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With a tip of his hat to benefits of sponsorship - Simon says it works

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IN the lobby of the Gold Coast Marriott Hotel, the hats swayed and the heels clattered as ladies who do lunch gathered for an assault on the Magic Millions.

It was a hot day in Paradise, the weather holding the promise of heavy casualties among the brightly dressed chatteratti when the heat and champagne at the race course combined later in the day to deliver their knee-weakening blow.

Two levels above I was talking money -- lots of money -- with the man who has become one of the biggest spenders in the history of Australian sport sponsorship.

"It reminds me a lot of Dubai," says Mike Simon of Surfers Paradise. "The canals, the feel of the place."

Divisional senior vice-president of the Arab airline Emirates, Simon has overseen the expenditure of more than \$50 million in sponsorship in Australia since the airline first landed here 10 years ago.

"I'm not totally familiar with horse racing but I'm familiar with sponsoring horse racing," he says -- an allusion to Emirates' sponsorship of the Melbourne Cup and Magic Millions.

Simon says the airline's experience in Australia has changed the way it views sponsorship.

"It was Australia which convinced us that sponsorship really works. Before we came to Australia we always did the classic advertising. We did television and radio, which worked, but in Australia we found a different public, a different universe.

"It's a very different country and we understood that immediately.

"We realised that you had to be part of the community here and show you understood the Australian way of life."

Dubai-based Simon quickly became acquainted with the local passion for Australian football and decided that Emirates should become a part of the code.

“The more we got involved with sponsorship, the more we became involved in the community”

"Collingwood was the first sponsorship we did in Australia. We came here and said: 'What do Aussies like?' and we were told Aussie rules football. So we asked which was the team people either loved or hated the most and they told us Collingwood was the one they hated the most, so we did a sponsorship deal.

"Then we sponsored the Australian cricket team which eventually won the World Cup. The more we got involved with sponsorship, the more we became involved in the community. We're probably the only airline in the world which spends so much on sponsorship."

Simon admits it can be difficult to quantify the return from sponsorship but says the company's research says it works.

"Otherwise, we wouldn't spend it," he says simply.

It is money, he says, that flows from the airline's formidable profit performance.

"We're the third-most profitable airline in the world and we're one of the largest. We have over 100 aircraft -- large ones -- but it takes time to create a brand.

"We were part of the FIFA World Cup in 2006 with McDonalds, Coca-Cola -- all these major global brands -- because we want to become a global brand. We haven't quite reached that goal yet but we're spending a lot of money to do it. We will become a global brand eventually."

Simon says that while the company has mainly tapped into the Australian obsession with sport, it also has put money into the arts.

"We do have a cultural side as well," he says defensively. "We sponsor the symphony orchestra in Sydney, Melbourne and Perth."

Emirates also is heavily involved in English and European soccer, signing the biggest sponsorship deal in English football history in 2004 when it contributed about \$300 million to Arsenal Football Club.

"We are also one of the six partners for FIFA World Cup in 2010 and 2014. It's very expensive but we don't call it an expense. It's an investment.

"And it shows a commitment. We wanted to show Australians we weren't coming here for a while, then leaving. We're here for the long term.

"We've been here for 10 years and we'll be here in 50 years' time."

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Simon began his working life as a journalist in the UK but, like so many before him, was underwhelmed by the money.

"I was a journalist on the Eastern Daily Press in Norwich. One day I was in a pub called The Wild Man and I heard these people in the corner talking about their salaries, and they were earning twice as much as I was. I crept along the bar and asked what business they were in and they said they worked for an advertising agency and were copy writers. So I became a copywriter and then went in to marketing and ended up running my own advertising agency in Stockholm."

His involvement in aviation came as a result of this Stockholm connection.

"My biggest account became Scandinavian Airlines and when I lost that account I thought: 'What am I going to do now?'

"I decided that what I wanted to do was to leave Scandinavia where you freeze in winter and where the tax is 68 per cent and go to a place where you don't pay any tax and the sun shines every day.

"Two weeks later I was sitting in my house in Stockholm and saw an advertisement for a job in Bahrain and it said: 'Tax Free. Sunshine All Year Round.'

The position was with Gulf Air. He got the job, bought some sunscreen, put the thermal underwear in storage and moved to Bahrain. "Then I moved to Emirates and I've been with it since 1989.

"I've had a good run for my money. I enjoy it."

He has three homes and has visited more than 90 countries.

"I live in Dubai, although my home is in Cyprus, and I have a place in England as well," he says.

The attitude of Qantas and the Australian Government continues to puzzle Emirates, he says.

"We'd like to have more flights from Australia and we always find it a little strange when a country which depends so much on tourism should not have an open skies policy. We have 125 airlines serving Dubai. Anyone can fly there, which has encouraged people to come there.

"We find it puzzling when Qantas gets so worked up about Emirates wanting to increase our traffic here because the good of the Australian nation means there should be more people coming here."

The airline has also become accustomed to the media performances of Qantas CEO Geoff Dixon.

"We sometimes laugh at the remarks Geoff Dixon makes in the media. We're not a subsidised airline and we never have been," he says. "Since 2001 we've given our shareholders \$US396 million in dividends.

"We don't get money from the Government -- it's the other way round," he says with a hint of exasperation.

As I leave, I take another look at the startling sights in the foyer and wonder if the female hat scene at the Dubai Cup is as disturbing as it is at the Magic Millions.

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