

PLAYING IT SAFE

Tech-based brands like GoDaddy, Uber, Booking.com and Byju's are spending top dollars on sports sponsorship. Here's why.

BY GAURAV LAGHATE | MUMBAI

Technology companies are increasingly eyeing sports sponsorships to drive engagement and deeper penetration in India's smaller towns and to expand reach to a larger audience. Given the proliferation of sports platforms in the country, tournaments and leagues are also proving to be useful in helping relatively younger tech-based companies build their brands.

Consider these mega deals. Digital travel platform Booking.com signed a five-year global partnership with the International Cricket Council (ICC). Transportation network Uber Technologies and internet registrar and web hosting company GoDaddy became sponsors of ICC World Cup 2019. Edutech company Byju's became the official partner of the Indian cricket team by picking up jersey rights. The rights were reallocated after Chinese smartphone maker Oppo walked away from the pitch a few months ago. Just two years after it made a winning bid of about ₹1,079 crore for a period of five years.

This is not the first time these and other tech-based businesses have partnered with big sporting events. Internationally, too, Chinese cloud and e-commerce service provider Alibaba and American multinational chip manufacturer Intel were partners of the Olympic Games in 2017.

Not surprisingly the rationale behind this new wave of tech brands' push into the sports arena has much to do with the large passionate fan bases and instant scale they bring to companies' initiatives. Says Nikhil Arora, managing director of GoDaddy India, "Sports is a great platform when you're trying to connect with consumers - whether



MS Dhoni

current or future - because sports by value system brings passion and teamwork that can unify people."

GoDaddy has also sponsored the long-running Mumbai Marathon and other racing events by Procama

International, table tennis and badminton tournaments in Asia, and has been involved with NASCAR in the US. The company also has sponsorships around soccer. But its spend on ICC World Cup was probably its biggest so far, most of which went from the company's India P&L.

"This is one of the biggest marketing spends we've done for this year, because we felt that we wanted to go for

scale, and for masses. And this gives us an opportunity to do that. The deal has not just helped GoDaddy India, but also our UK, Australia and South Africa business. All of them are really seeing the benefits of this brand association," says Arora.

Last year, GoDaddy signed on MS Dhoni as a sports brand ambassador to connect to Indians in smaller towns - places from where GoDaddy believes the next wave of entrepreneurs will come.

For Pepijn Rijvers, SVP of Booking.com, the opportunity to experience the excitement of an international cricket tournament in person is a compelling reason to travel for millions of Booking.com customers around the world. And hence, the partnership.

One major reason for many companies to partner the ICC World Cup is the unprecedented reach the tournament offers. During the 2019, almost 750 million Indians across geographies and languages in urban as well as tier II and III towns watched India

play. Up to the semi-final stage, that is. For GoDaddy, which is trying to penetrate into tier two and three towns - the source of the next 200 million Internet users - it was a golden opportunity.

Experts feel that sponsorships of big-ticket sporting events can help technology companies capture new market and build brand salience. Also, being relatively non-controversial and aspirational in nature, sports sponsorships are safer bets.

Recently, when Byju's picked up jersey rights of the Indian cricket team, Byju Raveendran, founder and CEO of the learning app, said, "Cricket is the heartbeat of all Indians and we are thrilled to be an integral part of our much-loved team. As a learning company, Byju's has always recognised the critical role that sport plays in a child's development. Just as cricket inspires a billion budding dreams across India, we too as a learning company hope to inspire the love of learning in every child's heart."

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BE Cuts

Sponsorships of big-ticket sporting events can help technology companies capture new market and build brand salience, according to experts.

Tech firms going after the next 200 million Internet users in India, are using sports platforms to drive engagement and deeper penetration in tier 2-3 towns.

Sports provide safer platforms to leverage for brands as they are relatively non-controversial and aspirational in nature.

Overall sports sponsorship in India witnessed a growth of 12% in 2018 to reach ₹7,762 crore, as per a April 2019 report by ESP Properties, a division of GroupM.