

4. COMMERCIAL

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The FA's commercial programme underpins much of its other work. The FA seeks to maximise its income in order to reinvest in the game and to redistribute wealth fairly and efficiently.

Working with all other key stakeholders within football, The FA's Commercial Division continues to seek new areas to maximise the overall impact of the organisation. This is particularly true where there is a commercial return which can help drive revenues for the overall benefit of the game in this country at all levels.

Supporting this is an ongoing research programme to help guide and influence commercial decisions and ensure The FA stays abreast of new opportunities and consumer trends.

4.1 BROADCAST

The FA's new four-year domestic broadcast deal with the BBC and BSkyB began after the European Championship Finals. These partnerships have ensured that The FA's major events enjoy the highest-possible broadcast production qualities but also reach the widest and most relevant audience.

They also ensure that a broad range of FA events – including The FA Women's Cup, The FA Trophy, The FA Vase and The FA Sunday Cup and women's and youth England internationals – benefit from the exposure that The FA's broadcast partners can provide.

Throughout 2004, The FA negotiated its own overseas broadcast rights for the first time and succeeded in generating a significant increase in revenues, developing partnerships with Fox Soccer Channel in North America, ESPN Star Sports in Asia, Canal+ in France and Viasat in Scandinavia. The FA believes that this strategy allows greater understanding of its broadcast product in overseas territories, thus helping to continually develop production quality.

2004 also saw the negotiation of a new four-year domestic radio deal with BBC Radio 5 Live, augmented by regional deals with BBC Local Radio and IRN and scoreflash coverage from TalkSport.

The FA have also ventured into the emerging media markets for the first time, securing mobile and internet agreements in a number of international territories. As the media market continues to change and convergence gathers pace, The FA have continued to keep abreast of developments with a view to returning to the market to secure agreements for the next broadcast cycle, which is due to begin in 2008.

4.2 THE FA PARTNERS PROGRAMME

The FA Partner programme contributes to all aspects of The FA's work. The FA Partners not only provide financial support but also play an important role in helping The FA to deliver its football development programmes.

At the time of writing, the current FA Partner programme (2002-2006) has five Partners sharing equal rights across both The FA Cup and England properties with specific 'Pillar' ownership:

- Men's football - our mass market (Partner - Carlsberg)
- Women's football - our growth market (Partner - Nationwide)
- Youth football - our future market (Partner - Pepsi)

- Community football - our "classroom" and our "showroom" (Partner - McDonald's)
- Elite football - our "showcase" (Partner - Umbro)

The current Partner agreements expire on July 31 2006 and The FA have confirmed that it will be restructuring its sponsorship programme for the 2006-2010 period to create a new hierarchy of sponsors and to increase revenue to invest in the game at all levels.

The new Partner Programme will see 'Lead Partners' for both of The FA's prize assets – the England team and The FA Cup.

For the England team opportunity, this will mean an increase in visibility for the Lead Partner at the new Wembley Stadium, on media backdrops and most significantly branding on the team training kit.

For The FA Cup, this will create an opportunity for a sponsor to become more closely aligned with the competition in a variety of ways including use of the Cup itself and increased visibility at The FA Cup Final and Semi Finals. The sponsor name will also be referenced in the title of the competition with the designation, "The FA Cup sponsored by..."

Each property will have three Official Supporters below the Lead Level, with the flexibility for the Lead Partners and Official Supporters to sit across both properties.

These partners will also be encouraged to invest in seven Football Development packages which have been created to focus on The FA's wider work in developing all aspects of the game in this country. These cover Men's Football, Women's Football, Small-sided Football, Schools Football, Community Football, Disability Football and FA Learning.

The new four-year Programme will encompass Euro 2008 (in Switzerland and Austria) and the 2010 World Cup, to be held in South Africa.

The Restructured Partner Programme

For more information on The FA Partners visit - <http://www.thefa.com/TheFA/FAPartners/>

4.3 THE FA LICENSING PROGRAMME

The FA's Licensing Programme includes a wide range of licensed products, currently produced and distributed by around forty official licencees.

The FA works closely with all its licencees to ensure all products are of a high-standard and employ consistent brand values. In addition, The FA ensures that all of its licencees comply with fair labour policies.

The two major properties for which The FA grants licences are the England team and The FA Cup. The attraction of England as a licensed property is that the team enjoys nationwide support (unlike the majority of clubs) while The FA Cup is the oldest and most famous domestic cup competition in the world.

There is a massive demand for Official England Merchandise, with total sales in 2000 of well over £50m (retail value). The England away shirt launched in March 2004 broke all records to become the biggest selling England shirt of all time.

While demand for England products is at its highest around the major tournaments (World Cups and European Championships), there is undoubtedly demand for such products on an all-year round basis. England is everybody's 'second team' and there is a massive interest in the team whenever they play.

The growth of The FA's licensing programme has brought greater balance to The FA's major revenue streams, giving the organisation a more stable financial platform on which to plan future expenditure.

It is worth reiterating that, as a not-for-profit organisation, all surplus revenue generated from The FA licensing programme is ploughed back into football.

