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For ₹398.6 crore, Pepsi pips Airtel to bag IPL title sponsorship rights

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Pepsi bags IPL title sponsorship for ₹398.6 crore

By Bureau

New Delhi, Nov 21: Global food & beverage giant PepsiCo on Wednesday bagged the title sponsorship rights of the Indian Premier League, the Board of Cricket Control in India's flagship Twenty20 cricket tournament. Pepsi will pay ₹398.6 crore for five years, nearly double the ₹200 crore paid by DLF, the original sponsor of the IPL for the first five years.

"The BCCI is very pleased to welcome PepsiCo as a central partner of the IPL," said Farooq Abdullah, chairman of the BCCI Marketing Committee. "The value of the winning bid reflects the growth and success of the IPL."

Apart from PepsiCo, Chennai-based telecom major Aircel had also bid for the sponsorship rights but its bid of ₹316 crore eventually lost out.

"PepsiCo are one of the largest sponsors in world sport and we look forward to working with them over the next seasons," said Rajeev Shukla, chairman-IPL Governing Council. "I would also like to take this opportunity to thank DLF for its confidence in the IPL to become the league's first title sponsor in 2008."

"Sofar, our record of selling various properties of IPL has been very good. We have doubled, tripled or quadrupled the amount while selling some of the properties," Shukla told reporters after the meeting of the IPL governing council in New Delhi.

Delhi-based real estate

major DLF backed out of an extension because of a hike in sponsorship rates. The tournament itself has been plagued with lower viewer interest in the last few years. As per a Brand Finance report, the brand value of the IPL has fallen to \$2.92 billion in 2012 versus \$4.13 billion in 2010.

The correction in viewer interest has also had an impact on valuation of IPL teams. In October, the Hyderabad team was sold to the Sun TV group for ₹425 crore payable in the next five years at ₹85.5 crore.

The previous such auction for teams in 2010 saw bids of nearly ₹1,700 crore from the Sahara Group payable over 10 years at around ₹170 crore a year while another consortium of investors got a team from Kochi for nearly ₹1,300 crore payable over 10 years at ₹130 crore a year.

But PepsiCo is bullish about the tournament's brand potential. "I am delighted that we have succeeded in rebranding the tournament as Pepsi-IPL, thus cementing a five year partnership between two brands which enjoy an iconic status not only in India but globally," Manu Anand, chairman PepsiCo India Region said. "With our continuing sponsorship of the ICC World Cup, we are the now biggest supporters of the game of cricket."

The title sponsor rights also include a number of branding and other marketing benefits to be received by the title sponsor at every IPL match during the season as outlined in the tender.