

Press release for: [Driving business through sport](#)

An analysis of Europe's sports sponsorship industry, business opportunities and best practice ([view relevant extract](#))

By Simon Rines

International Marketing Reports Ltd.

December 2000

TOBACCO SPONSOR BAN NO THREAT TO MOST SPORTS

Formula One will survive, but some worries for some golf and snooker events

The end of tobacco sponsorship of sport in Europe in 2006 will have little effect on most sports. Even Formula One racing, which is still heavily dependent on tobacco, should easily survive the ban. There could, however, be problems for snooker and golf, according to research revealed in a new report, *Driving Business Through Sport*, published by International Marketing Reports.

The report, an analysis of the European sponsorship industry, reveals that a massive £4.03 billion a year is accounted for by sports-related endorsements, but only £200 million (5%) of this comes from the tobacco industry. This will go when Formula One's governing body, *Federation Internationale de L'Automobile*, imposes a voluntary ban in 2006. Other sports are likely to be affected by then as a result of either EU or national bans.

By far the biggest recipient of tobacco sponsorship is Formula One motor racing, which accounts for £177 million of tobacco sponsorship. However, IMR's Simon Rines, who wrote the report, says 'This looks set to be replaced by the technology/communications sector, which is already pumping in around £80 million. This will grow, because technology companies can use Formula One to develop systems and to demonstrate them to buyers, as well as to project a relevant image.'

Although tobacco is still the biggest backer in terms of sponsorship, the motor industry itself invests more, at £295 million a season, in the sport. Many teams are either owned or part owned by motor manufacturers, who are keen to remove their association with tobacco.

Rines concludes: 'With Formula One's global presence growing, and television exposure and live attendance at an all time high, potential sponsors are queuing up to sign rights for the major teams. Finding a replacement for tobacco should not be a problem. At worst, only two or three teams will suffer.'

Golf and snooker are the only other sports that rely heavily on tobacco funding. Although snooker's standing is currently at a low, with several events looking for sponsors, the Embassy World Championship and Benson & Hedges Masters both have high viewing figures and media interest. Sponsorship rights costs for these are a bargain, in view of the high level of

exposure produced. Lesser events may struggle even harder for sponsors, and any return to the mismanagement that has plagued the sport in recent years could put even the two high profile events under threat.

Only two major golf events are sponsored by tobacco companies, the Alfred Dunhill Cup and the Benson & Hedges International Open. It might not be easy to find new sponsors for these events, given that the Loch Lomond event has failed to find a sponsor, and that there is an increasing reluctance by major US golfers to participate in European events.

Driving Business Through Sport is the most comprehensive examination of the sports sponsorship in Europe (including the UK) ever produced. Its 470 pages not only carry a mass of data, but also identify sponsorship opportunities and provide a guide to best practice, plus a number of in-depth case histories. It is priced at £495, and can be ordered from International Marketing Reports.

Ends

For further information ring 020 7372 6561 or view IMR's web site www.im-reports.com for full contents and sample sections.

NOTE

The Formula One teams that receive the main tobacco input are:

- British American Racing BAT £50 million p.a
- McLaren - West £29 million p.a
- Ferrari - Marlboro £42 million p.a
- Prost - Gauloises £16 million p.a
- Benetton - Mild Seven £20 million p.a
- Jordan -Benson & Hedges £20 million p.a

Figures are estimates based on various industry reports