



Interview with Fraser Holland Sponsorship and Marketing Manager New Zealand Rugby Union

The All Blacks have been synonymous with New Zealand identity for over a century. The team's sporting legacy is impressive: the All Blacks have won 75% of their matches and their legendary black jersey and pre-match performance of the haka continue to captivate audiences around the world. In recent years the New Zealand Rugby Union (NZRU) has been forced to confront, and indeed embrace, globalisation to ensure that the national sport and the All Blacks remain competitive on and off the field.

More specifically, in 1995 the sport of rugby union underwent a radical transformation when the NZRU, in conjunction with the South African and Australian rugby unions (SANZAR), signed a ten-year \$US555 million broadcasting rights agreement with Rupert Murdoch's News Limited, which signalled the advent of full professionalism. A five-year \$US323 million deal was signed between SANZAR and News Limited in January 2005. Meanwhile, the NZRU has secured additional revenue through a range of sponsorship agreements with key commercial partners, including principal sponsor adidas. In this interview, Jay Scherer (JS) talks to NZRU Sponsorship and Marketing Manager Fraser Holland (FH). They discuss a number of global issues and contemporary commercial challenges for the NZRU as it navigates the somewhat turbulent waters of professionalism. Holland comments on the value and meaning of the All Blacks brand, the NZRU partnership with adidas, and a range of other issues that have materialised as a consequence of rugby's emergence as a global commodity.

JS: Can you tell us a bit about your background, how you became involved with the NZRU and if you have a rugby background?

FH: I have been with the NZRU for about five and half years now and I was originally the marketing manager. About eighteen months ago I took the lead for the entire commercial team, of which marketing is approximately fifty per cent. How did I come into the job? Well, my background is in sales and marketing and predominantly within consumer goods. I had five years experience with Lion-Nathan, which owns the Steinlager brand globally, based here in New Zealand. Steinlager were, I would suggest, the first commercial



brand to leverage a commercial association with the All Blacks. I worked with Lion-Nathan in those formative years, so that was certainly the background which gave me reasonable insight. I dealt with pre-professionalism and worked with a brand such as the All Blacks from a client side, prior to and during the early stages of the current professional rugby environment. Do I have a rugby background? Well, like the vast majority of male kiwis, I have a rugby background, but my pedigree is not at a level that I think you may be looking for! Certainly I played rugby all through my school and university years and played some senior club rugby, but that's as far as I go.

JS: What do you see as your primary roles and responsibilities as the sponsorship and marketing manager for the major sporting organisation in New Zealand?

FH: First and foremost I think we are a sporting organisation with a unique position in that we are responsible for both the amateur participation levels of rugby in the country and the professional and commercial aspects of rugby union. In that regard, with the responsibilities that come with sponsorship and marketing for the New Zealand Rugby Union, there is always a balance between commercial and non-commercial, or commercial and straight participation. Then, when you dig down into the roles, ultimately I am responsible for all NZRU sponsorship and licensing revenue. With that I am responsible for sponsor and stakeholder relationships; once we have a relationship, to manage that relationship, or my team manages that relationship. And then on the marketing aspects, I am ultimately responsible for brand strategy and communication, and across a variety of products from the All Blacks at the top of the tree, through to our respective competition products, the Rebel Sport Super 12, the Air New Zealand NPC and then down further to the particular initiative we have instigated at the moment called the Smallblacks, which is all about kids' participation and getting kids in their very early years involved in rugby.

The fit between ourselves and adidas works on two fronts: global reach and sports performance

JS: Maybe you can touch on this for a global audience? How important is rugby to New Zealand and to the nation's psyche or identity?

FH: Well, I could quote some stats and figures to you, but rugby in New Zealand is the sport and the pastime of choice for approximately three quarters of the country, male or female, so that's an incredibly wide demographic. Rugby has been a component of the New Zealand psyche and a component of New Zealand history and heritage for over a hundred years. For those who aren't New Zealanders, rugby was the international gateway for New Zealand, and as I said, more than seventy-five per cent of New Zealanders claim to be avid fans. Just to give you a little bit more of an insight, within that demographic roughly about eighty per cent of those people would rather watch an All Blacks test match when it is played than do anything else. So it's quite special.

JS: When people talk about the All Blacks brand, what exactly are they referring to?

FH: Well, when I'm posed the question 'Are the All Blacks a brand?' I talk about it from two directions. To the rugby fans, the All Blacks are their team, the team that is named for that series or that upcoming event. So first and foremost they are a team at any one point in time. The All Blacks brand is a combination of all of the teams that have gone before and that are current, and/or the stories, legacies and results of those teams. I like to use the term 'product' more than I like to use the term 'brand', primarily because a fan can relate



more to their team in that way. It's slightly less 'marketing speak'. As to how important the All Blacks are to Rugby Union: in this commercial era they are without a doubt our core asset. Whether you look at that from a sponsorship and licensing perspective or a broadcasting rights perspective, the All Blacks are the team, product and brand that generates a substantial component of our revenue. So they are our core asset. When you look at the values of the All Blacks brand, they are closely aligned to team values, the values that the team subscribe to, but they obviously bring in a lot of off-field values as well. In simple words, the core values are about performance, on and off the field, the heritage surrounding the All Blacks, and there are a number of different heritage components. The All Blacks brand is about authenticity, about being real – and that is particularly important to the fans. It's about humility and respect.

JS: One of the issues that has emerged around the world relates to brand protection and intellectual property rights. Can you talk about the Rugby Union's policy with respect to these issues, and why you think these issues have emerged?

FH: The New Zealand Rugby Union can see the opportunity and power that the All Blacks have in the commercial environment and there are many opportunistic people out there. I think that essentially with regards to New Zealand, where professional rugby is relatively immature – only ten years in the professional component of this product's life-cycle, these things are starting to come up, and I think that's just a natural evolution in terms of professional sport. I think that there is also a certain naivety within the marketplace. So there is genuine naivety and then there are the opportunistic ambushers, and I think you need to look at the difference between the two.

The New Zealand Rugby Union is an incorporated society and our shareholders are the provincial unions and the fans. We don't pay them a dollar dividend each year, but we ultimately re-invest the revenue that

we earn into the game at grassroots level through to high performance level. The ultimate goal is to ensure that rugby remains strong in New Zealand and as a result the All Blacks remain strong and ultimately a winning team in the global professional environment.

JS: What about issues such as trademarking the Silver Fern, a national symbol, which has received some negative press in New Zealand? What's the Rugby Union's interest in trademarking a particular fern?

FH: The Rugby Union's interest is not in the Silver Fern in a generic sense but in the New Zealand Rugby Union's designed mark as it was developed in 1986. So our protection revolves around our particular Silver Fern and All Blacks mark. We have expressed to all sporting organisations in New Zealand and to the government, and everyone understands, our desire to protect our mark for rugby. That does not preclude New Zealand swimming or New Zealand athletics, by way of example, utilising a Silver Fern that they design. The media will report what they desire to sell newspapers. Their role is to report newsworthy items and there is no doubt that in New Zealand, rugby is incredibly newsworthy. I don't think it's a matter of misrepresentation, but it may be that they are not always reporting the entire story.

JS: In terms of globalisation, how important is it for the Rugby Union to have a global presence in terms of marketing the All Blacks, and what exactly are you looking for in a global sponsor?

FH: Globalisation is paramount for rugby per se, and therefore as a component of that, it is paramount that the All Blacks remain at the top of the global rugby tree. Why is this? Well, because New Zealand is a market of a little over four million people at the bottom of the earth, many miles and many hours in terms of time difference from the rest of the globe. For us to survive in the global marketplace we need to have



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our team and our brand being seen globally more often. The demand for our product must be beyond New Zealand shores. So when it comes to our commercial partners, first and foremost in the broadcasting sense we have a very strong relationship with our SANZAR partners, Australia and South Africa, and we take our combined product to the global market jointly – i.e. television rights. Secondly, when it comes to the New Zealand Rugby Union, we look to find a balance with our sponsors between courting our New Zealand market and our aspiration to continue to grow globally. Consequently we will look for organisations that have a global reach. With both issues there must be a fit with the New Zealand Rugby Union and the values that we and the All Blacks subscribe to.

You cannot get a better global partner than our principal sponsor, adidas. Obviously they are a huge global organisation and they are an athletic sports performance company wanting to associate with the best global sporting properties across a wide variety of sports. When they are working with us with respect to the performance angles for the All Blacks, if there is anything they can do to make the 'boat go faster', to quote a New Zealand phrase, then they will look to do that. The fit between ourselves and adidas works on two fronts: global reach and sports performance. Also, with respect to the All Blacks jersey, we are extremely proud that our jersey is kept what we term clean and black, clean of commercial marks and black as the jersey has always been. We have only been able to

achieve that through our relationship with adidas. There is no pressure from adidas to put a commercial mark smack-bang on the front of that jersey; keeping it clean and black is a key component of the adidas and All Blacks story and we will continue to sell the adidas-All Blacks story through effective communication as opposed to overt logo placement. It is unique, and I can only reiterate that that is a key component of the adidas sports and sports performance story. They believe in the authenticity of the All Blacks and the rugby environment and part of that story is keeping our jersey clean and black.

JS: They signed on for an extension of their original sponsorship agreement which started in 1999?

FH: Yes, that is correct, our agreement was extended through until the end of 2011.

JS: Does the Rugby Union have a limited number of sponsors or is it open-ended?

FH: It is neither. It's the model we have chosen at this point in time, and that is currently a limited number and I think since 1999 we have rationalised our All Blacks sponsorship portfolio from fifteen to a core number of nine sponsors. We have chosen to do that because it's the model that works best for us at this point in time. We believe that less is best in order for our commercial partners to get value in their relationship with the NZRU and the All Blacks. We've specifically chosen that route.

JS: You alluded to the importance of SANZAR and the deal with News Corporation. How critical is that to the Rugby Union from a marketing perspective?

FH: Broadcasting revenues underpin the organisation's total revenue, and then with regards to marketing, it is the key channel so that our fans can purchase our product. It is the channel that delivers our product into the fans' homes.



JS: How important is Rugby Union's website – AllBlacks.com?

FH: AllBlacks.com is a hugely important marketing and communications tool and relatively cost effective. We have invested to establish what we believe is a very compelling website that obviously specialises in New Zealand rugby and the All Blacks. But it is a key component in terms of informing our fans about the All Blacks and current issues in New Zealand rugby. More than seventy-five per cent of traffic on that site is from outside New Zealand and from a global perspective, I think that speaks to the context and the importance that we place on the website.

JS: Going back to adidas, they came out with some very high profile television commercials and there was an initial emphasis on the tradition and history of the All Blacks. Can you speak briefly about that approach and how adidas advertising has evolved as their sponsorship has progressed?

FH: It was very important for adidas in the very early stages of our relationship to look at the sponsorship property from the fans' perspective and first and foremost our core fan is our New Zealand-centric fan. So their very first campaign focused on the heritage and tradition of the All Blacks through a New Zealand fan's eyes. It was important to show that adidas understood the New Zealand psyche and the importance of the All Blacks to New Zealanders and understood the heritage and everything that comes with the Black jersey and the Silver Fern – from the early years until the then current team in 1999. They have since evolved their ideas to have a wider context, and our research and adidas research shows that our core New Zealand fan understands adidas involvement with the All Blacks and through the fans' eyes they recognise that adidas is the best partner for New Zealand rugby and the All Blacks. Ultimately all New Zealanders want to see the All Blacks do well against their international foes. I think adidas communication

and advertising has moved on, but quite often we will still have a New Zealand-centric idea versus a global idea to look at things through local fans' eyes.

JS: So there is very much a sense of retaining local identity in the adidas commercials?

FH: Yes, they will often produce two or three different pieces of creative and each of those pieces is respectful of whichever fan is going to view it. If that fan is based in New Zealand and is a New Zealander, then that piece of creative is respectful of that.

JS: Can you speak briefly of the creative process with respect to making advertisements?

FH: The creative process effectively begins with year on year reviews and looking forward many years, and looking at Rugby Union and adidas needs with regards to advertising and communication. The creative process starts with a joint brief. From there it follows a normal procedure but it is not strictly an adidas campaign because the NZRU and myself, and our senior marketing executives, are intimately involved in the creative process from briefing right through to media buying – every step of the way.

JS: Moving on to the *haka*, people who have seen the All Blacks play have probably seen their performance of the *haka* – it is such a powerful cultural symbol. Is it something corporations are attracted in terms of sponsorship of the All Blacks?

FH: I don't think it is a factor in its own right. I think the All Blacks brand is made up of so many different components and stories. The *haka* – and I doubt international people would know this but it is called the *Ka Mate haka* – is a key component of New Zealand history and the history of the All Blacks, but it is only one component. I sincerely doubt it is the reason that corporations are attracted to the All Blacks, and certainly it is not a core reason out of our current



sponsorship group. I mean, if the All Blacks did the *haka* well but lost every game, I don't think they would be with us.

JS: Does the rugby have a policy for the commercial use of the *haka*?

FH: It certainly comes up and the *haka* has been used in a commercial environment across many years, even pre-professional, but just as one key component of an All Blacks campaign. The process we undertake is not dissimilar to our normal approval process with regards to creative. The only difference is that we consult with Maoridom, and the New Zealand Rugby Union does that through our New Zealand Maori Rugby board. We also have the chairman of the New Zealand Maori Rugby Board sitting on the New Zealand Rugby Union Board. So the only difference is that we go through a consulting process with Maoridom, who are elected to the Maori Rugby Board.

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Biography

Fraser Holland has been with the New Zealand Rugby Union for over five years and is currently NZRU Sponsorship and Marketing Manager. Prior to this Fraser spent five years with Australian-based alcoholic beverage company Lion-Nathan, which owns the Steinlager brand, based in New Zealand. Steinlager was the first commercial brand to sponsor the New Zealand All Blacks.

Jay Scherer is an assistant professor in the Faculty of Physical Education and Recreation, University of Alberta, Canada. He specialises in sport and leisure studies and sociology of sport and wrote his PhD thesis on Globalization and Corporate Nationalism: The New Zealand All Blacks, Adidas Advertising and National Identity. Jay has had papers published in the Sociology of Sport Journal and the International Journal of Sports Marketing & Sponsorship.