

THE SOUTH AFRICAN RUGBY INDUSTRY

2.1 INTRODUCTION

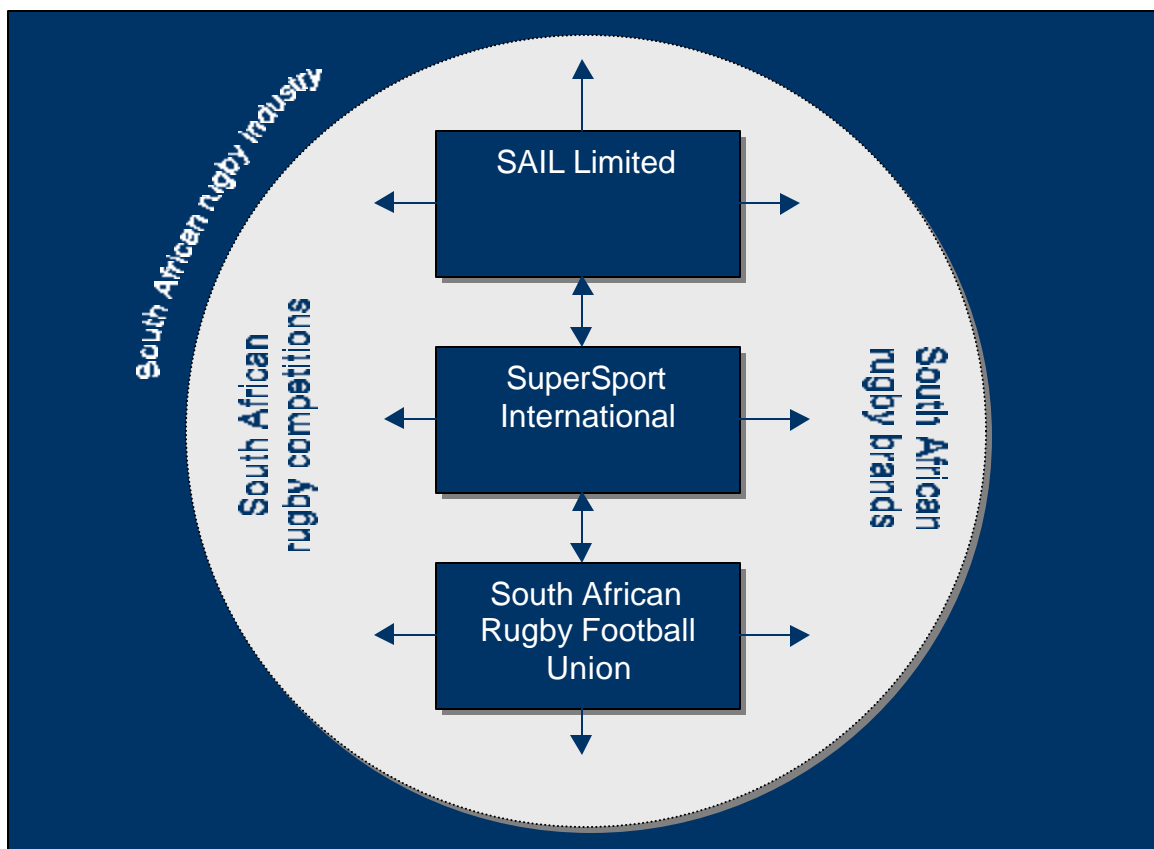
For many years South African sport was characterised by passion and pride, but these characteristics were replaced by the era of professionalism and commercialisation which for rugby started after the introduction of professional rugby in 1995 (Basson, 2003:16). According to Hasenfuss (2001a:52), nowadays corporate sports sponsorships and associated opportunities generate approximately R2 billion per annum in South Africa. One of South Africa's main sports, namely rugby, has thus also become a corporate identity, generating major revenues every year.

This chapter deals with the South African rugby industry. The three main rugby investors, namely South African Investments Limited, SuperSport International and the South African Rugby Football Union are discussed. The various South African rugby competitions are then covered, and the chapter concludes with a brief overview of the provincial, regional and national rugby competitions in which the South African rugby teams participate.

2.2 THE SOUTH AFRICAN RUGBY INDUSTRY

After rugby became professional in 1995, both the game and the players became saleable commodities. Since then the industry has generated millions (Vice, 2001:1). This is evident in the fact that the South African sports merchandising industry is believed to be worth about R120 million a year at retail level, of which the South African rugby brand sells 30 times more than the second largest sporting merchandise brand seller (Van der Berg, 2003a:5). At the end of 2000 the industry was estimated to be worth approximately R400 million (Vice, 2001:3). The rugby industry in South Africa has three main role players, as depicted in figure 2.1.

Figure 2.1 The main role players in the South African rugby industry



As indicated in figure 2.1, South African Investment Limited, SuperSport International and the South African Rugby Football Union are the main role players in the South African rugby industry (Retief, 2000:1). Each of these role players will now be discussed in turn.

2.2.1 SOUTH AFRICAN INVESTMENTS LIMITED (SAIL)

South African Investments Limited (SAIL) is a market leader in the sports brands business in South Africa with shares in eight rugby unions, six golf practice and tuition centres, and a professional soccer club. It also owns a number of sports websites (Msomi, 2000:1). The company is the largest sports and rugby brand owner in South Africa, and in the southern hemisphere (Hasenfuss, 2001b:53). The company, which was founded in 1988, became involved in the sports industry by building and financing suites at rugby stadiums in South Africa (Msomi, 2000:2). Luna Corporation Limited (Luna) is the holding company of SAIL, holding 83,4% of its shares (www, 2001b:1).

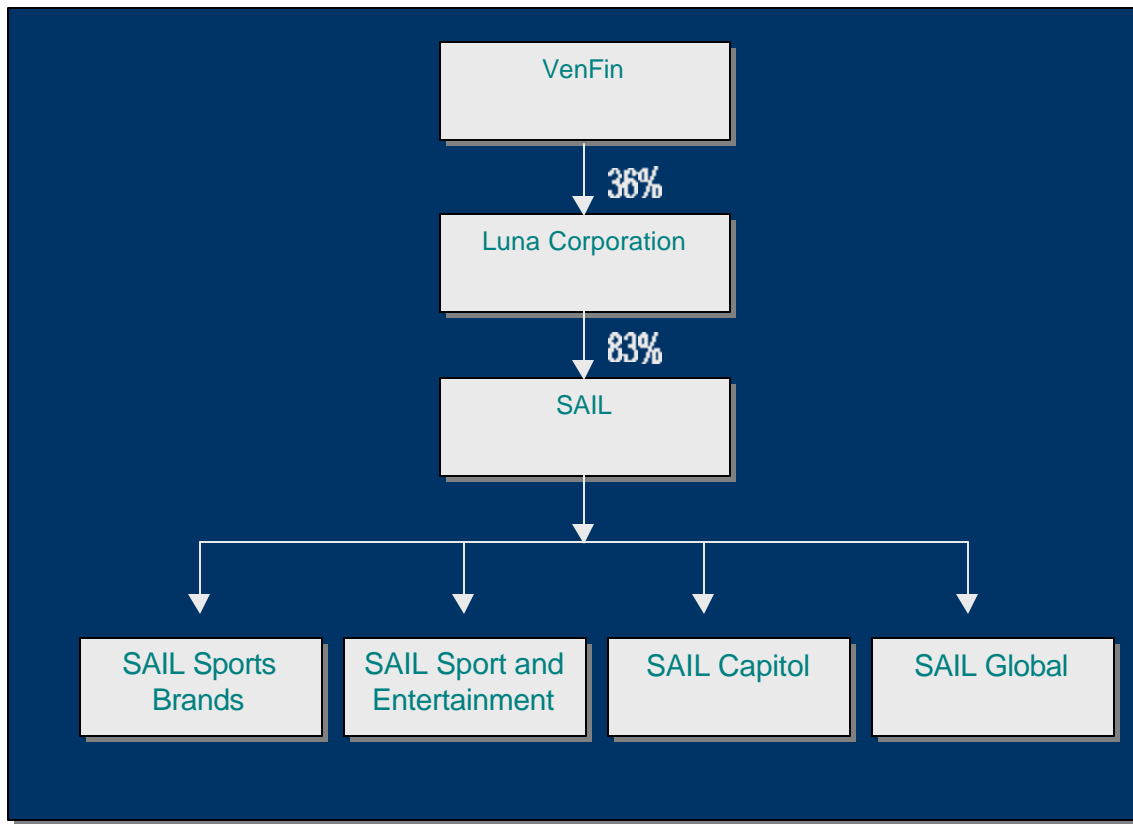
The main focus of SAIL is to add value to the commercial side of sports and rugby by providing funds through equity investments, ongoing management skills, resources and structures in the game, and the management of rugby (www, 2002h:21). The bulk of SAIL's revenue and profits are earned from rugby investments in South Africa, which include participation in domestic tournaments such as the Vodacom Cup and the Currie Cup, as well as in regional tournaments by means of indirect representation the four South

African franchises (ie the Sharks, Bulls, Cats and Stormers) contesting the Super 12 tournament (Hasenfuss, 2001b:2). SAIL had a market capitalisation of R279 million by the end of 1999 (Botha, 1999:1), and in 2002 its revenue increased by 36% to R255 million (Schoonakker, 2002:6). Merchandise sales amounted to only 1% of this total revenue (Hasenfuss, 2001b:2).

SAIL is involved in the commercialisation of rugby brands and in so doing creates brand value for the rugby brands (www, 2002b:21). This is evident in the fact that only 20% of SAIL's total revenue comes from gate sales. The balance is mainly from sponsorships, royalties and television rights (Hasenfuss, 2001a: 2).

SAIL is focused on sports, particularly the rugby sports industry, and conducted business by means of four independent business units. In 1999 the company was restructured into four distinct divisions (Msomi, 2000:1). SAIL Sports Brands, SAIL Sport and Entertainment, SAIL Capitol and SAIL Global (www, 2001b:1) as illustrated in figure 2.2. Each of these business units will now be discussed in turn.

Figure 2.2 South African Investments Limited



Source: Adapted from Basson (2001:44)

2.2.1.1 SAIL SPORTS BRANDS

SAIL Sports Brands is SAIL's core business unit (Msomi, 2000:1). This entity of the company deals with equity investments in sports, and more specifically rugby brands and facilities, by managing and enhancing the commercial performance of these brands and facilities (www, 2002a:13). SAIL Sports Brands started slowly with the acquisition of a minority stake in the Blue Bulls Rugby Union in 1998 (Msomi, 2000:1). According to Hasenfuss (2001b:53) as it became more successful, SAIL acquired stakes in another seven provincial rugby brands namely the Falcons (Falcons Rugby Union), Griffons

(Griffons Rugby Union), Leopards (Leopards Rugby Union), Western Province (Westerns Province Rugby Union), Eagles (South Western Districts Rugby Football Union) and the Border Bulldogs (Border Rugby Union).

SAIL Sports Brands has invested in rugby brands, as well as cricket and golf brands (Basson, 2001:44). Figure 2.3 illustrates the various rugby brands that form part of SAIL Sport Brands' investments. This entity of SAIL receives its revenues from broadcasting rights, sponsorships and advertising, corporate suites and admission fees, which include season tickets, gate money, membership sales and ball sales (www 2001a:1).

Figure 2.3 SAIL Sports Brands



Source: Adapted from Van der Berg (2001:1)

SAIL Sports Brands' investment strategy is based on the restructuring of the commercial activities of rugby, and a number of other sports, into separate commercial vehicles. SAIL and the amateur body or rugby union thus become co-shareholders in this vehicle. These structures allow the rugby union to focus on the development of rugby in the amateur ranks and also to focus on the professional and commercial aspects of the game (www, 2001d:1). In other words, SAIL Sports Brands allows rugby unions to maximise their earnings through their professional rugby brand. This is evident in the fact that the overall spectator attendance at SAIL Sports Brands' stadiums increased significantly during 2001 and 2002 (see table 2.1). This could largely be the result of better performance on the field by the various rugby teams and the enhancement of the overall stadium experience for the spectator (www, 2002b:21).

SAIL Sports Brands has focused on brand building by achieving cooperation between SAIL and SuperSport. SAIL Sports Brands secured airtime on the SuperSport (see section 2.2.2) channel for the various rugby brands of the company. This provided both their sports brands, and their sponsors with a promotional platform to create awareness about their brands (www, 2002h:21).

SAIL Sports Brands' efforts to build brand awareness of their various sporting brands are supported by SAIL's acquisition of Vodacom Sport and Entertainment. This independent company of SAIL is the next topic of discussion.

2.2.1.2 SAIL SPORT AND ENTERTAINMENT

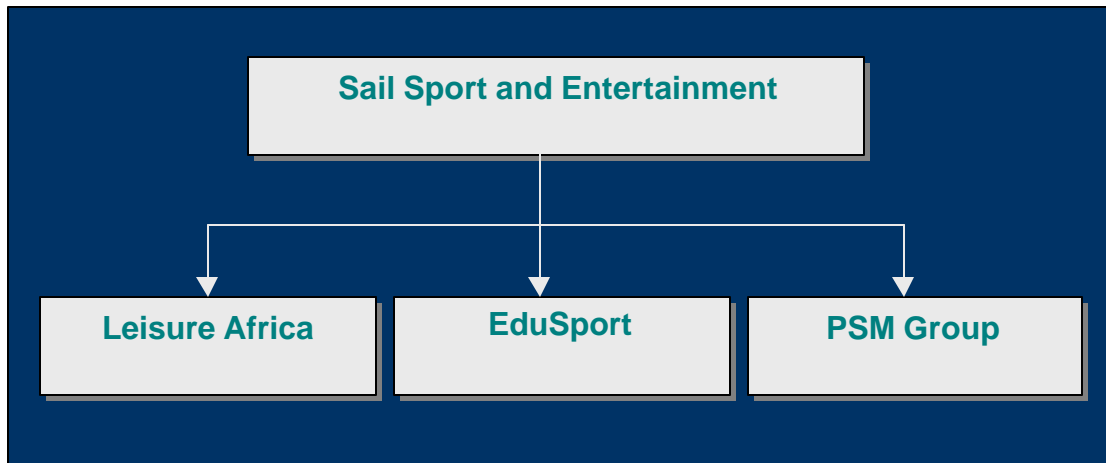
As illustrated in figure 2.2, SAIL Sport and Entertainment is another division of SAIL Ltd. SAIL Ltd acquired Vodacom Sport and Entertainment (Pty) Limited (VSE) in September 2001 and changed its name to SAIL Sport and Entertainment (SSE). VSE was initially created to consolidate and drive all the sport sponsorships and event management activities of the Vodacom Group of companies. Its focus was to develop a specialised sponsorship strategy for Vodacom to renegotiate sponsorship contacts where necessary, in order to implement and enhance the sponsorships and provide event management services to the group (www, 2002f:26). Although the initial focus of the company was on serving Vodacom, the company soon extended its services to other clients. SSE receives its revenue from sponsorships and event management fees (www, 2001a:1). The sponsorship management services that SSE offers include the following (www, 2002h:26):

- the formulation of focused sponsorship strategies, such as broadcasting and promotions of sponsorships
- evaluation and structuring of sponsorships opportunities
- management, administration and implementation of sponsorships to ensure that the objectives of the sponsorships are achieved

A subsidiary of SSE, Leisure Africa, owns corporate hospitality facilities, which it operates and from which it collects rental. As illustrated in figure 2.4, SSE

also holds shares in two other companies, which are Edusport and PSM Group.

Figure 2.4 SAIL Sport and Entertainment



Source: Adapted from www (2002c:26)

- ***Leisure Africa***

Leisure Africa, which owns and operates corporate hospitality and parking facilities at Ellis Park Stadium and SAIL's marketing division were absorbed into SSE with effect from March 2002 (www, 2002c:26)

- ***EduSport***

EduSport specialises in sport and incentive travel. For example, it arranges sporting tours to events such as the Rugby World Cup 2003 in Australia (www, 2003a:1).

- **PSM Group**

Primedia Limited (Primedia) and SAIL Sport and Entertainment each holds a 50% share in PSM Marketing (Pty) Ltd (PSM Marketing). The joint company has been formed to realise synergies and unlock the media value arising from the ownership of sports brands and sports marketing expertise (www, 1999b:1). PSM Marketing focuses on elements such as the promotion of sporting events, development of stadia and broker sponsorships of SAIL's sports brands including Blue Bulls, Eastern Province Rugby, Falcons Rugby, Border Rugby and South Western Districts Rugby (www, 1999b:1)

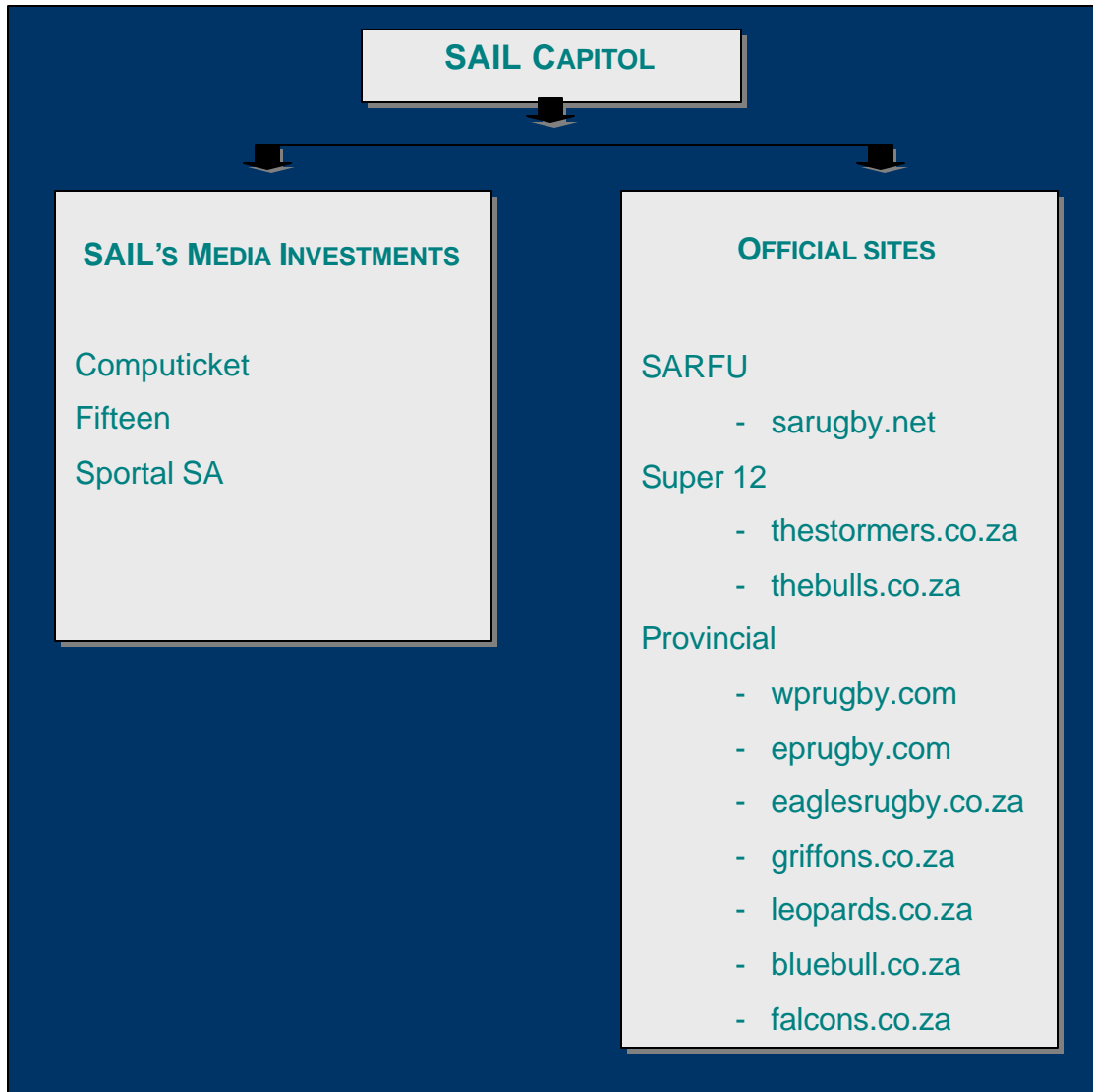
According to Msomi (2000:2) SAIL recognised the importance of the Internet in the commercialisation in sport. SAIL Capitol was responsible for creating various sports websites and will be the focus of the next section.

2.2.1.3 SAIL CAPITOL

SAIL Capitol is the third division of SAIL Ltd (see figure 2.2). It focuses on the provision of financial, business and media solutions to the sports, and more specifically, the rugby industry. It is the driving force behind SAIL's international expansion, and facilitates the export of Sail's sport business intellectual property and business (www, 2002d:28). SAIL Capitol receives its revenue from sport-specific financial services, media and intellectual property rights and from group synergies (www, 2001a:1). SAIL Capitol made several

media investments and also created websites for several of its rugby brands. These are illustrated in figure 2.5 and will be briefly discussed below.

Figure 2.5 SAIL Capitol



Source: Adapted from www (2002a:28)

- **Media Investments**

SAIL Capitol entered the ticketing industry by partnering with Johnnic eVentures, in the purchase of Ticketweb. SAIL is hopeful that SAIL Sports

Brands will benefit from increasing the accessibility of the physical sports product to the consumer. However, independent ticketing agency businesses did not perform well and various market changes, particularly in the electronic distribution of tickets, left independent ticketing agencies heavily overcapitalised and unprofitable. This led to a consolidation of the industry when SAIL Capitol effected a merger of the business of Ticketweb with Computicket. SAIL Capitol holds an effective 16% in the merger entity. Since the merger SAIL has been able to secure the required ticketing capacity and service for its sports brands (www, 2002d:29). SAIL Capitol also launched the official South African Rugby Football Union magazine in a joint venture with a new licensee, Inyati Publishing under the title *Fifteen* (Pike, 2001:4), which was firmly established in the market during 2002, when it was recognised with a commendation for Excellence in Publishing at the annual PICA awards (www, 2003b:1).

- **Official websites**

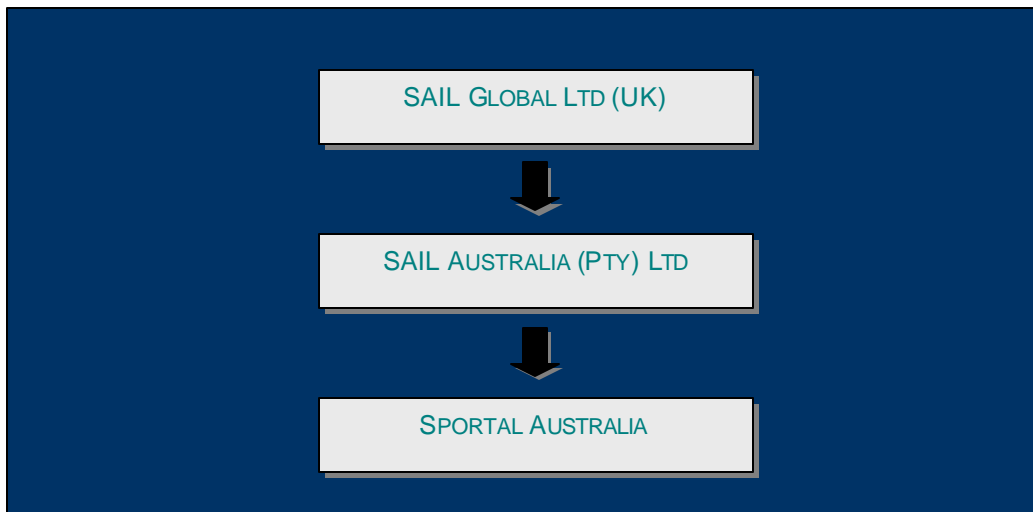
According to Msomi (2000:2) SAIL joined forces with the European sports Internet company Sportal Ltd to create Sportal SA. Sportal Ltd dominated the market through well-known sports websites and through the agreement, gained access to the multimedia rights of South African Rugby Football Union. Sportal SA operates a number of sports oriented websites and provides an Internet presence for various sports and rugby brands (www, 2002d:29).

SAIL was not only responsible for the successful completion of the Vodacom Sport Entertainment transaction (see section 2.2.1.2) and the Computicket/Ticketweb merger, but also for the establishment of SAIL Global (www, 2002d:28). SAIL Global, the final division of SAIL Ltd, will be the next topic of discussion.

2.2.1.4 SAIL GLOBAL

SAIL incorporated SAIL Global Ltd to manage its offshore investments (see figure 2.2). SAIL Global, situated in London, houses SAIL Australia, and once it has been finalised, will include proposed West Indies investment. Figure 2.6 illustrates the corporate structure of SAIL Global.

Figure 2.6 SAIL Global



Source: Adapted from www (2002e:41)

The aim of SAIL Australia, which is modeled on the SAIL South African model, is to invite Australian equity partners. SAIL aims to establish SAIL Australia to

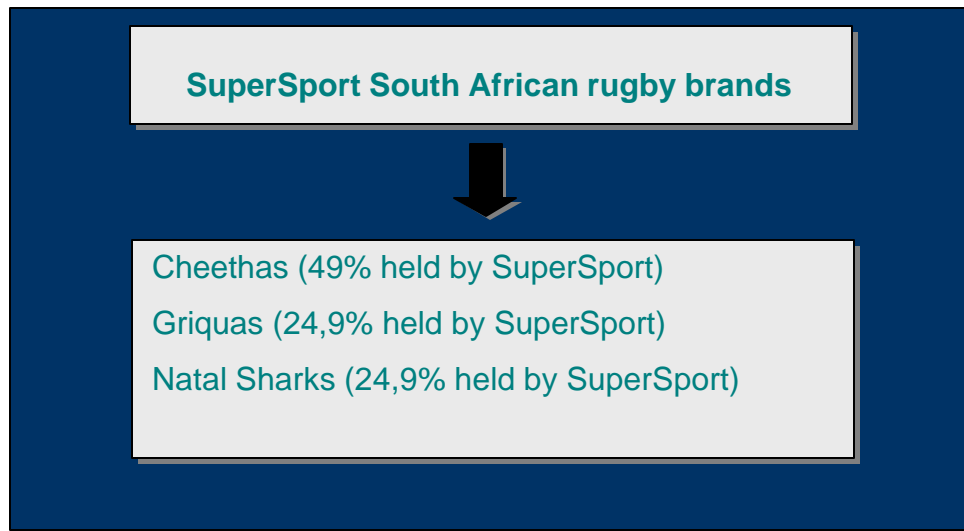
take advantage of the various sports branding opportunities in Australia. SAIL Global receives its revenues from equity in global sports brands, international joint ventures and SAIL sports business (www, 2001a:1).

As mentioned above, the South African rugby industry has various role players, of which SAIL Ltd was discussed in detail. SAIL works closely with the other main role player in the South African rugby industry, namely the television channel SuperSport, to promote the various rugby brands that it owns. SuperSport International, as the other major role player in the South African industry, will be discussed next.

2.2.2 SUPERSPORT INTERNATIONAL

SuperSport International (SuperSport) is the South African pay television channel MNET's sports broadcasting subsidiary (Schoonakker, 2001:1). SuperSport has equity shares in three provincial rugby brands (see figure 2.6), namely the Cheetahs (Free State Rugby Union), Griquas (Griqualand West Rugby Union) and Natal Sharks (Natal Rugby Union), as well as a 50% share in three provincial cricket teams and 100% of the SuperSport United soccer team (Hasenfuss, 2001a:53).

Figure 2.7 SuperSport rugby brands



Source: Adapted from www (2001c:1)

According to Van der Berg (2001:1), the Australian media company, Murdoch News Corporation, bought the broadcasting rights of southern hemisphere rugby in 1995, which included the Tri-Nations and Super 12 competitions, for US\$550 million. SuperSport owns the exclusive rugby broadcasting rights in South Africa, because it bought the broadcasting rights of the major tournaments which amount to R200 million per year (Capostagno, *et al.*, 2003:10). According to Schoonakker (2001:1), this means that SuperSport has the exclusive rights to broadcast South Africa's foremost domestic rugby fixtures such as the Currie Cup (see section 2.3.1) and the Super 12 (see section 2.3.2). This also means that SuperSport has an influence in the draw of major rugby tournaments, the kick-off times of rugby tournaments, and an opportunity to expose its brands on television (Vice, 2001:4).

According to Schoonakker (2001:2), SuperSport has built a near monopoly on rugby broadcasting in South Africa to date, broadcasting 7 000 hours of live sport (Capostagno *et al.*, 2003: 11). Legislation has stated, however, that regulations must be drawn up to ensure that SuperSport may not acquire exclusive rights for the broadcast of national events, such as domestic rugby tournaments (Van der Berg, 2002:2). The Independent Broadcasting Commission of South Africa has determined that events such as South African rugby tests played in South Africa, the Currie Cup final and the Super 12 final (if a South African team is in the final) should be broadcast to all South Africans free of charge (Capostagno *et al.*, 2003:11).

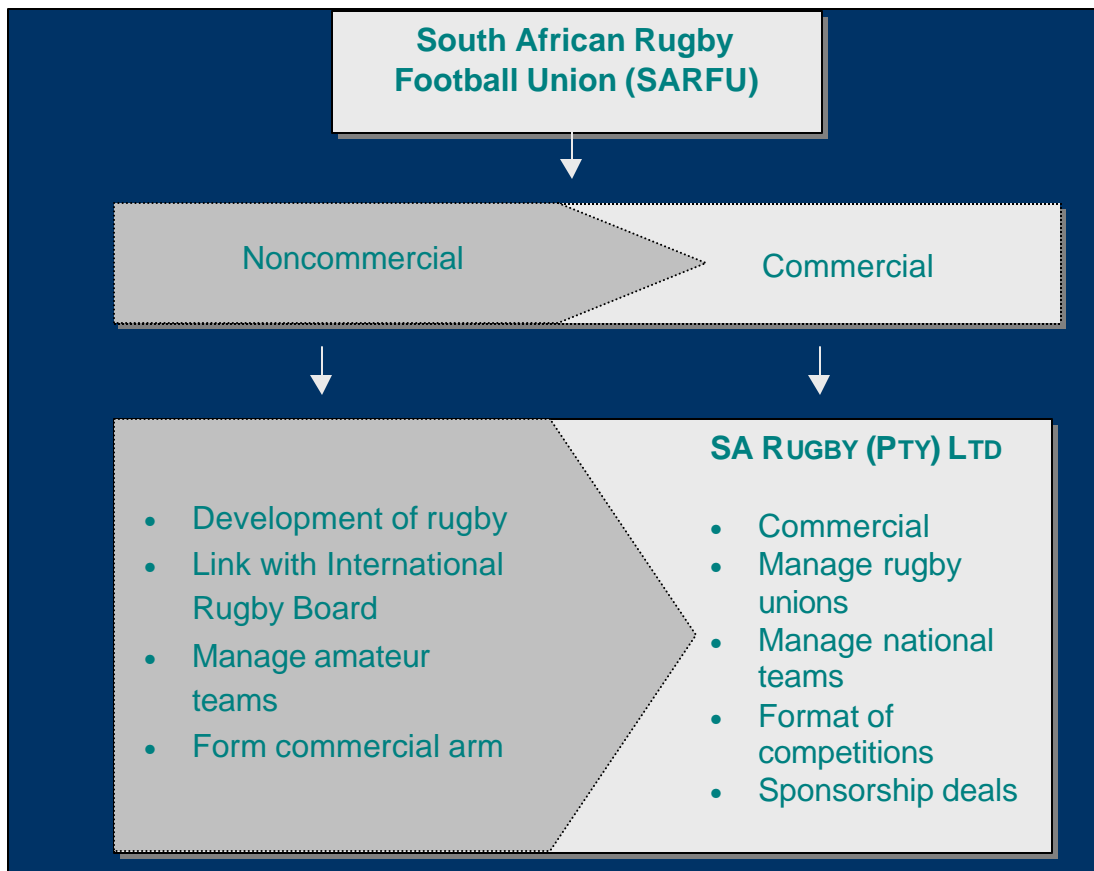
As mentioned above, SAIL Ltd owns eight South African rugby brands (see figure 2.3), while SuperSport International owns three South African rugby brands (see figure 2.7). The Golden Lions Rugby Union, Mpumalanga Rugby Union and Boland Rugby Union are still independent rugby unions. Although they are independent, they are still under the control of the South African Rugby and Football Union (SARFU), which is the third main role player in the South African rugby industry.

2.2.3 SOUTH AFRICAN RUGBY FOOTBALL UNION (SARFU)

The third role player in the South African rugby industry is the South African Rugby Football Union (SARFU). SARFU was formed in 1991 (www, 1999a:1-4) and underwent major changes in 2001, when it was divided into commercial and noncommercial entities. The commercial side is South African Rugby (Pty) Limited (SA Rugby) and SARFU is the noncommercial side (www, 2002a:21). The aim was to create an amateur arm of SARFU that

would manage the game of rugby, by focusing on matters such as the development of the game and to provide a link to the International Rugby Board, as well as to form a commercial arm (SA Rugby) to maximise the business of rugby (Retief, 2000:1). With this restructuring, SARFU became responsible for the above-mentioned matters, as well as the South African under 19 rugby team, which was regarded as an amateur team. SA Rugby, on the other hand, received full responsibility for the commercial activities of all national sides, as well as all 14 rugby unions. These activities included management of all the professional national teams, the format of domestic competitions and sponsorship deals (SABC, 2001). Figure 2.8 depicts the restructuring of SARFU.

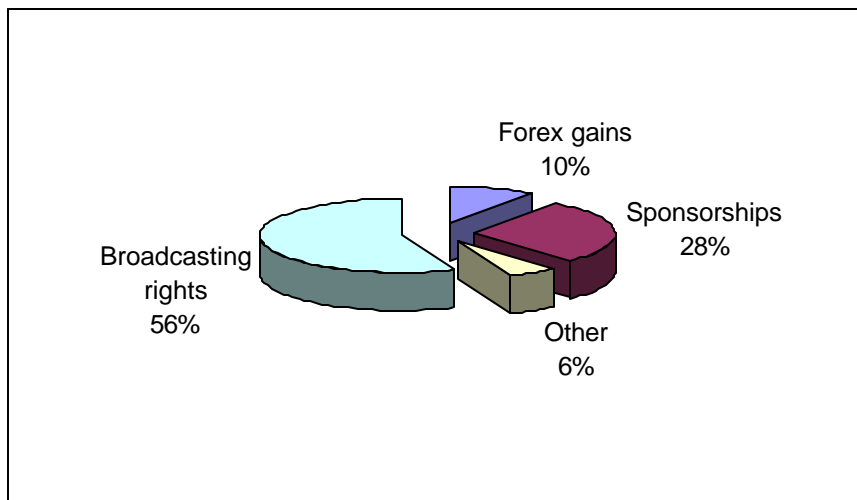
Figure 2.8 Structure of SARFU



Source: Adapted from Anon (2003a:5)

SARFU forms part of Sanzar, which was formed in 1995 by SA Rugby, the New Zealand Rugby Union and the Australian Rugby Union, to administer a three-nation professional rugby competition. These three countries signed an agreement with NewsCorp, securing the television rights to all major rugby matches in the three countries to NewsCorp (www, 2000a:1). This agreement was worth US\$550 million over a ten-year period (Lünsche, 2003a:1). Under the agreement, South Africa received 36,6% of the revenue, and New Zealand and Australia received 31,5% each (Gillingham, 2002; Reilly, 2002: 2). SARFU's revenue resources for 2003 are depicted in figure 2.9.

Figure 2.9 SARFU's revenue sources for 2003



Source: Adapted from Basson (2003:16)

SARFU relies exclusively on contributions from SA Rugby for income, and from 2001 to 2002 SA Rugby had a 50% increase in net profits (Lünsche, 2003a:2). The main income of SA Rugby is generated from the 10-year US\$550 million broadcast deal with the Australian television broadcast company, NewsCorp (Van der Berg, 2001:1). Under the Sanzar agreement,

as mentioned earlier, SARFU receives 36,6% of the income from the US\$550 billion deal. Of this percentage, 40% is paid to the 14 South African Rugby Unions, a further 20% is allocated to all the South African national teams and 10% is allocated to the company that brokered the deal with Newscorp (Lünsche, 2003a:2).

Although the 14 unions receive income from SA Rugby, they also generate their own revenue and manage their own finances, which rely mostly on sponsorship deals and ticket revenues (Lünsche, 2003a:1). The different South African Rugby Unions are briefly discussed below (Colquhoun, 2003:9).

2.2.3.1 BLUE BULLS RUGBY UNION

The Blue Bulls Rugby Union, previously known as Northern Transvaal, was founded in 1938 (Colquhoun, 2001:200). The Blue Bulls play in light blue jerseys and dark blue shorts and were sponsored by Mobil during the 2002/2003 rugby seasons (Colquhoun, 2003: 245).

The home stadium of the Blue Bulls is Securicor Loftus in Pretoria. It opened in 1914 and seats 50 000 spectators (www, 2000c:2), and rugby tickets sold for on average R70 per seat during the 2003 rugby season (Loots, 2004). The Blue Bulls' original brand was a Barberton Daisy (www, 1999a:2), but this was changed to the brand illustrated in figure 2.10. However, the Blue Bulls still sport a Barberton Daisy on the left side of their rugby jerseys (Colquhoun, 2004:271).

Figure 2.10 Blue Bulls' rugby brand



Source: Adapted from Colquhoun (2004:270)

2.2.3.2 BOLAND RUGBY UNION

The Boland Rugby Union was founded in 1939 (Colquhoun, 2001:212). The team is better known as the Cavaliers and plays with old gold, black and white jerseys and black shorts (Colquhoun, 2003:257).

The Cavaliers' home stadium is Boland Stadium in Wellington (Colquhoun, 2004:280), and tickets sold for on average R40 a seat during the 2003 rugby season (Erasmus, 2004). During the 2002 Currie Cup rugby season, the Cavaliers had only 4 400 spectators at their home games, which was the lowest number in the 2002 Currie Cup season (Lake, 2002:2). Their brand was originally a bunch of grapes (www, 1999a:1), but was changed to the brand illustrated in figure 2.11.

Figure 2.11 Cavaliers' rugby brand



Source: Adapted from Colquhoun (2004:280)

2.2.3.3 BORDER RUGBY UNION

Border Rugby Union was founded in 1891 (Colquhoun, 2001:224). The rugby team is known as the Bulldogs and plays in chocolate brown, red and green jerseys and white shorts. Spornet sponsored the team during the 2003 rugby season (Colquhoun, 2003:257).

The Bulldogs' home stadium is the ABSA Stadium in East London (Colquhoun, 2004:290) and rugby tickets sold for R10 per seat (McCourt, 2004). The team attracted the second lowest number of spectators (6 000) during the 2002 Currie Cup (Lake, 2002:2). Their brand was originally an aloe, but was changed to the brand illustrated in figure 2.12.

Figure 2.12 Bulldogs' rugby brand



Source: Adapted from Colquhoun (2004:290)

2.2.3.4 EASTERN PROVINCE RUGBY UNION

Eastern Province rugby Union was founded in 1888 (Colquhoun, 2001:236). The team is known as the Mighty Elephants and plays in red and black hooped jerseys with black shorts. During 2003 they were sponsored by Telkom (Colquhoun, 2003:257).

The Mighty Elephants' home stadium is the EPRFU Stadium, Port Elizabeth (Colquhoun, 2004:300) and rugby tickets sold for R20 per seat (Kuhn, 2004). The team changed their brand from a stationary to a flying elephant in 2002 (Colquhoun, 2003:236). Their new brand is illustrated in figure 2.13.

Figure 2.13 Mighty Elephants' rugby brand



Source: Adapted from Colquhoun (2004:300)

2.2.3.5 FALCONS RUGBY UNION

The Eastern Transvaal Rugby Union was founded in 1947 and recently changed its name to the Falcons Rugby Union (Coquhoun, 2001:248). They play in scarlet jerseys and navy blue shorts (Colquhoun, 2003:257).

The Falcons' home stadium is the PAM Brink Stadium in Springs (Colquhoun, 2004:310) and tickets sold for R25 per seat during the 2003 Currie Cup season (Mancolan, 2004). Their brand is illustrated in figure 2.14.

Figure 2.14 Falcons' rugby brand



Source: Adapted from Colquhoun (2004:310)

2.2.3.6 FREE STATE RUGBY UNION

The Free State Rugby Union was founded in 1895 as the Orange Free State Rugby Union (Colquhoun, 2001:260). The team is now known as the Cheetahs and plays in white jerseys with old gold stripes and black shorts (Colquhoun, 2003:305). Their home stadium is Vodacom Park in Bloemfontein, which seats 38 000 people (Colquhoun, 2004:320), and rugby

tickets sold for R40 per seat in 2003 (Booyen, 2004). Their brand is illustrated in figure 2.15.

Figure 2.15 Cheetahs' rugby brand



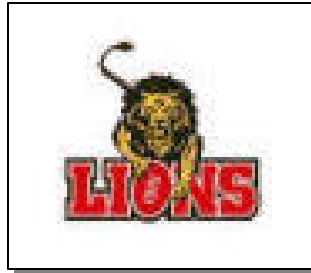
Source: Adapted from Colquhoun (2004:320)

2.2.3.7 GOLDEN LIONS RUGBY UNION

The Golden Lions Rugby Union was founded in 1889 as Transvaal (Colquhoun, 2001:272). They play in white and red jerseys and black shorts (Colquhoun, 2003:257). The team is now known as the Lions and according to Lake (2002:2), attracted the most spectators (179 402) during the 2002 Currie Cup season.

Their home stadium of the Golden Lions is Ellis Park in Johannesburg, which has a capacity of 62 500 (Colquhoun, 2004:330) and tickets sold for R50 per seat on (Croukamp, 2004). The Lions' brand is illustrated in figure 2.16.

Figure 2.16 Lions' rugby brand



Source: Adapted from Colquhoun (2004:330)

2.2.3.8 GRIFFONS RUGBY UNION

The Griffons Rugby Union, formerly known as the Northern Free State, was founded in 1968 (Colquhoun, 2002:284). The rugby team plays in purple and yellow jerseys with white shorts (Colquhoun, 2003:329). According to Lake (2002:2) the Griffons attracted the third lowest number of spectators (only 7 298) during the 2002 Currie Cup season. The Griffons' home stadium is the North West Stadium in Welkom (Colquhoun, 2004:340) and tickets sold for R25 per seat during the 2003 Currie Cup season (Van Wyk, 2004). The Griffon's brand is illustrated in figure 2.17.

Figure 2.17 Griffons' rugby brand



Source: Adapted from Colquhoun (2004:340)

2.2.3.9 GRIQUALAND WEST RUGBY UNION

The Griqualand West Rugby Union was founded 1886 (Colquhoun, 2001:284). The team plays in peacock blue and white hooped jerseys with black shorts (Colquhoun, 2003:257). The original crest was a diamond, a silver fern, a thorn tree and a hornbill (www, 1999a:2) but was changed to the brand illustrated in figure 2.18.

The home stadium of the Griquas is ABSA Park in Kimberley, which seats 14 000 people (Colquhoun, 2004: 350) and tickets sold for R30 per seat during the 2003 Currie Cup season (Sutton, 2004). During the 2002 Currie Cup Season the Griquas attracted 19 947 spectators (Lake, 2002:2).

Figure 2.18 Griqualand West rugby brand



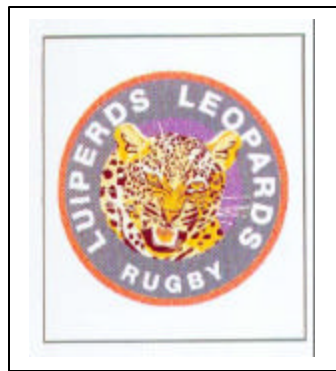
Source: Adapted from Colquhoun (2004:350)

2.2.3.10 LEOPARDS RUGBY UNION

The Western Transvaal Rugby Union which was founded in 1920 recently changed its name to the Leopards Rugby Union (Colquhoun, 2001:296). They play in green and red jerseys and white shorts. The Leopards are sponsored by the Impala Platinum Mines in Rustenburg (Colquhoun, 2003:354).

The home stadium of the Leopards is Olen Park in Potchefstroom (Colquhoun, 2004:360) and tickets sold for R20 per seat during the 2003 Currie Cup season (Thom, 2004). The Leopards attracted 10 000 spectators during the 2002 Currie Cup season (Lake, 2002:2). The team's original brand was a mealie (www, 1999a: 2) but was changed to the brand illustrated in figure 2.19.

Figure 2.19 Leopards' rugby brand



Source: Adapted from Colquhoun (2004:360)

2.2.3.11 MPUMALANGA RUGBY UNION

The Mpumalanga Rugby Union was founded in 1969 as South Eastern Transvaal (Colquhoun, 2001:308). The team is better known as the Pumas and used to play in navy blue, red and black jerseys with white shorts (Colquhoun, 2003:257). However, in 2003, the team changed to dove grey and red jerseys, with black shorts (Colquhoun, 2004:370). The team managed to attract 23 050 spectators during the 2002 Currie Cup season (Lake, 2002:2).

The Pumas' home stadium is @tlantic Park in Witbank (Colquhoun, 2004:370) and rugby tickets sold for R40 per seat during the 2003 Currie Cup season (Malan, 2004). Their brand is illustrated in figure 2.20.

Figure 2.20 Pumas' rugby brand



Source: Adapted from Colquhoun (2004:370)

2.2.3.12 NATAL RUGBY UNION

The Natal Rugby Union was founded in 1890 (Colquhoun, 2001:320). The team is known as the Sharks and plays in black and white jerseys and white shorts (Colquhoun, 2003:377). According to Vice (2001:2) the Natal Rugby

Union had a turnover of R25 million in 1994, and by 2000 this has tripled to R80 million.

The Natal Sharks' home stadium is ABSA Stadium in Durban, which seats 53 000 people (Colquhoun, 2004: 380). In the 2003 Currie Cup rugby season rugby tickets sold for R40 per seat (Mdhladle, 2004). The Sharks managed to attract the second most spectators (149 472 spectators) during the 2002 Currie Cup season (Lake, 2002: 2). Their brand which was originally a wildebeest (www, 1999a: 2) was changed to the brand illustrated in figure 2.21.

Figure 2.21 Natal Sharks' rugby brand



Source: Adapted from Colquhoun (2004:380)

2.2.3.13 SOUTH WESTERNS DISTRICTS RUGBY FOOTBALL UNION

The South Westerns District Rugby Union was founded in 1899 (Colquhoun, 2001:344). The team is better known as the Eagles, and plays in green and white jerseys and black shorts (Colquhoun, 2003:389).

The Eagles' home stadium is Outeniqua Park in George which has a 10 000 capacity (Colquhoun, 2004:390), and tickets sold for R40 per seat in 2003

(Stoffels, 2004). The Eagles attracted 19 965 spectators to their home games during the 2002 Currie Cup season (Lake, 2002:2). Their brand was originally ostrich feathers (www, 1999a: 2), but was changed to the brand illustrated in figure 2.22.

Figure 2.22 Eagles' rugby brand



Source: Adapted from Colquhoun (2004:390)

2.2.3.14 WESTERN PROVINCE RUGBY UNION

The Western Province Rugby Union, which was founded in 1883, is the oldest rugby union in South Africa (Colquhoun, 2001:356). The team plays in royal blue and white hooped jerseys and black shorts (Colquhoun, 2003:401).

The home stadium of Western Province is Newlands in Cape Town, which seats 49 500 people (Colquhoun, 2004: 400) and tickets sold for R40 per seat during the 2003 rugby season (Newkirk, 2004). According to Lake (2002:2) Western Province attracted the third largest number of spectators (111 617) during the 2002 Currie Cup season, and holds the record for the most Currie Cup victories (www, 2000d:1). Their brand is illustrated in figure 2.23.

Figure 2.23 Western Province rugby brand



Source: Adapted from Colquhoun (2004:400)

As indicated in figure 2.8, SA Rugby is responsible for the format of South Africa's national, regional and provincial rugby competitions. The South African rugby competitions will be discussed in the section below.

2.3 THE SOUTH AFRICAN COMPETITIONS

Annually, SA Rugby is responsible for organising various provincial, regional and national rugby competitions (Lake, 2002:2). The South African rugby season traditionally commences with the regional Super 12 tournament, followed by the provincial Currie Cup, and national rugby tests, more specifically the Tri-Nations and European tours (www, 2000b:1). The provincial, regional and national rugby competitions in South African rugby will now be discussed.

2.3.1 PROVINCIAL COMPETITIONS

The South African provincial rugby tournaments include the ABSA Currie Cup, Vodacom Cup and the ABSA Under-20 Championship (Colquhoun, 2004:6), each of which will be dealt with in turn.

2.3.1.1 THE ABSA CURRIE CUP

The Currie Cup is the oldest of its kind in rugby competition. The Currie Cup was originally a floating trophy for interprovincial competition and was played for the first time in 1891 (www, 1999c:1). The golden cup was donated by the late sir Donald Currie who made his fortune in the shipping business (Van der Westhuizen, 2001:3). Over the years, the Currie Cup has assumed various forms. Initially it was a centralised tournament, but thereafter all 14 provincial teams were divided in two sections of seven teams each. Each section played a single round within the section and the top four teams in each section advanced to play for the ABSA Currie Cup, while the remaining three teams in each section played for the ABSA Cup (Roos, 2001:5). From 2003, the ABSA Currie Cup reverted to a strength versus strength format. It featured two sections, namely a top section of six teams and a lower section of eight teams. A double round of games is then played with the top two teams in each pool qualifying for the finals (www, 2002f:1).

The first Currie Cup final was played in 1939, in Cape Town. The Currie Cup only became an annual competition from 1968 onwards (www, 2000e:1). The

log positions for the 2000, 2001 and 2002 seasons were used to determine the make-up of the ABSA Currie Cup sections in 2003 and 2004 (www, 2003b:1).

Owing to South Africa's policy of separate development, the South African rugby team's participation in world rugby ended in 1981. South Africa was only readmitted into international competition in 1992. During this period of isolation, the Currie Cup became the passion of South African rugby (www, 2000d:1). Claassen (2001:4) states that the isolation contributed to a tradition of provincialism in South Africa.

According to Duvenhage (2002:3), the attendance figures of SAIL's rugby brands during the 2002 Currie Cup season increased by 187%. The attendances figures for 2000 to 2003 are illustrated in table 2.1. These figures reflect the average number of spectators per rugby game.

Table 2.1 The average Currie Cup attendance figures for 2000 to 2003

Currie Cup team	Spectators in 2000	Spectators in 2001	Spectators in 2002	Spectators in 2003
Blue Bulls	6 020	12 812	21 438	22 438
Cavaliers	1 180	743	1 100	731
Bulldogs	2 398	2 721	1 380	1 748
Cheetahs	8 396	10 322	14 446	11 064
Eagles	2 101	1 946	2 852	2 421
Falcons	1 466	3 343	1 477	308
Griffons	2 241	2 549	1 825	431
Griquas	3 998	2 520	3 589	2 587
Leopards	575	593	1 893	757
Golden Lions	12 320	9 886	29 900	15 029
Mighty Elephants	5 567	6 125	2 625	1 936
Natal Sharks	24 578	25 678	21 353	27 080
Mpumalanga Pumas	3 182	3 317	4 610	5 243
Western Province	22 410	23 644	22 323	17 601

Source: Adapted from Lake (2002:2); Long (2004:6)

2.3.1.2 THE VODACOM CUP

The Vodacom Cup, also known as the SA Cup, was initially touted as a low-key rugby tournament (www, 2002h:1). In the Vodacom Cup, 14 provincial teams were divided into two sections similar to the sections in 2001. Each section consisted of seven provincial teams, and played a single round within the section. The top four teams in each section advanced to play for the Vodacom Cup, while the remaining six teams in both sections played for the Vodacom Shield (Roos, 2001:2).

In 2003 the format also changed, and the competition was played along similar lines to the ABSA Currie Cup, with sections of six and eight reflecting those of the ABSA Currie Cup (www, 2002f:1). In the competition, a single round of matches is played and promotion and relegation mirror that of the ABSA Currie Cup (www, 2002g:1).

2.3.1.3 NATIONAL UNDER-20 TOURNAMENT

The new National Under-20 Tournament replaced the old Bankfin Under-21 Tournament, as well as the Under-19 Tournament in 2002 (www, 2002g:1). In the Bankfin Under-21 Tournament, all 14 provincial under 21 teams competed in the tournament. The 14 teams were divided into two sections and played a single round in the section with a semifinal and final in each section (Roos, 2001:9). In the Under-19 Tournament, all 14 provincial under-19 teams

competed in the tournament. The 14 teams were divided into two sections of seven teams each (Roos, 2001:11).

2.3.1.4 REGIONAL TOURNAMENT: THE SUPER 12

The Super 12 originated from the Super 10, which was introduced in 1993 (www, 2000a:1) and played for the first time in that year (www, 2002i:11). In the Super 12, five regional rugby teams from New Zealand, three from Australia and four from South Africa compete on a round robin basis, which produces semifinals and a final (Claassen, 2001:4). According to Van der Berg (2001:1) the Super 12 is the leading event of the southern hemisphere rugby calendar and is owned by Sanzar.

Vodacom is the official event sponsor of the Super 12, which leads to the total South African sponsorship of the Super 12 being about R50 million per annum (Van der Berg, 2001:1). The Super 12 is contested over about 12 weeks of preliminary rugby games and two weeks for the semifinals and a final (Rugimbana & Nwankwo, 2003:359).

Under the Super 12 agreement, various rugby franchises in the three countries were established (www, 2001a:1). New Zealand's Super 12 franchises consisted of five regional teams covering the whole country (Auckland, Canterbury, Otago, Waikato and Wellington), namely the Auckland Blues (Auckland), Canterbury Crusaders (Canterbury), Highlanders (Otago), Chiefs (Waikato) and Hurricanes (Wellington). Queensland, New South

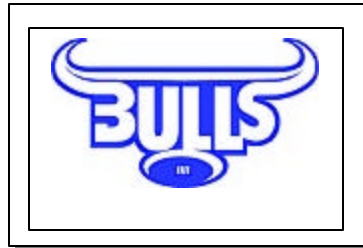
Wales and the Australian Capitol Territory represent Australia, with the teams' brands being Queensland Reds (Queensland), ACT Brumbies (Australian Capitol Territory), and New South Wales Waratahs (New South Wales). Initially South Africa fielded the four top provinces from its 1995 Currie Cup competition, but has since changed to regional sides. This compelled the South African provincial teams to unite and form four new regional teams with new identities (Hendriks, 1997: 20). Finally, in 1998 four new regional sides were formed – the Bulls, Cats, Sharks and Stormers (www, 2000a:1). South Africa's Super 12 teams will be briefly discussed below.

- ***The Bulls***

The Bulls' brand has experienced various identity changes since its introduction in 1995. They competed as the Northern Transvaal in 1996. In 1998 four rugby unions, namely the Blue Bulls Rugby Union, the Falcons Rugby Union, the Mpumalanga Rugby Union and the Leopards Rugby Union joined forces to form one regional team (Gilbert, 2000:34), with their home stadium at Securicor Loftus in Pretoria (Colquhoun, 2004:192). The team was known as the Blue Bulls in 1997, changed to the Northern Bulls in 1998 and finished eleventh in the Super 12 competition that year. In 1999 the Bulls finished twelfth and in 2000 eleventh. Most of the worst records in the Super 12 Tournament are held by the Bulls (Tarik, 2002:4). In 2000, the Bulls played in white and green jerseys with blue shorts (Colquhoun, 2001:158), but their uniform was changed to sky blue jerseys and socks and navy blue shorts

in 2001 (Colquhoun, 2002:128). In the same year they, changed their name to the Bulls. The brand of the Bulls is illustrated in figure 2.24.

Figure 2.24 The Bulls' brand



Source: Adapted from Colquhoun (2004:192)

- ***The Cats***

The Cats have also experienced many identity changes since the Super 12 commenced in 1995. Originally the team competed as Transvaal and finished tenth in the tournament in 1996. In 1998, the Free State Rugby Union, the Golden Lions Rugby Unions, the Griqualand West Rugby Union and the Griffons Rugby Union joined forces and became the Gauteng Lions (Gilbert, 2000:34), but only managed to finish fifth in the Super 12 competition that year. In 1998, they changed their name to the Golden Cats and finished twelfth. Since 2000 they have been operating as the Cats (Tarik, 2002:3), playing in navy blue jerseys with red shoulders (Colquhoun, 2001:143). In 2001 they again changed their jerseys to white and navy, with navy shorts and socks (Colquhoun, 2002:134). Their jerseys were changed yet again in 2002 to white jerseys and socks and navy shorts (Colquhoun, 2003:170). The Cats' home stadiums are Ellis Park in Johannesburg and Vodacom Park in

Bloemfontein (Colquhoun, 2004:198) and their brand is illustrated in figure 2.25.

Figure 2.25 The Cats' brand

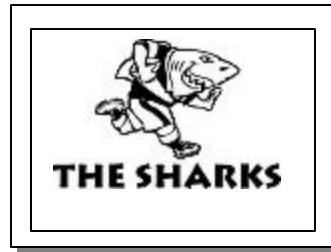


Source: Adapted from Colquhoun (2004:198)

- ***The Sharks***

The Sharks' brand was introduced in 1996. In 1998, the Natal Rugby Union, Border Rugby Union and Eastern Province Rugby Union united and formed The Sharks (Gilbert, 2000:34). The team played in black and white jerseys with red and brown bands in 2000 (Colquhoun, 2001:148). In 2001, they played in black and white jerseys and black shorts and socks (Colquhoun, 2002:140) and changed again in 2002 to black, grey and white jerseys and black shorts (Colquhoun, 2003:176). The Sharks' home stadium is ABSA Stadium in Durban (Colquhoun, 2004:204) and they were the first Super 12 franchise to draw their one millionth spectator in 2001 (Tarik, 2002:1). The major revenue generator of this franchise is ticket sales (Lamberti, 2001:16). The Sharks brand is illustrated in figure 2.26.

Figure 2.26 The Sharks' brand



Source: Adapted from Colquhoun (2004:204)

- ***The Stormers***

The Stormers' franchise is based in Cape Town. It has made irregular appearances in the Super 12 owing to the fact that, during the 1996 Super 12, Western Province finished eleventh. Then in 1997, because of the nature of the South African system of selecting the top four teams of the Currie Cup, they were dropped for the Free State Cheetahs. In 1998, the Western Province Rugby Union, South Westerns Districts Rugby Football Union and Boland Rugby Union joined forces (Gilbert, 2000:34) and the team was called the Western Stormers, but only finished ninth in the Super 12 tournament that year. Only in 1999 did the team start operating as the Stormers (Tarik, 2002:2). The Stormers have been marketing themselves as the "Men in Black" (Van der Berg, 2001:1), and played in black jerseys and shorts and white socks in 2000 (Colquhoun, 2001: 153). Since 2001, they have played in black jerseys, shorts and socks (Colquhoun, 2002:146). The Stormers' brand is illustrated in figure 2.27.

Figure 2.27 The Stormers' brand



Source: Adapted from Colquhoun (2004:210)

Since the introduction of the Super 12 in 1996, the tournament has matured in terms of viewership, incoming finance and sponsorship. Approximately 103 million viewers watch the 69 Super 12 rugby games annually (Van der Berg, 2001:1). The attendance figures of the Super 12 rugby games played in South Africa from 2000 to 2003 are illustrated in table 2.2. These figures reflect the average number of spectators per rugby game.

Table 2.2 The average Super 12 attendance figures for 2000 to 2003

Super 12- Team	Spectators in 2000	Spectators in 2001	Spectators in 2002	Spectators in 2003
Bulls	20 093	18 675	18 568	27 225
Cats	21 913	31 675	15 159	23 895
Sharks	26 375	38 937	30 154	29 252
Stormers	41 553	29 924	42 431	29 941

Source: Adapted from Wentzel (2002:2); Long (2004:2-8)

Annually, SARFU pays a total of R17,9 million to the four South African Super 12 regions. Each region receives R4,2 million, plus R1,6 million for domestic travel and R1 million for kit. Another R2,7 million is budgeted for advertising

the South African Super 12 teams. Furthermore, during 2001, South African Super 12 clothing generated 50% more in sponsorship than the national Springbok brand test gear (Van der Berg, 2001:1).

2.3.1.5 SOUTH AFRICAN NATIONAL RUGBY TEAMS

The South African national teams consist of the Springboks, the SA Sevens and various other teams (Colquhoun, 2003: 7). Each of these teams will be discussed in turn below.

- ***The Springboks***

South Africa's national team is better known as the Springboks (Colquhoun, 2001:5). The team plays in green jerseys and white shorts, with a springbok and protea on the top left-hand side of the jersey (Colquhoun, 2003:96). South Africa wore green for the first time in 1896 when an international team wearing green toured Britain, Ireland and France, and had a springbok as their symbol (www, 2000f:1). The design was a gently moving springbok. The South African Rugby Football Board (SARFB) agreed to make the symbol available to all sports, but the South African Rugby Football Federation (SARFF) used the king protea as their symbol and the South African Rugby Union also had the protea next to the head of the springbok.

The design of the gently moving springbok lasted until 1936 when it became a leaping springbok. In 1963 it gained a rugby ball and its feet hung down. This symbol was redesigned in 1965 to be anatomically correct.

With the unity of the SARFB and SARFF in 1992 the springbok symbol was redesigned. The leaping springbok was placed above a rugby ball and four king proteas. In 1996, the symbol was redesigned. The springbok now leapt in the opposite direction of the original springbok, with a single protea above it (www, 2000g:2-3). In 2003 the springbok was redesigned again as illustrated in figure 2.28 (Van der Berg, 2003b:5).

Figure 2.28 The development of the Springbok logo



Source: Adapted from Anon (2003a:5)

The Springboks play various test matches annually (Colquhoun, 2003:7). A test match is an international rugby game between two sides that are deemed to be the best a country can produce (www, 2002j:2). Annually, the national team competes in the Tri-Nations competition and end-of-season tours, as well as in the Rugby World Cup every four years. Rugby test tickets retailed at R277 during the 2003 rugby season (Long, 2004).

- ***Tri-Nations***

The Tri-Nations, which took place in 1996 for the first time, sees New Zealand, South Africa and Australia compete every year on a round robin basis (www, 2002j:1). The Springboks only won the Tri-Nations once in 1997 (Colquhoun, 2003:520). The attendance figures for the 2000 to 2003 Tri-Nations played in South Africa are shown in table 2.3.

Table 2.3 Attendance figures for the 2000 to 2003 Tri-Nations played in South Africa

South Africa vs	Spectators in 2000	Spectators in 2001	Spectators in 2002	Spectators in 2003
New Zealand	57 233	49 720	54 448	50 000
Australia	50 000	50 000	58 800	48 678

Source: Adapted from Wentzel (2001:8-11); Colquhoun (2002, 2003 & 2004)

- ***End-of-season tours***

With South Africa's re-admittance to international rugby, the Springboks played various test matches both in South Africa and abroad. In 2000 the Springboks played against Canada, England, Argentine Ireland and Wales (Colquhoun, 2001:77), in 2001 against France, Italy, England and the USA (Colquhoun, 2002:75), and in 2002 against Wales, Argentine, Samoa, France, Scotland and England (Colquhoun, 2003: 97). The average attendance figures for the rugby tests played in South African in 2000 to 2003 are provided in table 2.4.

Table 2.4 Attendance figures for rugby tests played in South Africa in 2000 to 2003

South Africa Vs	Spectators in 2000	Spectators in 2001	Spectators in 2002	Spectators in 2003
Canada	12 000	-	-	-
England	43 575	-	-	-
Argentine	-	-	18 000	25 000
Wales	-	-	37 274	-
France	-	48 562	-	-
Italy	-	25 000	-	-
Samoa	-	-	25 796	-
Scotland	-	-	-	44 852

Source: Adapted from Wentzel (2001:8-11); Colquhoun (2002, 2003 & 2004)

- ***The Rugby World Cup***

The Rugby World Cup was first played in 1987 in New Zealand and Australia (www, 2002e: 1). Since only 16 rugby teams competed in the World Cup,

there were doubts that it was not enough to make an international tournament worthwhile, but the tournament was pronounced a success and the International Rugby Board (IRB) decided to hold the tournament every four years (www, 2003a: 1).

In 1991, the World Cup was held in the UK, Ireland and France, and 40 rugby unions across the world participated (www, 2001c:1). South Africa was readmitted to the IRB and hosted the tournament in 1995 (www, 2003a: 1). Wales hosted the 1999 World Cup (www, 2001c:1) while Australia hosted it in 2000 (www, 2003a:1).

- ***Rugby Sevens***

Rugby Sevens is an abbreviated format of rugby in which, instead of having 15 players on the pitch, each side only has seven comprising three forwards and four backs. Most of the rules are similar to that of the 15-person game except that the duration of the games is shortened, normally by between 10 and 20 minutes (www, 2002j). The South African Rugby Sevens Team also has the Springbok as their brand (Anon, 2003a:5), as illustrated in figure 2.29.

Figure 2.29 Springbok Sevens' brand



Source: Adapted from Colquhoun (2004: 70)

- ***Other South African national rugby teams***

Other South African national rugby teams include the South Africa U-21s, South Africa A and South Africa U-19s (Colquhoun, 2003:7; Colquhoun, 2004: 5). The South Africa U-21s won the U-21 World Cup Rugby in 2002 (Colquhoun, 2003: 135). These teams use the Springbok brand indicated in figure 2.30 (Anon, 2003a:5).

Figure 2.30 Rugby brand of other South African national rugby teams



Source: Adapted from Anon (2003a:5)

2.4 CONCLUSION

For many years South African rugby was characterised by passion and pride, but these characteristics were replaced by professionalism and commercialisation. In this chapter the South African rugby industry was discussed, with specific emphasis on the three major rugby investors in South Africa, as well as the South African Rugby competitions.

Before the South African rugby brands can attain the earning levels of the football clubs in the UK, a great deal of hard work in marketing these sports brands will still have to be done (Hasenfuss, 2001a: 52). The next chapter deals with sports marketing.