

GM PLAYS NEW GAME: KICKS OFF WITH MANCHESTER UNITED



General Motors has kissed expensive Super Bowl ads goodbye and has laid its hopes on a five-year sponsorship of the Manchester United soccer club, which it believes will give the preferred international boost to its Chevrolet line. Manchester United has a worldwide following and is one of the premier English Football teams. It fits in with the Chevrolet's desired international image and the company is confident that attaching their fortunes to it will reap rich dividends for the company. Paul Edwards, GM executive director of global marketing strategy, said in an interview prior to the announcement, "It's clear that global football presented us with a significant opportunity to spread Chevrolet around the world. We recognized that it's not only the world's biggest sport but also the world's most engaged fans." The contract with Manchester United comes in the wake of General Motors decision, earlier this month, to bring to a close paid advertising on Facebook and also to give next year's Super Bowl championship game of the National Football League in the U.S. a miss. Even though GM contends that their decision to shift allegiance to Manchester United has no relations to it parting ways with the Super Bowl, numbers tell a different story. Mr. Edwards said that when Manchester United played against Manchester City, "that audience around the world scaled to 600 million people," "Compare that to the Super Bowl here in the States, which is roughly 110, 115 million, and you're talking five times that audience watching one regular-season game. It's significant." The new moves are among the first steps of Chief Marketing Officer Joel Ewanick's, who is attempting to give a face-lift to Chevrolet's marketing with a new global agency. The new changes are expected to save the company \$2 billion over the next five years. Sponsoring Manchester United was a decision that materialized after Mr. Ewanick's decided to shift all Chevrolet advertising to a newly formed agency called Commonwealth. The new company, a joint venture between Omnicom Group Inc.'s Goodby, Silverstein & Partners and Interpublic Group of Cos.'s McCann Erickson, replaces 70 agencies that had worked on the Chevrolet business, the company has said. Mr. Ewanick's believes that ad spending should be cost-effective. More than 20 TV ads, he said, were produced to endorse the Chevrolet Cruze compact car around the world, when just about six would have sufficed. "Every penny matters," Mr. Ewanick said in an interview earlier this year. "It may seem like a little thing you do in Thailand. But if you take that little thing in Thailand, a little thing in Brazil, a little thing in Germany and France and you add it up, it becomes a big thing." CEO Dan Akerson wants to make turn both Chevrolet and Cadillac into worldwide brands and decrease their dependency on the U.S. market. The company did not say how much the sponsorship will cost them. In August shipper DHL Worldwide express had purchased the right to put its logo on the team's training apparel for four years by paying \$62 million. Aon Corp. pays \$31 million a year to put its logo on competition jerseys. However, terms of the contract revealed that it allows signage in Manchester United's stadium and access to the team for TV, print and other media for use worldwide. Manchester United has a huge fan-following and its games are broadcast in 1.15 billion homes -- 80% of the world's households with TVs, according to GM. "The global fan base we have and the media exposure we generate on Chinese media channels are huge," said Manchester United's Commercial Director Richard Arnold. "We have 108 million followers in that part of the world, so it's a powerful mix, one that Western companies use to drive brand affinity." GM said that it is preparing to distribute 1.5 million soccer balls to children in war zones, refugee camps and other impoverished areas through One World Futbol, a project started in 2010. Another proof of Manchester United's worldwide presence is that its website is translated into seven languages, including Arabic, Japanese, Korean and Chinese. "Man U is global," said Jim Hall, a principal of 2953 Analytics Inc., a consulting firm in Birmingham, Mich. "There's really nothing like it."

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