



Partnering with the stars

Beverage makers now use inducements like ownership to forge bonds with celebrities

By Brian Steinberg

Americans drank billions of dollars worth of bottled water in 2007. So, if you're one of the category's smaller players and have to go up against industry Goliaths and niche marketers like yourself, how do you make a splash?

Concord-based **owater** has lured Boston Red Sox outfielder Jacoby Ellsbury to promote its line of water. He has recorded a radio ad for the product that is set to run this month, and owater is mulling some other marketing events for him to help "maximize Jacoby's stuff," said Kim Stewart, owater's vice president of marketing. But there's a twist: As part of the deal, Ellsbury, 24, will get a small ownership stake in the company, which he and **owater** declined to quantify.

This certainly isn't the first time an advertiser has aligned itself with a celebrity or athlete; think pro golfer Tiger Woods pitching his new Gatorade Tiger drink. But the advertising world increasingly is taking that concept a step further—companies are offering ownership stakes to their marketing partners.

Securing a stake in an upstart company often establishes deep ties, said Rohan Oza, senior vice president of marketing at Coca-Cola's glaceau beverages unit, and drives home the notion to consumers that famous folk "believe in the product." Glaceau, which makes vitaminwater and smartwater, enlisted diverse celebrities including rapper 50 Cent and Boston Red Sox player David Ortiz, and offered stakes in the firm. When the company

enlisted Ortiz in July 2006 to promote vitaminwater, it said he would take part in tasks ranging "from partnering with glaceau at charity events to providing feedback on the development of new varieties and labels."

The partnerships also give the celebrities more of a sense of being involved in the product, rather than just having their names or likenesses used. Oftentimes, these sorts of deals attract "celebrities/athletes that really understand marketing and business and simply just 'get it,'" said David Schwab, managing director of First Call, a celebrity-marketing consultancy owned by Interpublic Group of Cos.

Ellsbury said he is in a partnership with owater because he sees himself as a role model and wants to put "something positive out there on the shelf."

But celebrities aren't the only people interested in such deals. In 2005, audio-systems manufacturer SLS International of Ozark, Mo., entered into a promotional agreement with Mark Burnett, the TV producer who has run such popular reality programs as "Survivor" on CBS and "The Apprentice" on NBC. Burnett was granted the right to buy 2 million SLS shares in exchange for featuring SLS products on "Rock Star," a CBS reality show, and possibly in other programs. In 2006, slacks-maker Haggard offered its ad agency, Miami's Crispin Porter + Bogusky, a minority stake in the company as part of its compensation. A huge windfall is usually not the immediate aim of such arrangements. Instead, the stake ensures an outsider's interest is more than just garden variety.

For **owater**, standing apart from other water merchants is no easy task. From Coke's glaceau and Dasani to PepsiCo's Propel and Aquafina to niche brands like Hint Inc.'s namesake beverage, there's certainly a glut

of the stuff on store shelves. Sales of bottled water at supermarkets, drugstores, and mass-market retailers excluding Wal-Mart came to approximately \$5.2 billion in 2007, according to Chicago-based market research firm Information Resources Inc. That's up 9.7 percent from the \$4.7 billion in the previous year.

To rise above the crowd, marketers of sports drinks find athletes are natural choices to boost their brand. If they find the drinks refreshing and helpful, then they lend the product a good-for-you image that's hard to tear down.

"I have to say the public appetite for sponsorships and people endorsing products is so huge it's hard for people investing in a company to ignore," said Tom First, **owater's** president and chief executive, and one of the cofounders of the popular Nantucket Nectars line of beverages. "As a guy that's running a company, I can't ignore the fact that it creates a lot of awareness."

But linking up with a superstar or potential big name does not spell automatic success. A celebrity's image can change—an athlete can get injured or have a bad season. Likewise, an actor can end up starring in a flop. "You do have to be thoughtful about who you sign," First acknowledged.

First had a personal interest in reaching Ellsbury; First said his 8-year-old daughter is a big fan. And Ellsbury, who's done some promotional work for Nike, certainly is hot right now. Since reaching the Sox last year, the fresh-faced Ellsbury has been granted superstar-in-the-making status. He's widely recognized as the first person of Navajo descent to play Major League Baseball, and fans love his work ethic, his speed in running the bases, and his brash, aggressive play.

Seeing a natural link between a young player and an entrepreneurial beverage maker, First got in touch with Ellsbury's representatives and got **owater** to the young player during spring training. Ellsbury said he is interested in promoting products he believes in and that are associated with health.

After sampling the water, now the athlete is getting a taste of how marketing works. On Tuesday, the young ballplayer recorded a radio ad for **owater** in the make-it-up-as-you-go-along style that First has been utilizing since his Nantucket Nectars days. "Definitely, it's not scripted, so it's from the heart," Ellsbury said. If **owater** is lucky, consumers will perceive it that way, too.