



James May Earn \$10 Million More in Endorsements With NBA Title

By Erik Matuszewski

June 7 (Bloomberg) -- LeBron James, the Cleveland Cavaliers' All-Star forward, might increase his \$25 million in annual endorsement contracts by 40 percent with a National Basketball Association championship, according to sports marketing executives.

The 22-year-old athlete, who was drafted out of an Akron, Ohio, high school four years ago, is leading his hometown team into the finals against the San Antonio Spurs. The best-of-seven series starts tonight.

The Cavaliers' first NBA championship would cement James's public image as a champion and may increase his sponsorship take by about \$10 million, said Bob Dorfman, executive vice president of San Francisco-based Pickett Advertising.

``It's that next step of becoming the ultimate winner and getting the ring," Dorfman said. ``That kind of legitimizes yourself with the casual fan. He's doing real well already and could be looking at another eight figures."

Before entering the NBA, James signed a seven-year, \$90 million contract with Nike Inc., the world's largest athletic-shoe maker, and a five-year, \$5 million deal with Upper Deck Co. for its trading cards and sports collectibles. Michael Jordan, who led the Chicago Bulls to six NBA titles in the 1990s, is a pitchman for both companies as well.

James also has endorsement contracts with Coca-Cola Co.'s Powerade and Sprite brands, and Cadbury Schweppes Plc's Bubblicious gum. Last year, he became the first NBA player to advertise products for Microsoft Corp., the world's biggest software maker.

James is making more in endorsements than any NBA player, according to Burns Entertainment & Sports Marketing. Doug Shabelman, president of the Evanston, Illinois-based company, said James, with an NBA title, could ``easily" add another \$10 million in endorsements if he wants to build his portfolio.

Open to Partnerships

Maverick Carter, James's manager and former high school teammate, said James is open to new endorsements.

``We'll take time and look at people and what they have to offer," Carter, 25, said in a telephone interview. ``We're always looking for partners that make sense."

Miami Heat forward Dwyane Wade, 25, took advantage of his opportunity last year, landing endorsement deals with Ford Motor Co.'s Lincoln Brand, T-Mobile USA Inc. and Nike's Converse unit after being named Most Valuable Player in the final series for his team's first championship.

``Anytime you're known as a winner and perform on a high level on that stage, people are going to start looking at you," Wade said on a media conference call. ``Last year did a great job for me, it pushed me forward to being one of the top endorsement guys around."

Wade has the highest rating as a pitchman of any current NBA player, according to a survey done by Marketing

Evaluations Inc. of Manhasset, New York. While Wade has more overall appeal, according to the ratings, 49 percent of the general public is familiar with James, compared with 27 percent for Wade.

``He's got a real strong foothold if he goes on and wins the championship," Marketing Evaluations Vice President Henry Schafer said in a telephone interview.

`The First LeBron'

Cavaliers owner Dan Gilbert said while James has similarities to Jordan -- from uncanny vision on the basketball court to the No. 23 jersey and Nike contract -- his star player isn't the next coming of the five-time MVP, who retired as a player in 2003.

``LeBron is the first LeBron," Gilbert said in a telephone interview. ``I don't think we're near the peak of what this young man can do."

According to Marketing Evaluations, Jordan still has the highest rating of any current or former athlete. Golfer Tiger Woods is second, while James is 63rd.

Possible Endorsements

David Carter, founder of the Sports Business Group, a sports marketing consulting company in Los Angeles, said James's age makes him a perfect fit for technology or mobile communication companies that try to appeal to young people.

``In many respects, he's better poised because he can take his marketing message, his brand, much more directly to the people than Michael Jordan of a marketing generation ago, when you pretty much just had traditional forms of media," Carter said. NBA Commissioner David Stern said in an e-mail that James's future is ``bright, global and technologically enhanced."

While James has only added two endorsements since his rookie season, his focus off the basketball court has extended to business opportunities. He's struck up a friendship with billionaire investor Warren Buffett and, with the help of three childhood friends including Maverick Carter, formed LRMR Marketing to oversee business interests such as his March purchase of a stake in bicycle maker Cannondale Corp.

The off-court opportunities would grow even more with a championship ring, said Steve Rosner, co-founder of sports marketing firm 16W Marketing LLC in Rutherford, New Jersey.

``LeBron has a chance to do things other athletes haven't done or been able to do," Rosner said in an interview. ``He just has to do one thing he hasn't done yet: Win baby, win."

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