SOFT DRINKS
A SPONSORSHIP CATEGORY UPDATE
BELONGING TO THE CATEGORY THAT INCLUDES THE TWO BIGGEST SPENDERS IN SPONSORSHIP, SOFT DRINK BRANDS OFTEN LEAD THE PACK IN TERMS OF SPONSORSHIP INNOVATION AND INDUSTRY BEST PRACTICES.

The Coca-Cola Co. and PepsiCo, Inc.—as well as Dr Pepper Snapple Group, Inc.—use sports, entertainment and other properties to establish an emotional connection with consumers and drive sales volume.

Soft drink companies use sponsorship to accomplish the following objectives:

- Promote brand attributes
- Gain platforms for retail promotions
- Sample new products and line extensions
- Gain pouring rights
- Obtain exclusive marketing rights competitors can’t access
- Promote healthy lifestyles
- Support sustainability message

<table>
<thead>
<tr>
<th>SOFT DRINK SPONSORSHIP ACTIVITY</th>
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<tr>
<td>SPORTS 64%</td>
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<tr>
<td>CAUSE 6%</td>
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<tr>
<td>ENTERTAINMENT 16%</td>
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<tr>
<td>FESTIVALS 11%</td>
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<td>OTHER 3%</td>
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*U.S. sponsorship spending. Figures include spending for non-soft-drink brands owned by the company.
SOFT DRINK MAKERS HAVE DEVELOPED MULTIPLE WAYS TO BRING PARTNERSHIPS TO LIFE AND MAXIMIZE VALUE BY CONNECTING SPONSORED PROPERTIES AND CONSUMERS IN NONTRADITIONAL WAYS, AND EXTENDING REACH ACROSS MULTIPLE PASSION POINTS.

COMMON GOALS: PEPSI AND BEYONCÈ

PepsiCo’s $50 million global deal with Beyoncé surpasses a traditional endorsement deal/tour sponsorship/advertising campaign. The goal is a two-way partnership that supports multiple business objectives for each party.

Case in point: Pepsi executives asked the artist about her motivations and business objectives in establishing a roadmap for the partnership. Those conversations resulted in a focus on original content that supports female empowerment.

Pepsi uses its marketing muscle to promote Beyoncé and her music. A TV spot that featured the song “Grown Woman” gained more than 50 million online views, 500 million Twitter impressions and helped to earn the attention of radio programmers.

Pepsi also premiered the “Grown Woman” video on Pepsi.com.
FUSING SPORT AND CULTURE: PEPSI AND THE LIVE FOR NOW COLLECTION

Pepsi extended the reach of its 2014 “Art of Football” global soccer campaign through a mash-up of sport, street art and fashion culminating in Live for Now, a collection of street wear, accessories and electronics created in partnership with iconic and cutting-edge international designers.

The collection featured artwork from six street artists from around the world, including Zosen (Spain), Ever (Argentina) and Ricardo AKN (Brazil). Designers include B&O Play, Original Penguin by Munsingwear and Goodlife.

The products were sold online and at Bloomingdale’s in the U.S., Colete in Paris and Liberty in London.
SHARED INTERESTS: BURN AND DAVID GUETTA

Looking to build its presence in the burgeoning world of electronic dance music, Coca-Cola partnered with French DJ David Guetta on behalf of Burn energy drink.

Similar to Pepsi’s partnership with Beyoncé, Coca-Cola and the artist leveraged each other’s strengths to extract maximum value from the relationship.

The partnership resulted in Nothing But The Beat, a Burn-produced movie that showcases Guetta’s rise from an underground house DJ to global superstar. The film was the largest piece of content ever produced by Coca-Cola.

Guetta promoted the film within the EDM industry, while Coca-Cola gained scale by leveraging relationships with movie theaters.

The content was a success: The film has been viewed 1.8 million times.
SHARED AMBITIONS: COKE AND SPOTIFY

The Coca-Cola Co. in 2012 signed a global strategic partnership with Spotify to provide music fans around the world access to music.

The beverage company helps support Spotify’s global expansion by promoting the streaming music service on product packaging. The two companies in 2013 jointly launched the service in Mexico, an effort that resulted in Spotify becoming the number-one streaming music service in the country.

Coca-Cola and Spotify expanded the partnership this year with PlayLists, a location-based global app that consumers can use to share music.

Coca-Cola also is a minority investor in Spotify, as part of its marketing venture program to build innovative relationships with start-ups that answer specific business needs and to incorporate fresh thinking, creativity and the ability to be nimble into Coca-Cola’s culture.
TOP DEALS

- International Cricket Council
- Manchester United Football Club
- Indian Premier League
- Asian Football Confederation
- Confederation of African Football
- National Football League
- Major League Baseball
- National Hockey League

PEPSI GLOBAL SPEND

2013 GLOBAL SPORTS SPEND:
$390M-$400M

(Includes spending for non-soft-drink brands owned by the company.)

THE BIGGEST SPENDER IN SPONSORSHIP IS PLACING MORE FOCUS ON LEVERAGING ITS PORTFOLIO ACROSS MULTIPLE BRANDS.

In 2013, PepsiCo added Sabra hummus and Aquafina water to its decades-old NFL partnership. In 2011, it added the Quaker Oats and Tropicana brands as part of its ten-year renewal with the league.

In 2013, for the first time, the company activated its NFL sponsorship across its full line of Pepsi soft drink products: Pepsi, Diet Pepsi, Pepsi Max and Pepsi Next.

PepsiCo has applied the “one-for-all-and-all-for-one” strategy to other properties as well. In 2012, it added Quaker Oats and the breakfast food category to its partnership with Major League Soccer.

Pepsi’s strategy is to amplify the organic role its products play in the sports experience—whether on the field of play or in fan’s enjoyment of games and matches. Included is Gatorade’s long-running support of athletes, Quaker’s involvement with youth sports, and Pepsi and Frito-Lay enhancing fan experiences through sweepstakes and other promotions that bring consumers closer to the sport.

Pepsi leverages sponsorships across three primary platforms:

360-DEGREE TOUCH POINTS
Pepsi looks to reach more consumers in more places at more times than anyone else.

LOCAL MARKET ACTIVATION
Whether it’s an international or national sponsorship, Pepsi looks to gain activation platforms tailored to local markets.

SUSTAINABLE PROGRAMS
Pepsi looks for partnerships that can be activated across multiple brands throughout the year and/or sports season.
THE COCA-COLA CO. SUMS UP ITS SPONSORSHIP STRATEGY IN ONE WORD: COLLISION.

The beverage giant has enlisted sports properties, startups and other partners to support Vision 2020, a five-year-old initiative that seeks to double system revenue and increase margins by the year 2020.

Realizing that the goal cannot be obtained without disrupting traditional business models, the company’s sponsorship strategy focuses on cross-pollinating partnerships to reach new audiences and deepen consumer engagement.

In support of that objective, Coca-Cola has placed its traditional sports and entertainment sponsorships alongside its marketing venture deals with the likes of Spotify, Misfit and Music Dealers under the auspices of a “global alliances and ventures” department.

The company hopes to uncover best practices and new learnings by having these disparate relationships reside together. Case in point: It took Coke three years to develop its 2014 FIFA World Cup activation program. The company hopes to become more nimble by borrowing from Misfit, which took only four months to develop a Coke-branded Shine personal activity tracker.

HOW COKE IS REINVENTING MARKETING PARTNERSHIPS TO DRIVE GROWTH

Take advantage of “collision” of passions to reach new audiences
• Used music in FIFA World Cup activation to broaden reach
• Added musician Avicii to F1 partnership to connect with new consumers

Partnering with artists to create unique content
• Uses DJ David Guetta as storyteller for Burn energy drink
• Worked with Mark Ronson as composer for Olympic song
• Using street artist/filmmaker Mr. Brainwash as video maker for Burn

Creating immersive experiences with partners to bring meaning to brands
• Brought the FIFA World Cup Trophy to more than 120 countries
• Disrupting F1 by adding street culture
• Training everyday athletes like actual Olympians

Partnering with start-ups to bring new innovations and growth models
• Spotify to reach youth market
• Endomondo to connect with everyday athletes
• Music Dealers to connect indie artists to global campaigns
• Backplane to engage super fans
• Misfit to offer people tools to become more active
TOP SPORTS PROPERTIES WITHOUT SOFT DRINK SPONSORS

TENNIS

GOLF

RUGBY

MOTORSPORTS

BASKETBALL
IEG has shaped and defined sponsorship over three decades. It is the globally recognized source for industry insights, trends, training and events via sponsorship.com, its annual conference, online publications, trend reports, surveys and webinars.

IEG is part of ESP Properties, a WPP company. As a commercial and creative advisor for rightsholders, ESP Properties helps organizations unlock greater value from their audiences and brand partnerships.

Our consulting team assesses and advises how to grow the value of rightsholders’ commercial programs. We do this through a full range of services across data, digital and content development to better understand audiences and create more relevant ways to engage with them. This provides brand partners with new ways to connect with communities of fans and followers, growing the potential value of commercial partnerships.

Our sales team provides partnership strategy and sales representation to the world’s most active sponsors, within and beyond the WPP network of brand clients. Through WPP we have extensive contacts and deep insights into what it takes to create successful partnerships.

For more information about the value of sponsorships and partnerships, IEG and ESP Properties, please visit www.sponsorship.com, www.espglobal.com, or call Dan Kowitz at 312/725-5114.

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