

The 'Beckham effect'

Real Madrid has just replaced Manchester United as the world's richest soccer club. Is it due to The 'Beckham effect'?

1 Who advertises / advertised for which company? Match the sports celebrity to the company / companies.

David Beckham	Michael Jordan	Tiger Woods
Maria Sharapova	Anna Kournikova	

Nike	Adidas
Pepsi	

2 Complete the table with the following figures: £44 million / £48million / £80 million. Check your answers by scanning paragraph two of the article.

Real Madrid Football Club: annual income sources (2004 / 5)	
Commercial income from merchandise and sponsorship	
Match-day income (mainly tickets)	
Income from promotions (e.g. friendlies and tours)	£16 million
Television income	

Celebrity endorsements

The 'Beckham effect' has become a new marketing term! It refers to the great personal loyalty shown by the public to celebrities. Sporting celebrities like Michael Jordan and Tiger Woods can command massive fees for endorsements. The investment made by companies in attractive tennis stars such as Maria Sharapova is more to enhance the brand name than to actually sell products. After all, Anna Kournikova never won a singles title, but was the most marketed tennis star ever; she made a fortune from endorsements. There are many who now feel that Sharapova's game has suffered due to the number of her commercial commitments.

A recent marketing study has shown that 73% of David Beckham fans bought products or services just because of the link with his name. Spanish football club, Real Madrid, bought Beckham, who was already an icon in Far East markets, for around £22million. Compared with the £37m

they paid for Figo and the £47m for Zidane, it's a bargain. Real are not complaining – they have just ended Manchester United's eight-year reign as the biggest earners in world football. The Spanish club saw their income to the year ending June 2005 jump to £190m. £80m of that income (42%) comes from commercial revenue. Real Madrid also earned £48m from match-day income (mostly ticket sales), £44m from television and £16m from promotional activities such as overseas tours and friendlies. These friendly matches earn more now – because of Beckham.

Beckham's own pre-tax weekly salary of about €180,000 is boosted by his income from endorsements for companies such as *Adidas*, *Gillette* and *Pepsi*. Like many wealthy sportsmen and women, his lifestyle has been criticised. He and celebrity wife, Posh, recently stayed at a £3,000-a-night suite in a Paris hotel. His total earnings, at around €25m a year, make him the world's highest paid footballer.

3 Read the whole article. What is The 'Beckham effect'?

4 Fill in the missing vowels in these words connected with advertising. Create sentences with each term.

(a) c_l_br_ty _nd_rs_m_nt (b) br_nd l_y_lty (c) m_rk_t_ng st_dy (d) pr_m_t_n (e) m_rch_nd_s_

5 Complete the questionnaire and compare your answers in small groups. Discuss your ideas.

	Agree	Disagree	It depends
'I would never buy a product just because somebody famous advertised it'			
'Celebrities advertise for the money – not because they believe in the product'			
'Salaries for sportsmen and sportswomen are far too high'			