

Presentation to RMA students

SPORTMARKETING IN A DIGITAL WORLD

AGENDA

1. **Introduction to sport and digital technologies**
2. **German Telecom** | Sponsor and Partner of sports
3. **German Basketball League** | New way to more popularity
4. **UEFA** | Digital services EURO Qualifiers and final tournament
5. **IOC** | Digital media strategy Olympics 2014 and 2106
6. **HC Donbass** | Fan Engagement and Loyalty

1. Introduction to sport and digital technologies



Sport and digital Technologies

Digital technologies established or changed many fields within the sports environment:

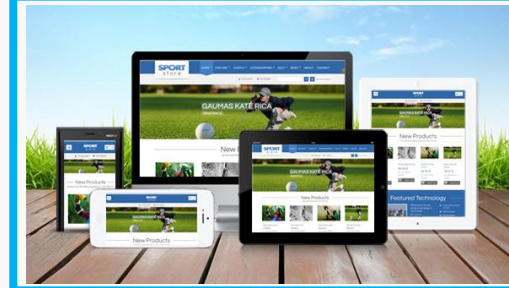
TV & VIDEO



WEBSITES & APPS



PLAY OF THE GAME



SOCIAL MEDIA



DIGITAL MARKETING & CRM



SCOUTING & ANALYTICS



Sport and digital technologies

Digital service enabled sport entities to establish own communication channels and become more independent of media companies.

- **Direct control on own channels compared to classic media**
- **Direct relation to fans and customers**
- **Data profiling for successful CRM**
- **Cost efficient communication and marketing**
- **Evolution from a Sports Club to a Business Company**

Sport and digital technologies

Further digital development on one side and increasing professionalism of sports entities on the other side open many opportunities

- **Increase fan activation and growth of fan base**
- **Enhance fan experience with personalised services**
- **Establish long term growth and increase revenues**

2. German Telekom | Sponsor and Partner of sports



One of the biggest German spenders in Sponsoring

- **Shirt Sponsor of Bayern Munich**
- **Premium Partner of German FA and National Team**
- **Premium Content Partner of Bor. Dortmund and Hamburger SV**
- **Content Partner of 10 Bundesliga Clubs (1st and 2nd division)**
- **Telekom Cup (pre season football tournament)**
- **Media rights partner of German Basketball League**



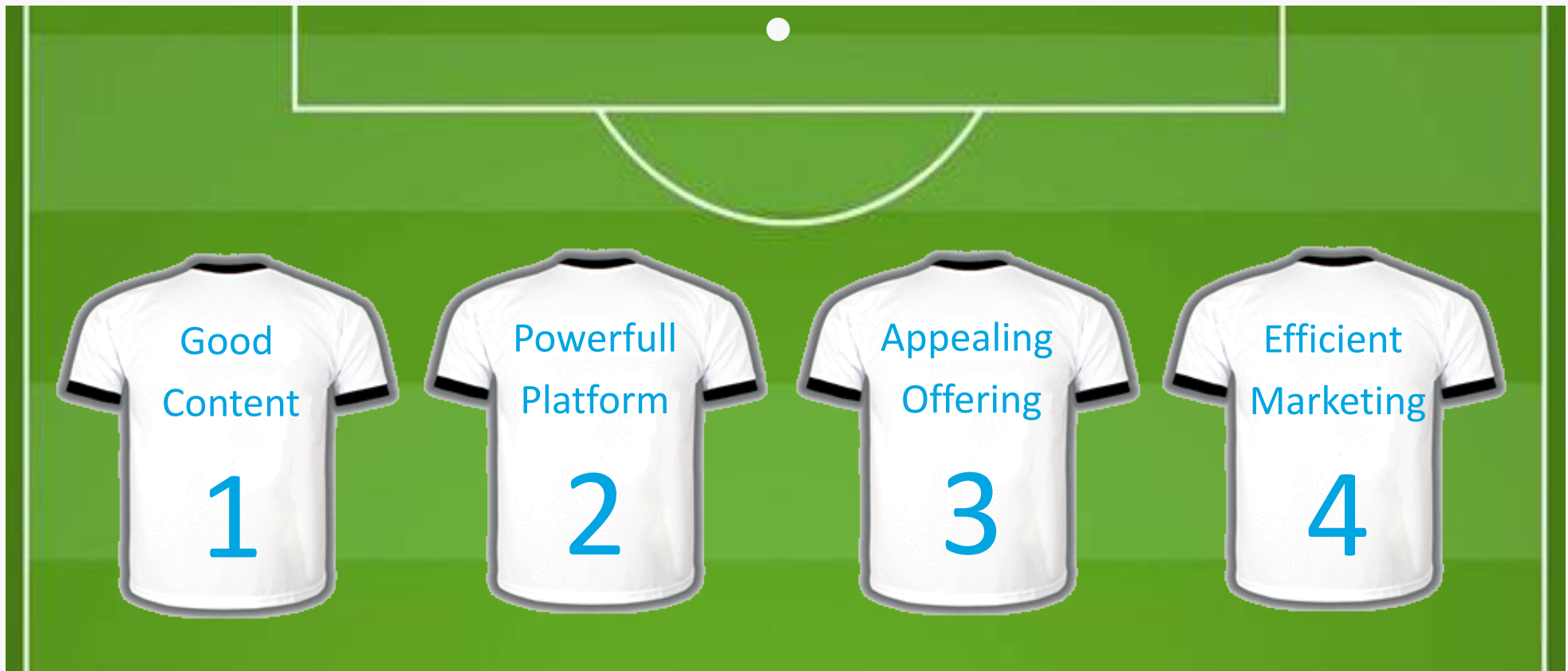
Content Partnership with Bundesliga Clubs

- Partner of 10 Bundesliga Clubs
- Service Provider and Enabler of Club TV
- Supporting with Technology and Marketing Know How
- Exploiting Fan Relationship to promote Telekom services



Content Partnerships

Key Factors of Success



Good Content

Live Content

- Live-Streaming of friendly matches
- Regular live press conferences
- Other live streamings

Match Content

- Live if possible or ReLive
- Highlight / Clips
- All matches from all competitions (League, Cup, Internationals)

Exklusive Insight Content

- Exklusive Reports
- Club related TV formats (Talk, Personality, Quizz ...)
- Interviews
- Regular Club News

Everything the fans desire



Powerful platform



Powerful, scalable Hosting & Streaming

LIVE-Streaming (Matches + Events)

Customer-, Subscription, Paymentmanagement & Customer Support

Flexible access scenarios (free, reg., pay)

Paymentsolution & Blacklist

Rating Tool

Social Media Integration (Facebook & Twitter)

Comment function

Video Table and Search

Embed-Player & Marketing Support (Coupon functionality & Campangement)

All League matches, Relive + Highlights & matches from other competitions

Real time reporting & Userdatanexport

Adaptive Streaming, flexible Bandwidth with 5 different Bitrates (until HD with 3 mbit)

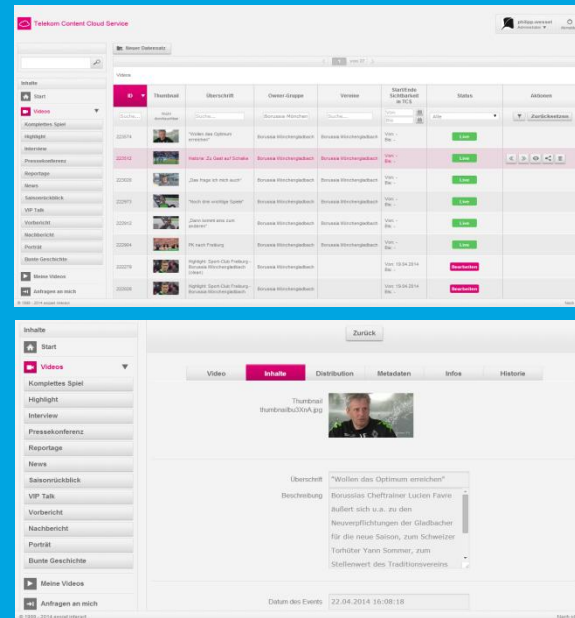
Individual club branding

Easy content administration

Videoproduction by clubs VJ



Content Cloud Service



■ Web



■ Mobile

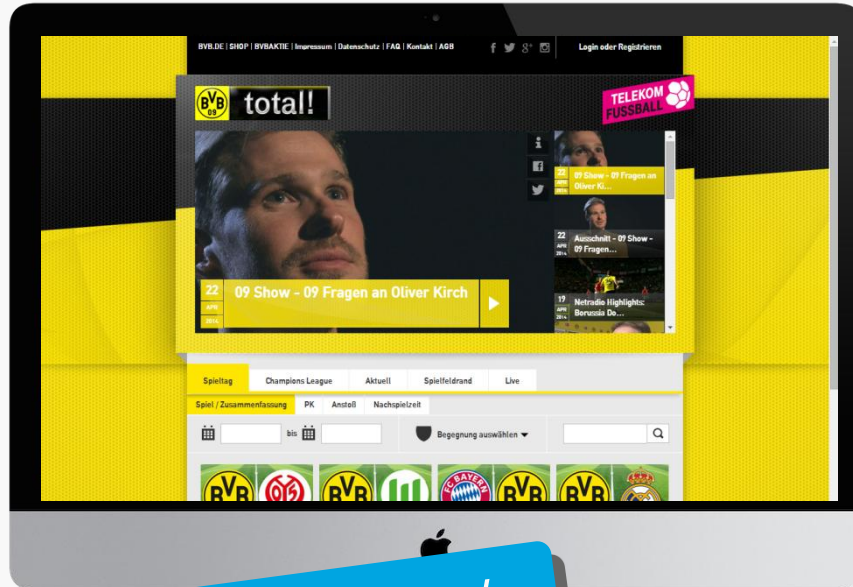


■ TV

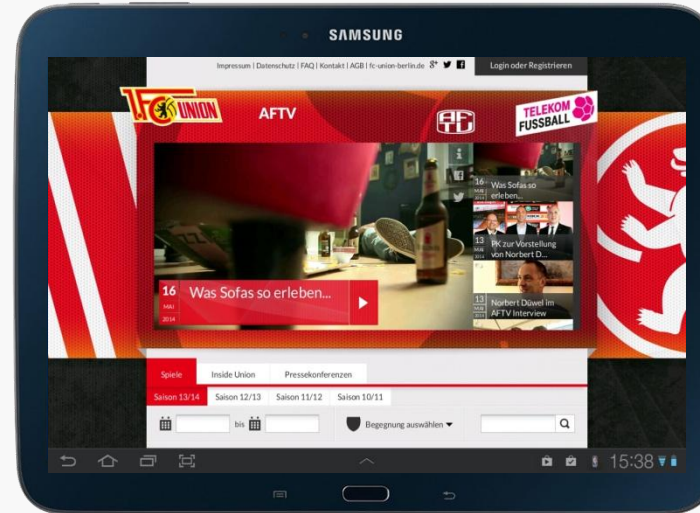


- Further Club-TV Platforms
- E.g. YouTube

Appealing offering for fans



Best Video /
Streaming
Quality

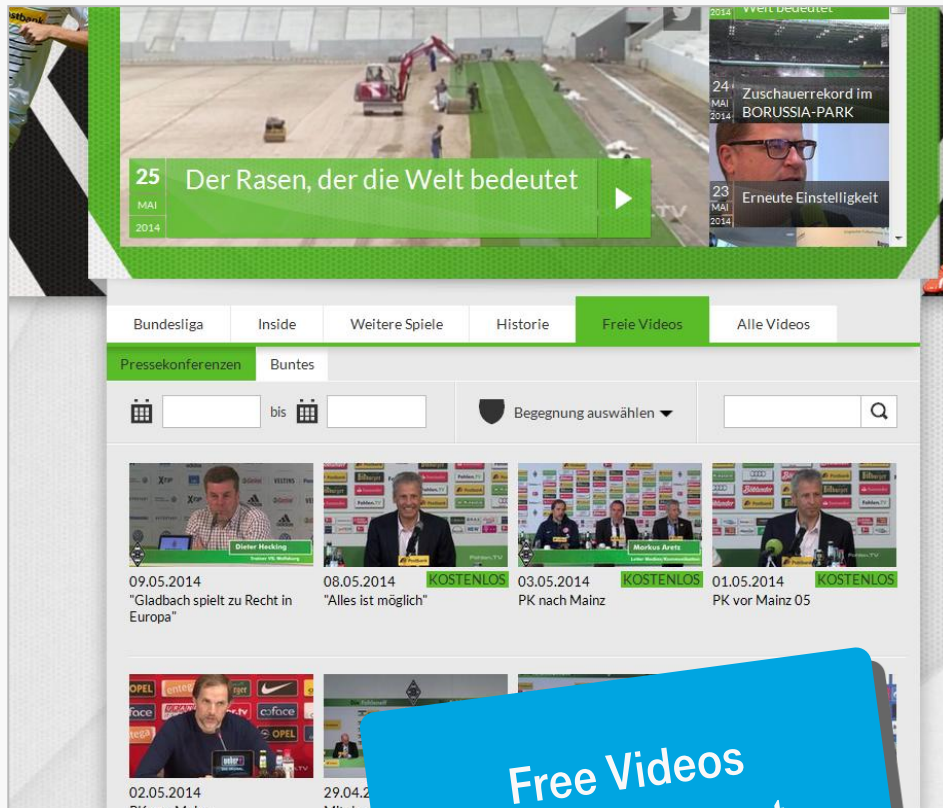


Multi-Device-
Support



Easy to use

Efficient marketing



Free Videos
as Teaser content ...



... and promotion on
Facebook & Twitter

3. German Basketball League | New way to more popularity



Source: Beko BBL

Beko-BBL (1st Division German Basketball)

Initial situation

- Basketball Sport number 5-6 in Germany
- 350 matches per season – only 50 broadcasted on Free TV
- No Pay TV
- Little exposure and small reach
- No growth in the last years
- Aiming for more



Beko-BBL (1st Division German Basketball)

New Approach

- Focusing on production and less on license fees
- Ensure the production of all matches
- Maintain Free TV exposure and establish Pay TV for all matches
- Syndicate content to digital platforms
- Increase exposure and reach
- Enforce continuous growth



Beko-BBL (1st Division German Basketball)

New Situation (since season 2014/2015)

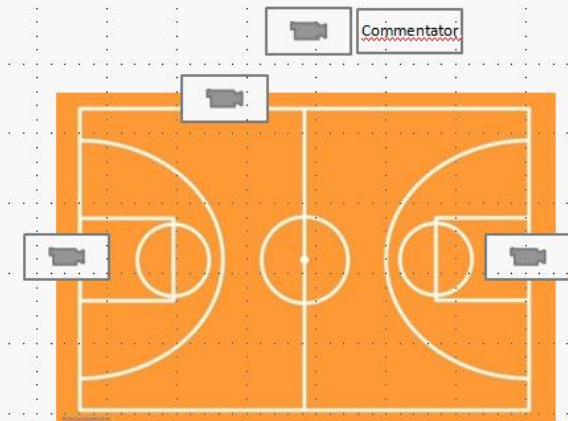
- Partnering with German Telekom
- Telekom securing funding for production
- Establish own editorial team to manage the product
- New exploitation strategy
- Increase in Free TV exposure
- New Pay TV exposure
- New digital exposure
- Marketing power of German Telekom



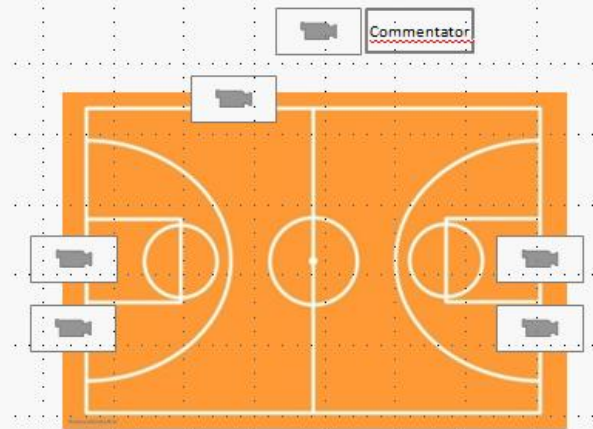
Production

- All matches are produced in HD quality
- 150 matches with 6 cameras
- 200 matches with 4 cameras
- Everything live
- Max. 3 matches parallel
- Max. 5 matches on one day

4 cameras production



6 cameras production



Produced Videos

LIVE



RELIVE



PLAY OF THE GAME



HIGHLIGHTS



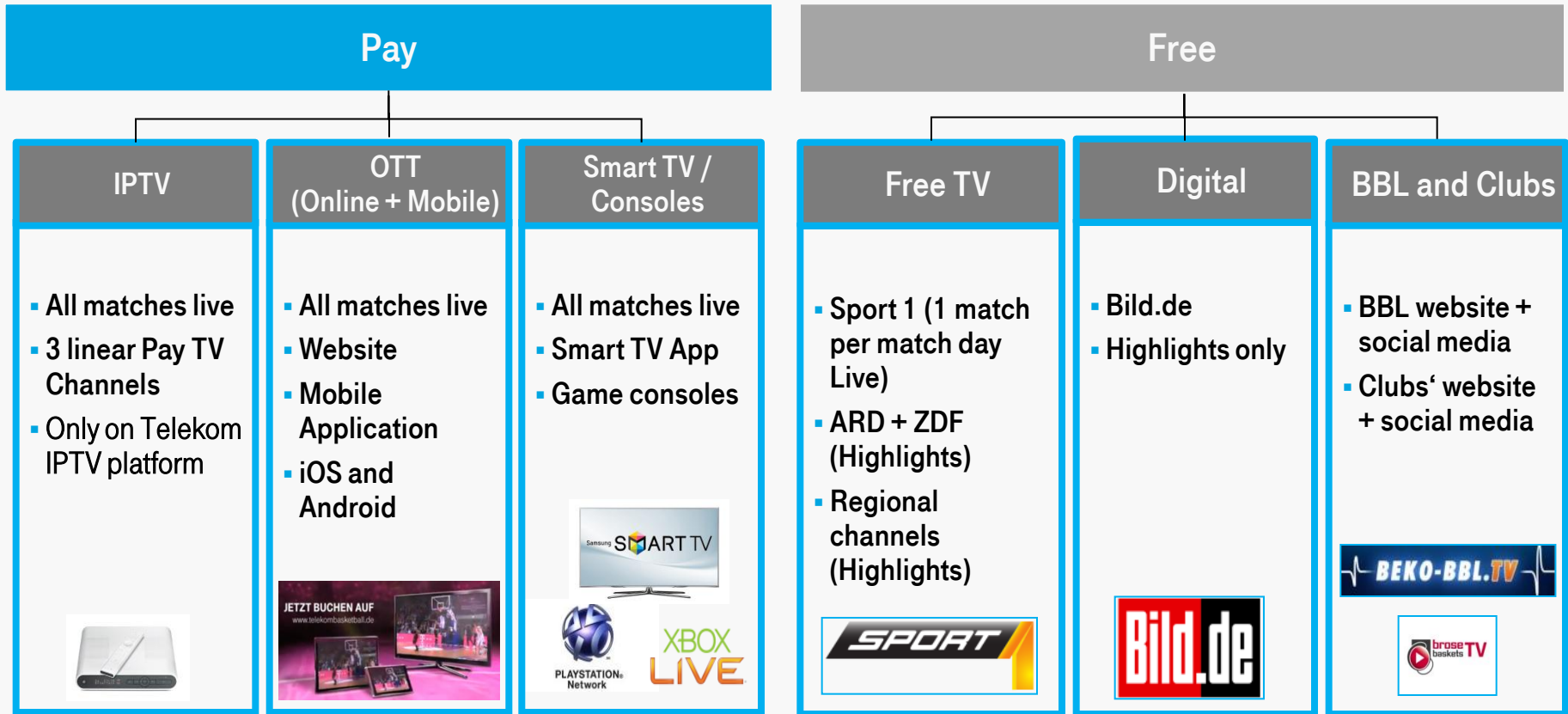
GAME REPORT



INTERVIEWS



Exploitation strategy



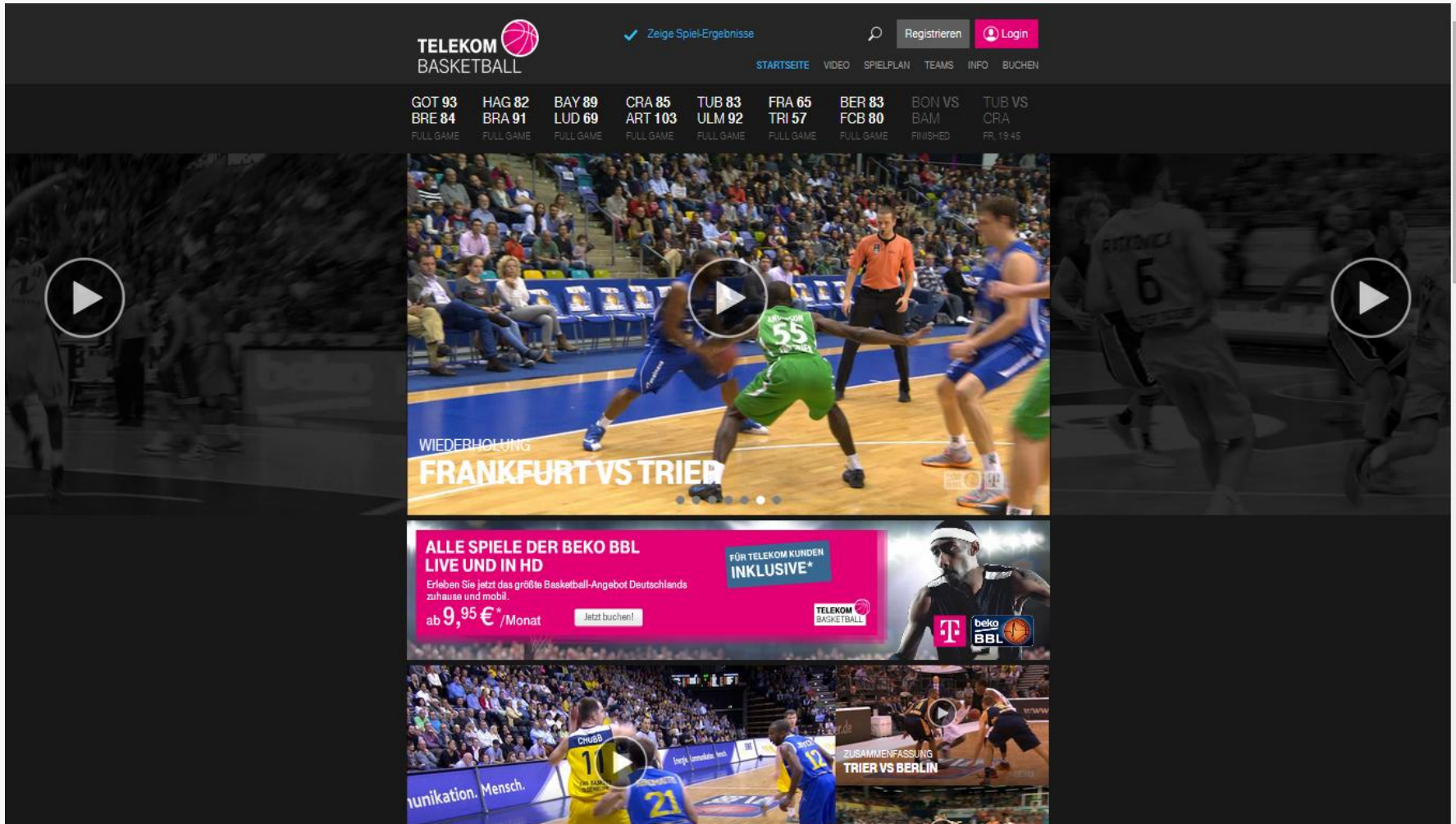
Subscription price 9.95 or 14.95 € per month

Marketing activities

- German Telekom marketing power to promote advantages for Telekom customers
- Free TV Media partners promoting Pay TV service
- League and Clubs promoting Free- and Pay TV services
- Social Media
- Digital Marketing



Screens



4. UEFA | Digital services EURO Qualifiers and final tournament



Source: uefa.com

Media Rights Situation EURO Qualifiers

Until 2014	Now
<ul style="list-style-type: none"> • All rights of Qualifiers matches are with the FA • Home team owns all rights • Most of the rights were managed by sports agencies (e.g. IMG, SPORTFIVE, Infront, Kentaro, ...) • Fragmented market situation • Huge difference in <ul style="list-style-type: none"> • Broadcasting Quality • Event design 	<ul style="list-style-type: none"> • All media rights of Qualifiers bundled by UEFA • Home teams remains marketing rights • Only one agency involved to sell centralised rights on behalf of UEFA • Clean market situation • Same high Broadcasting quality for all matches • Given event design from UEFA
<ul style="list-style-type: none"> • Final tournament marketed centralised by UEFA 	<ul style="list-style-type: none"> • Final tournament marketed centralised by UEFA

Video streaming service EURO Qualifiers

- **SPORTFIVE** was the agency with the biggest share of FAs in the EURO Qualifiers
- Owning rights to 180 of 280 matches and adding more by partnerships
- Offering live streaming internet service to close the gaps in the territorial marketing of media rights on own website videosport.com
- Team up with UEFA to leverage the reach and optimise the marketing
- Targeting expatriates abroad




Video streaming service EURO Qualifiers

- Offering pay per view for all matches
 - best streaming quality
 - 5.99 \$ per match pass
 - 7.99 \$ per match day pass
- Offering highlights to all matches free on
 - own platform videosport.com
 - UEFA website
 - YouTube
 - Other portal



Video streaming service EURO Qualifiers



The screenshot displays the VIDEOSPORT.COM website interface during a live football match. The main video player shows a match between MKD and RU, with a score of 0-0 and 07:09 on the clock. The interface includes a top navigation bar with the VIDEOSPORT.COM logo, a 'join me' banner for free instant web conferencing, and a search bar. The left sidebar features a 'On Now' section with a video player for the 'Czech Rep. vs. Scotland' match, scheduled for 08 Oct, 18.15 GMT. The right sidebar contains a 'Staples' advertisement for an 'Exclusive HP ink offer from Staples!' and a 'Get your coupon' button. The bottom navigation bar includes tabs for 'Latest videos', 'Most viewed', 'Highest Rating', and 'Recommended'.

VIDEOSPORT.COM

join me Get together with FREE instant web conferencing. Try join.me

Search

On Now

Starting Soon

Highlights

Archives

Czech Rep. vs. Scotland
08 Oct, 18.15 GMT
EURO 2012 Qualifiers match
Czech Republic vs. Scotland
played on the 08.10.2010, kick
off 18.15 GMT (20.15 CET)

Staples
that was easy.
Exclusive HP ink offer from Staples!
Hurry, limited-time offer.
Get your coupon

Euro 2012 Qualifiers
Top class international football from the EURO 2012 Qualification. See fantastic goals and all the good teams LIVE and On demand on VIDEOSPORT.COM.

Latest videos **Most viewed** **Highest Rating** **Recommended**

Video streaming service EURO Qualifiers

Facts and figures:

- More than 200.000 registered Users
- 70 % from the US
- More than 1 MM passes sold
- Best selling teams
 - Turkey
 - Greece
 - Bosnia
 - Poland
 - Croatia

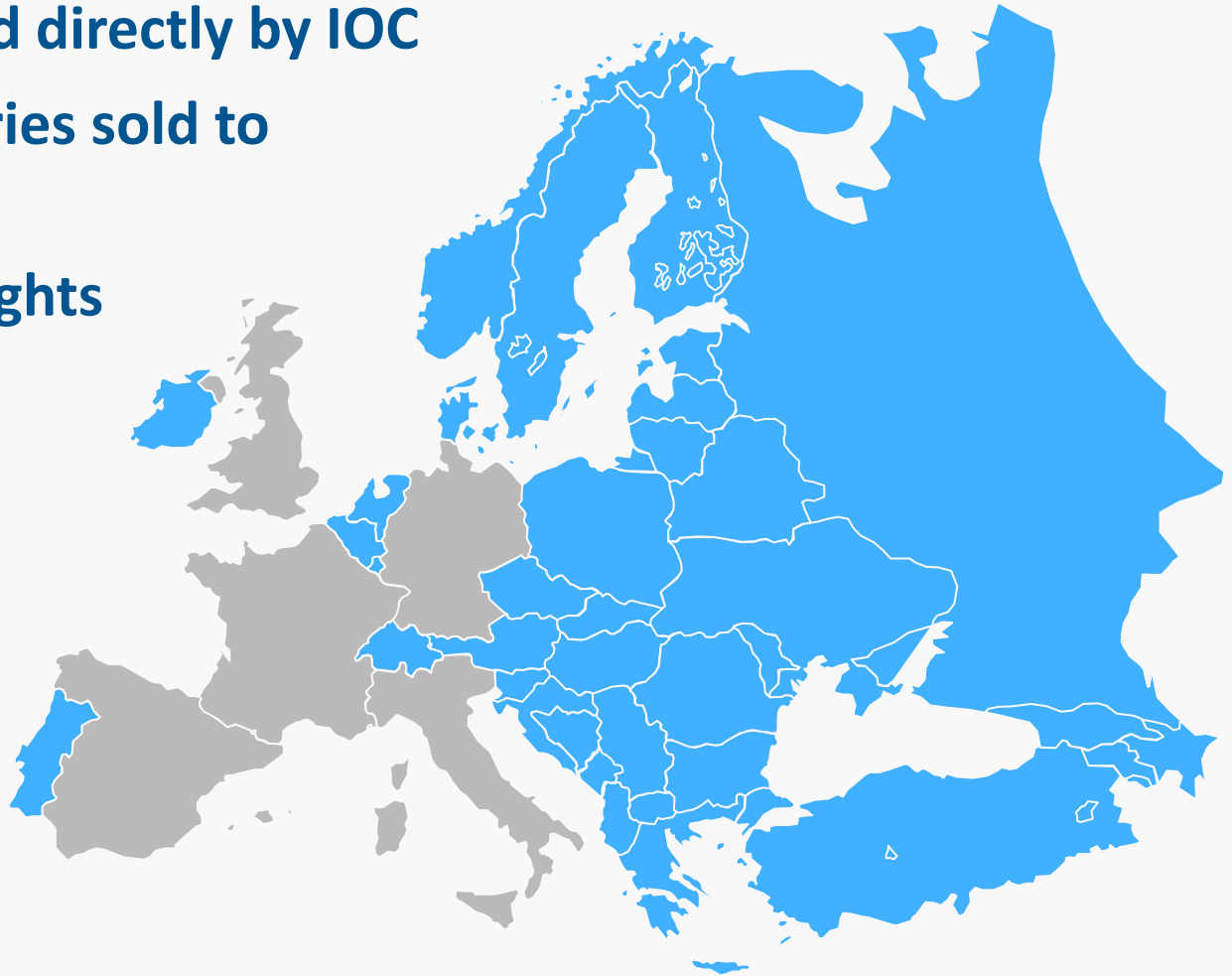


5. IOC | Digital media strategy Olympics 2014 and 2106



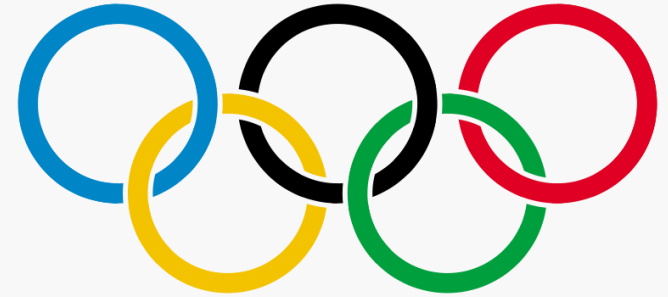
Olympic Games Media Rights Europe

- **Big 5 TV markets sold directly by IOC**
- **Remaining 48 countries sold to SPORTFIVE**
- **S5 free to package rights**
- **Heavy minimum broadcast obligation**



Olympic Games Media Rights

- Packages offered for Live and Highlights
- Sales process on a country by country base
- Live packages with pick rights for individual events/sports
- Trying to establish interest from Pay TV (mainly for team sports e.g. Football)
- Highlight package offered non exclusive also targeting digital platforms
- IOC offering coverage via YouTube in countries without exposure (for individual events/sports)



Olympic Games Media Rights

EVENTS & SCHEDULE	February																		
	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Opening/Closing Ceremonies			☆																☆
Alpine Skiing					🏂	🏂		🏂		🏂	🏂	🏂		🏂	🏂		🏂	🏂	
Biathlon				🏂	🏂	🏂	🏂		🏂	🏂		🏂	🏂		🏂		🏂	🏂	
Bobsleigh												🏂	🏂	🏂	🏂				🏂
Cross-Country				🏂	🏂		🏂		🏂	🏂	🏂	🏂			🏂			🏂	🏂
Curling																🏂	🏂		
Figure Skating		🏂		🏂	🏂		🏂	🏂	🏂		🏂	🏂		🏂		🏂			
Freestyle Skiing		🏂		🏂		🏂	🏂		🏂	🏂			🏂	🏂		🏂	🏂		
Ice Hockey																🏂		🏂	🏂
Luge				🏂	🏂	🏂	🏂	🏂											
Nordic Combined								🏂						🏂		🏂			
Short Track					🏂			🏂		🏂		🏂		🏂			🏂		
Skeleton									🏂	🏂									
Ski Jumping				🏂	🏂		🏂			🏂		🏂		🏂					
Snowboard		🏂		🏂	🏂		🏂	🏂				🏂	🏂		🏂			🏂	
Speed Skating				🏂	🏂	🏂	🏂	🏂	🏂		🏂	🏂		🏂	🏂		🏂	🏂	

Examples:

- **Package 1**
(1st , 3rd and 5th pick)
- **Package 2**
(2nd , 4th and 6th pick)
- **Package 3**
(all remaining events)

6. HC Donbass | Fan Engagement



Goals and objectives

Become the No. 2 sports team in Donetsk regarding following measures:

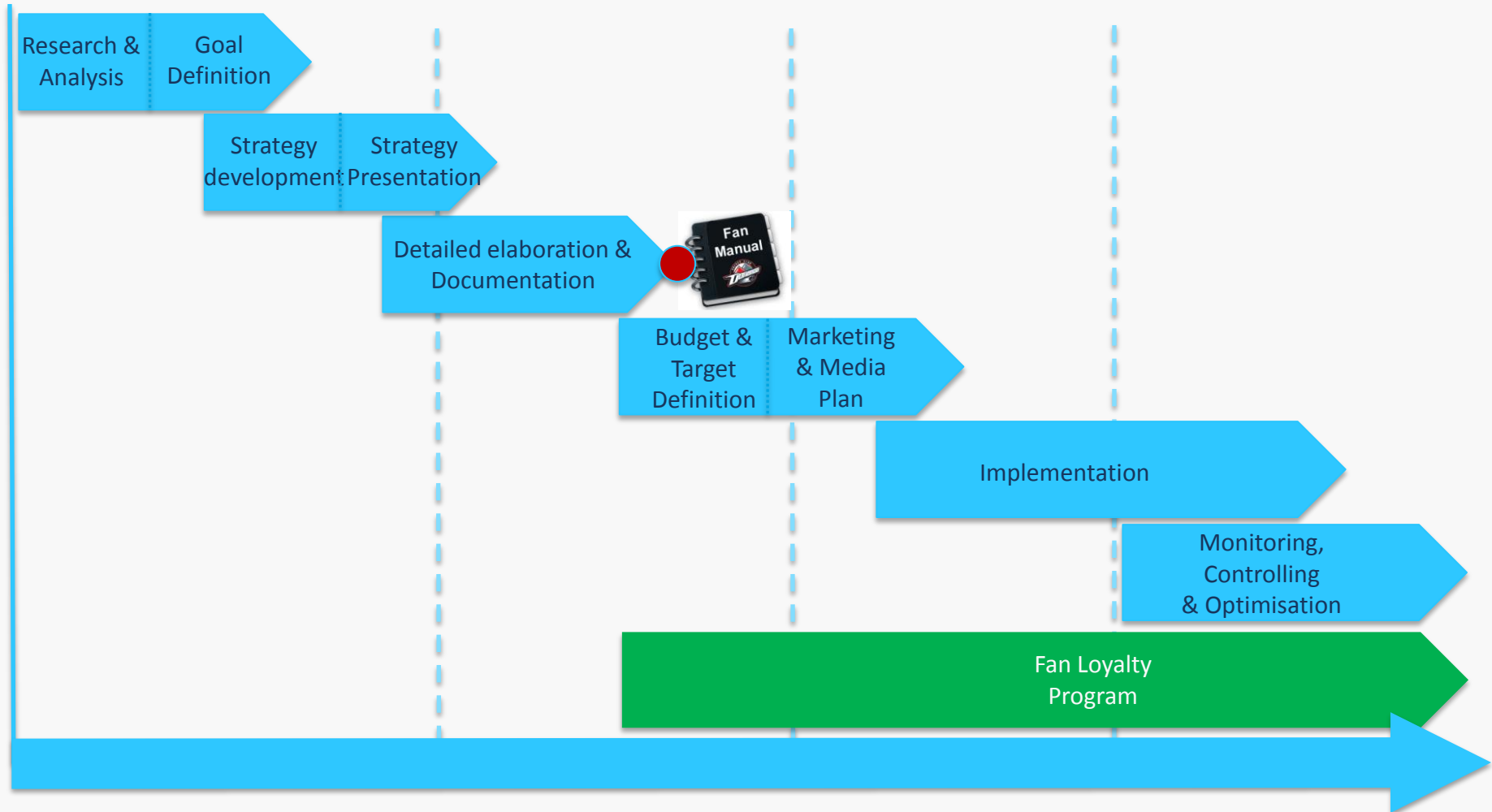
- Fans on social media platforms
- Members and official fanbase/ fan clubs
- Merchandising sales
- Media coverage
- Sponsorship
- Success

Higher demand for match day tickets to increase ticket prices

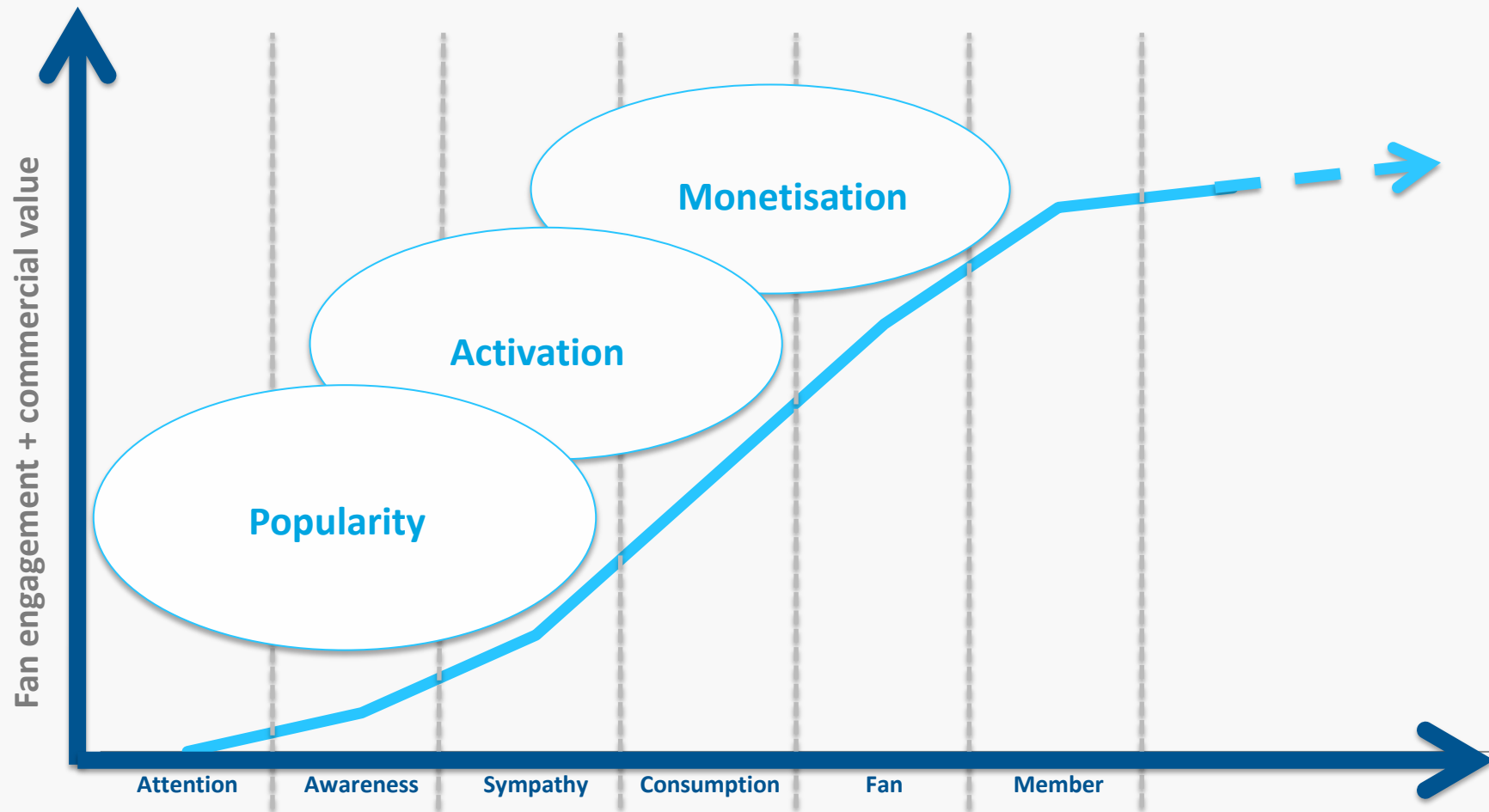
Hockey arena to be sold out every home match

→ Time

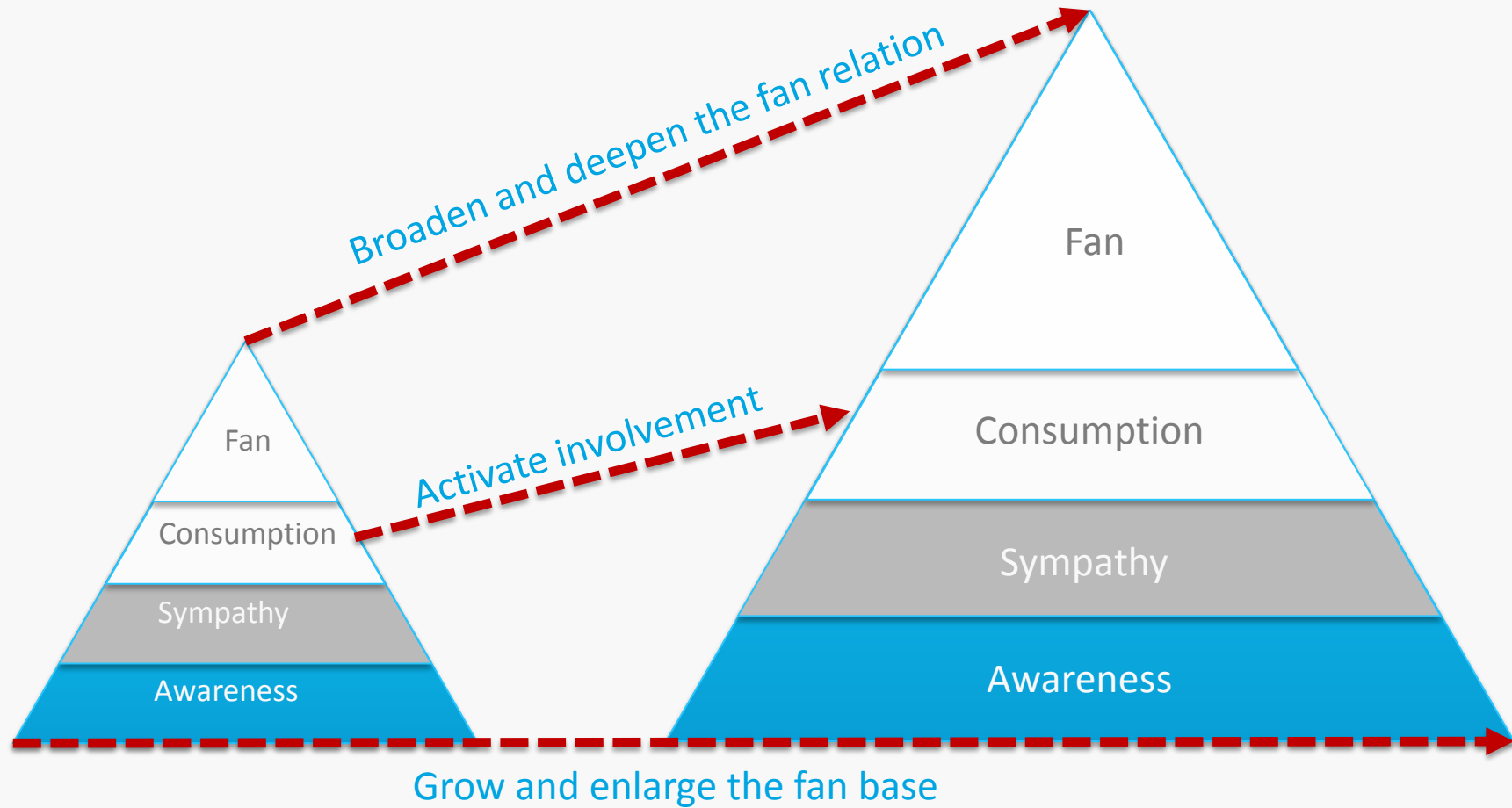
Approach of Developing Fan engagement strategy



Fan engagement cycle



Fan engagement



Focus on target groups

1. Students



- Age: 18-25
- Ambitious
- Interested
- Digital lifestyle
- Open for new things
- Like entertainment
- Go out with friends

2. Young professionals



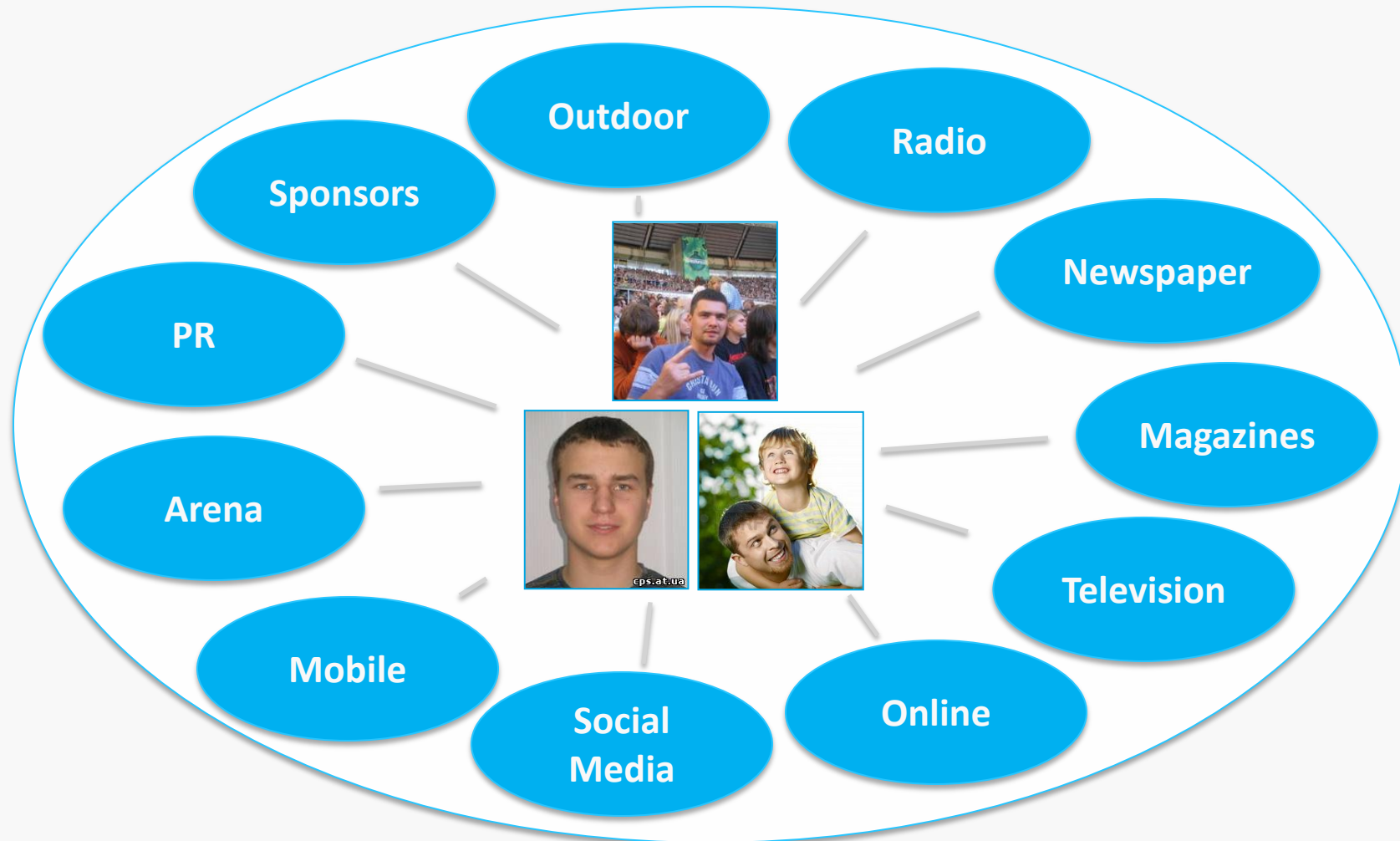
- Age: 25 - 35
- Ambitious
- Interested
- Digital lifestyle
- Open for new things
- Like entertainment
- Like spending money
- Modern life
- Like cool things

3. Family fathers










































- Age: 35 - 50
- Settled
- Family focused
- Digital lifestyle
- More money to spend
- Like family friendly events

Marketing & Communication genres

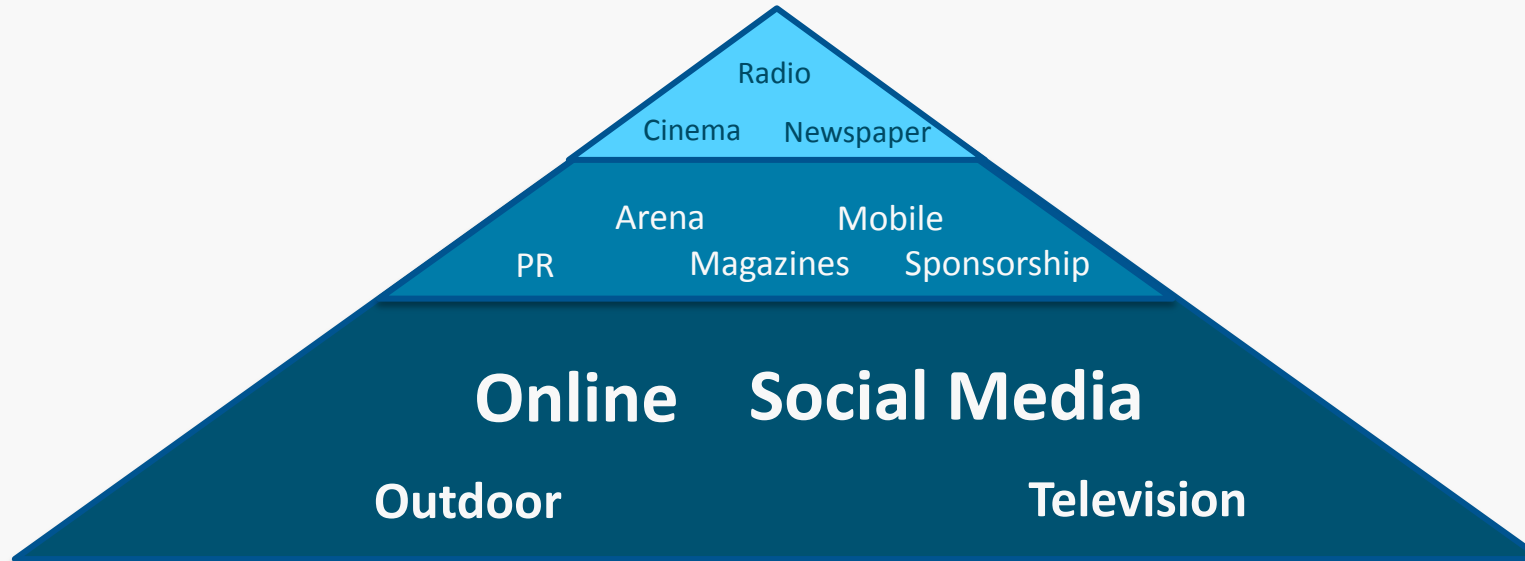


Evaluation Matrix

	Students	Young Professionals	Fathers
Outdoor			
Radio			
Newspaper			
Magzines			
Television			
Cinemas			
Online			
Social Media			
Mobile			
Arena activities			
PR			
Sponsoring			

-  Works well
-  Can work
-  Does not work

Marketing + Communication Pyramid



Category 1

- Online
- Social Media
- Outdoor
- Television
- (Sponsoring)

Category 2

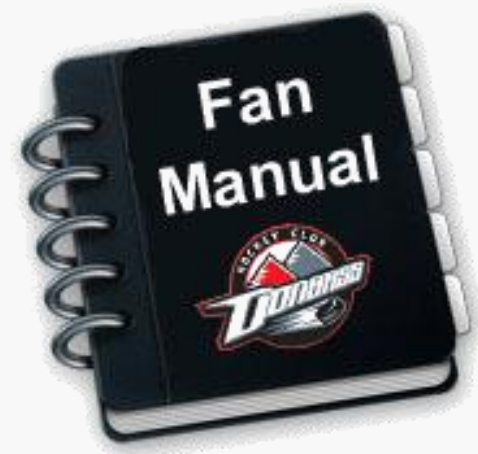
- Arena Activities
- Mobile
- PR
- Magazines
- Sponsorship

Category 3

- Radio
- Cinema
- Newspapers

Fan Engagement Handbook

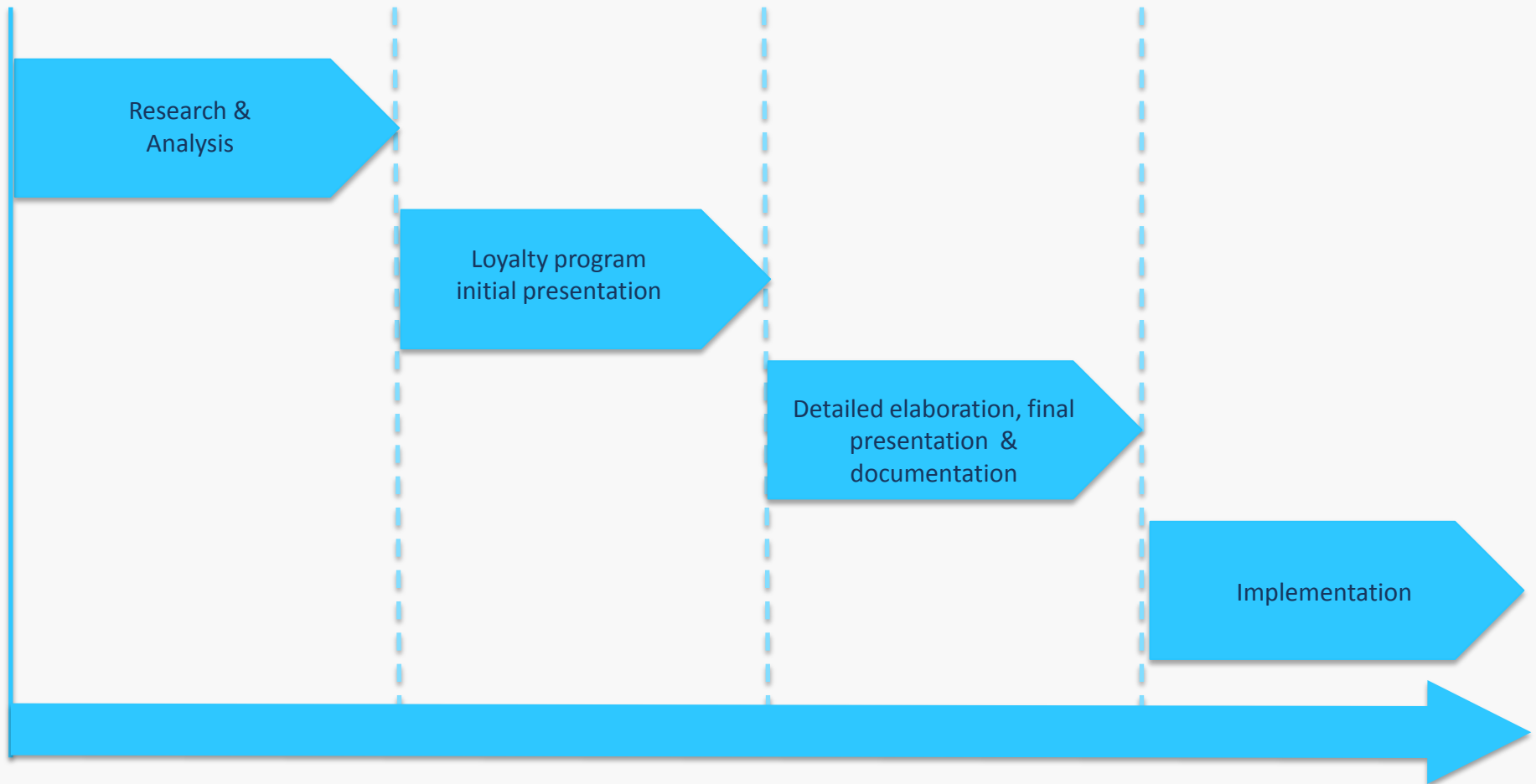
- Description of the focus target groups
- Personas and their behaviour in the different stages of the fan life cycle
- Description of all measures of the different Marketing and Communication genres
- Detailed evaluation matrix (Excel file)
- Fan engagement goals and KPIs
- Implementation guidelines



6. HC Donbass | Loyalty Program



Approach of Developing a Fan loyalty program



Introduction

Definition of Loyalty Program (LP)

Loyalty programs are structured marketing efforts that reward, and therefore encourage, loyal customer behavior — behavior which is potentially beneficial to the program organiser (e.g. the club)

Loyal customer behavior can be more transactions per customer, more revenues per customer, more customers activated through existing customers.

Source: Wikipedia

Main reasons for setting up a Loyalty Program

- 1. Animate customers to increase their purchases or to do other activities**
- 2. Tightening the relationship to customers**
- 3. Getting competitive advantage**
- 4. Gathering information on customer behavior**

Samples: San Diego Padres (MLB)

- Frequent Friar Rewards membership card
- Padres "SD" lanyard for new members
- 20% off discount ticket voucher
- Access to special pre-sale opportunities for Padres Tickets, Padres Post-Season Tickets, and other PETCO Park events
- Earn 1 point for every \$1.00 spent on Padres single-game tickets.
- Frequent Friar Rewards points are cumulative during the season.
- Rewards start with 100 points earned.



Samples: Hertha Berlin Bank Card

- Bank Card in cooperation with a local Bank
- Free bank account for fans
- Special interests on mid term deposits depending on the performance (goals) of the team
- Special saving account for kids
- Discounts on Tickets and Merchandising
- More than 30.000 participants since 2006



Samples: Lufthansa Miles & More

- Most successful European airline frequent flyer program
- More than 20 million participants (worldwide)
- Earning miles (the internal currency) for flights, with more than 250 other partners (Hotels, rental cars, online shops) or by using the credit card
- Spending miles for flights and hundreds of other premiums.
- The program has four tiers with increasing benefits for the participants.



Types of Loyalty Programs

1. Simple discount linked to purchases or activities

2. Buy x get one free model

3. Tiered rewards for collecting points (with Loyalty card)

4. Multifunctional loyalty card

Goals for HC Donbass Loyalty Program

From our work on the fan engagement strategy we derived the following goals:

- 1. Increase the average number of home matches visited per fan per season (not only tickets but also showing up in the Arena)**
- 2. Increase the revenues per fan per season (buying more tickets, buying more merchandise, buying more food and beverages)**
- 3. Activate more fans (by rewarding fans for bringing new fans to the club)**
- 4. Increase the CRM database**
- 5. Learn more about the fans and their habits**

What kind of LP suites for HC Donbass?

A loyalty program with tiered rewards for collecting points seems to be the most suitable model for HC Donbass

- The neutral currency of points allows to integrate different goals into one program
- New goals and activities can be added easily to a later stage
- HC Donbass already invested in a CRM system that can be used



Collecting points & Rewards

Points should be given for

Club activities:

- Buying tickets and visiting matches
- Buying merchandising
- Buying food and beverages
- Doing certain online activities (e.g. Like on Facebook, ...)
- Becoming member of a fan club

3rd party activities:

- Buying products at a sponsors or partner
- Subscribing to Hockey channel

Rewards should be HC Donbass products only (samples):

- Free Tickets
- Caps or Scarfs
- Vouchers for free food or drinks
- Facebook badges
- Meet and greet with a player
- Signed shirt of hockey stick
- Hospitality tickets

Thank You!

Philipp Wessel

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