>11.999</b>                     | 12.499                            | -4%         | U.S.              |
| <b>&gt; 100</b> | <b>&gt; 100</b> | <b>Adidas</b> | <b>4.949</b>                      | 4.847                             | 2%          | Germany           |
| <b>&gt; 100</b> | <b>&gt; 100</b> | <b>Puma</b>   | <b>1.892</b>                      | 2.328                             | -19%        | Germany           |

## Forbes

As already mentioned, magazine Forbes published the ranking of ten most valuable brands of the years 2007 and 2009 in four different categories: teams, athletes, events and businesses.

The most valuable brand among athletes is Tiger Woods, nevertheless, his value will probably decrease in the following periods due to the deterioration of his performance in the last months. The highest relative increase in the brand value noted the brand of Dale Earnhardt Jr. On the contrary very significant decrease in value noted the golf player Phil Mickelson.

**Table 3.** Most valuable brands according to Forbes – Athletes (Forbes, 2010)

| Ranking 2009 | Ranking 2008 | Athlete            | Sport branch | Brand value in 2009 (million USD) | Brand value in 2007 (million USD) | Change in % |
|--------------|--------------|--------------------|--------------|-----------------------------------|-----------------------------------|-------------|
| 1.           | 1.           | Tiger Woods        | Golf         | 82                                | 64                                | 28%         |
| 2.           | 2.           | David Beckham      | Soccer       | 20                                | 18                                | 11%         |
| 3.           | 4.           | Roger Federer      | Tennis       | 16                                | 13                                | 23%         |
| 4.           | 8            | Dale Earnhardt Jr. | NASCAR       | 14                                | 9                                 | 56%         |
| 5.           | 5.           | LeBron James       | Basketball   | 13                                | 11                                | 18%         |
| 6.           | N/A          | Kobe Bryant        | Basketball   | 12                                | N/A                               | N/A         |
| 7.           | 3.           | Phil Mickelson     | Golf         | 10                                | 16                                | -37%        |
| 8.           | 6.           | Maria Sharapova    | Tennis       | 10                                | 10                                | 0%          |
| 9.           | N/A          | Tony Hawk          | Skateboard   | 9                                 | N/A                               | N/A         |
| 10.          | 10.          | Jeff Gordon        | NASCAR       | 8                                 | 7                                 | 14%         |

The table below shows ten most valuable brands of sports clubs. Among the top ten sports clubs are represented only three sport branches: soccer, baseball and American football, whereas soccer prevails. The most valuable sports club brand is Manchester United, nevertheless, its value decreased significantly compared to 2007. Furthermore, also the brand value of another two soccer clubs decreased, namely Real Madrid and Bayern Munich.

**Table 4.** Most valuable brands according to Forbes – Sports clubs (Forbes, 2010)

| Ranking 2009 | Ranking 2008 | Sports club       | Sport branch      | Brand value in 2009 (million USD) | Brand value in 2007 (million USD) | Change in % |
|--------------|--------------|-------------------|-------------------|-----------------------------------|-----------------------------------|-------------|
| 1.           | 1.           | Manchester United | Soccer            | 270                               | 351                               | -23%        |
| 2.           | 4.           | New York Yankees  | Baseball          | 266                               | 217                               | 23%         |
| 3.           | 2.           | Real Madrid       | Soccer            | 245                               | 288                               | -15%        |
| 4.           | 7.           | Dallas Cowboys    | American football | 208                               | 175                               | 19%         |
| 5.           | 3.           | Bayern Munich     | Soccer            | 200                               | 255                               | -22%        |
| 6.           | 5.           | Arsenal           | Soccer            | 195                               | 185                               | 5%          |
| 7.           | 6.           | AC Milan          | Soccer            | 175                               | 184                               | -5%         |
| 8.           | 8.           | Barcelona         | Soccer            | 170                               | 130                               | 31%         |
| 9.           | N/A          | New York Mets     | Baseball          | 159                               | N/A                               | N/A         |
| 10.          | 9.           | Boston Red Sox    | Baseball          | 157                               | 125                               | 26%         |

**Table 5.** Most valuable brands according to Forbes – Sporting events (Forbes, 2010)

| Ranking 2009 | Ranking 2008 | Sporting event                      | Sport branch           | Brand value in 2009 (million USD) | Brand value in 2007 (million USD) | Change in % |
|--------------|--------------|-------------------------------------|------------------------|-----------------------------------|-----------------------------------|-------------|
| 1.           | 1.           | Super Bowl                          | American football      | 420                               | 336                               | 25%         |
| 2.           | 2.           | Summer Olympic Games                | Various sport branches | 230                               | 176                               | 31%         |
| 3.           | 3.           | FIFA World Cup                      | Soccer                 | 120                               | 103                               | 17%         |
| 4.           | N/A          | UEFA European Football Championship | Soccer                 | 110                               | N/A                               | N/A         |
| 5.           | 8.           | MLB World Series                    | Baseball               | 106                               | 61                                | 74%         |
| 6.           | 4.           | Daytona 500                         | NASCAR                 | 100                               | 90                                | 11%         |
| 7.           | 6.           | Winter Olympic Games                | Various sport branches | 93                                | 82                                | 13%         |
| 8.           | 5.           | NCAA Men's Final Four               | Basketball             | 90                                | 90                                | 0%          |
| 9.           | 8.           | MLB All-Star Week                   | Baseball               | 75                                | 61                                | 23%         |
| 10.          | 9.           | Kentucky Derby                      | Horsereading           | 67                                | 59                                | 14%         |

According to Forbes the most valuable brand of sporting event is Super Bowl – the championship game of the National Football League in the U.S. – followed by the Summer Olympic Games. The most significant increase in the brand value noted MLB World Series whose value increased by 74% from 61 million USD in 2007 to 106 million USD in 2009. Moreover, there is no sporting event whose value would decrease compared to 2007.

As well as according to the previous methods the most valuable brand of sports business is Nike with the value of 10.7 billion USD, whose value increased by 91% compared to its value in 2007. The most significant increase in the brand value noted Adidas, whose value rose by 204% compared to 2007, i.e. from 2.4 billion USD to 7.3 billion USD. On the contrary, the brand value of EA Sports decreased by 62% and the brand value of Under Armour by 76%.

**Table 6.** Most valuable brands according to Forbes – Businesses (Forbes, 2010)

| Ranking 2009 | Ranking 2008 | Sports Business | Branch of Business       | Brand value in 2009 (million USD) | Brand value in 2007 (million USD) | Change in % |
|--------------|--------------|-----------------|--------------------------|-----------------------------------|-----------------------------------|-------------|
| 1.           | 2.           | Nike            | Sports apparel           | 10,700                            | 5,600                             | 91%         |
| 2.           | 1.           | ESPN            | Sports TV channel (U.S.) | 10,500                            | 7,500                             | 40%         |
| 3.           | 3.           | Adidas          | Sports apparel           | 7,300                             | 2,400                             | 204%        |
| 4.           | N/A          | Gatorade        | Sports drinks            | 6,400                             | N/A                               | N/A         |
| 5.           | 7.           | Reebok          | Sports apparel           | 2,000                             | 900                               | 122%        |
| 6.           | 6.           | Sky Sports      | Sports TV channel (U.S.) | 1,300                             | 1,300                             | 0%          |
| 7.           | 5.           | EA Sports       | Sports video games       | 770                               | 2,000                             | -62%        |
| 8.           | 4.           | Under Armour    | Sports apparel           | 530                               | 2,200                             | -76%        |
| 9.           | 8.           | YES Network     | Sports TV channel (U.S.) | 525                               | 500                               | 5%          |
| 10.          | 9.           | IMG             | Sport marketing          | 400                               | 450                               | -11%        |

## DISCUSSION

Each of the above mentioned methods offers a slightly different view on the brand value of the sports businesses and uses different criteria for the brand value determination. Therefore, there arise differences both in the ranking and in the brand value of individual brands. The most significant nominal difference in the brand value in the amount of 68 billion USD shows the Google brand (i.e. according to Interbrand its value amounts to 31.98 billion USD and according to BrandZ to 100.039 billion USD). One of the reasons of such a difference is that BrandZ in this respect accentuates the future growth potential of the brand driven earnings that is not timely limited (see the formula in chapter 6.2), whereas, Interbrand projects five years of sales and earnings tied to each brand's products and services. Therefore, as the potential expansion of Google in China and other Asian

countries that has already commenced is a long term objective, BrandZ was likely to reflect it in its valuation in a higher amount than Interbrand.

The following table shows brand value of sports businesses that appeared in the ranking of at least two above mentioned methods. All three methods consider Nike as the most valuable sports brand followed by Adidas. However, Puma is not included in the Forbes ranking of sports businesses.

**Table 7.** Comparison of the brand value of most valuable sports businesses (Businessweek, 2010; BrandZ, 2009; Forbes, 2010)

| Brand name | Interbrand Ranking 2009 | BrandZ Ranking 2009 | Forbes Ranking 2009 | Interbrand – Brand value in 2009 (billion USD) | BrandZ – Brand value in 2009 (billion USD) | Forbes – Brand value in 2009 (billion USD) |
|------------|-------------------------|---------------------|---------------------|--|--|--|
| Nike       | 26                      | 59                  | N/A                 | 13.2   | 12   | 10.7                                       |
| Adidas     | 62                      | > 100               | N/A                 | 5.4  | 4.9  | 7.3  |
| Puma       | 97                      | > 100               | N/A                 | 3.2  | 1.9  | N/A  |

Although the brands' ranking according to Interbrand and BrandZ differs significantly, the brand value of all three brands does not show major variances. As all of the three methods have the same relevance for our analysis, the arithmetic average can be used to estimate the brands' final value in 2009. Thus, the 2009 brand value of Nike amounts to 12 billion USD, the 2009 brand value of Adidas to 5.9 billion USD and the 2009 brand value of Puma to 2.6 billion USD.

In general, taking into account individual product categories, the highest year-on-year growth in the brand value noted mobile operators followed by soft drinks, coffee, fast food, beer, luxury, retail, spirits, technology, personal care and bottled water. On the contrary, the highest brand value losses experienced business branches mostly affected by the global economic crises, thus, insurance followed by cars, financial institutions, apparel and motor fuel (BrandZ, 2009).

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## ANALÝZA SPECIFICKÝCH DETERMINANTŮ SPORTOVNÍ ZNAČKY A JEJÍ HODNOTY

JANA PETRÁČKOVÁ

### SOUHRN

V současnosti hraje sportovní značka na poli sportovního průmyslu nepostradatelnou roli a je jedním z klíčových faktorů pro tvorbu marketingových strategií. Tento článek poskytuje teoretická východiska týkající se samotné sportovní značky, hodnoty sportovních značek a metod jejího měření. Na základě těchto teoretických východisek je provedena analýza specifických determinantů sportovní značky a vymezena hodnota nejhodnotnějších globálních sportovních značek. Měření hodnoty značky je velice komplikovanou záležitostí, která se kontinuálně vyvíjí, a proto existuje několik metod na měření hodnoty značky. Pro účely tohoto článku jsou použity tři uznávané metody měření hodnoty značky, a to metoda dle Interbrand, BrandZ a Forbes. Analyzována je nejen hodnota značek společností činných v oblasti sportu, ale také hodnota značek sportovních klubů, sportovních událostí a samotných sportovců. Znalost hodnoty značky je důležitá především pro tvorbu sponzorských programů, získávání příspěvků od sponzorů, přípravu licenčních programů, prodej lístků a pro další obchodní aktivity. Silná a hodnotná značka mimo jiné přispívá k získávání loajálních zákazníků, docílení konkurenční výhody, získávání obchodních partnerů a sponzorů, zajištění finanční stability a odolnosti vůči ekonomickým recesím a krizím.

**Klíčová slova:** sportovní značka, hodnota značky, měření hodnoty značky, sportovní marketing

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