

WHITEPAPER

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# SPORTS BRANDS: MANAGING THE FAN LIFECYCLE

Fans are changing the way they interact with digital sports content. Sports organisations need to manage and engage those fans throughout the lifecycle.

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## 2.0 Introduction

The sports industry and its relationship with fans has shifted and evolved in recent years. Fans now engage with their favourite sports in more meaningful ways. Sports organisations need to nurture and leverage long-term fan relationships, but there are difficulties in today's digital landscape. Fan insights are the fuel for the engagement fire. These insights can be gained through intelligent interaction, data collection and by implementing a clear value exchange between the rights holder and fans who consume content and purchase products.



Football clubs, for example, generate revenue across three main verticals; match day, commercial and broadcasting. This whitepaper will primarily address broadcasting, with a key focus on digital and reference commercial and match days where relevant.

For many sports organisations, it is no longer simply about packing out a

sports arena on match day. Instead, it is about engaging with fans pre-match and post-match - and even on match days - across digital platforms and communication channels. As the sports environment continues to evolve, sports brands and rights holders need to consider what tactics and technologies they can deploy to enhance fan relationships. Also, they need to streamline subscriber experiences and grow revenues both internationally and domestically, while developing relationships and communicating intelligently, pushing personalised content and products to the right target audience and fan personas.

## 3.0 Managing the Sports Fan Lifecycle

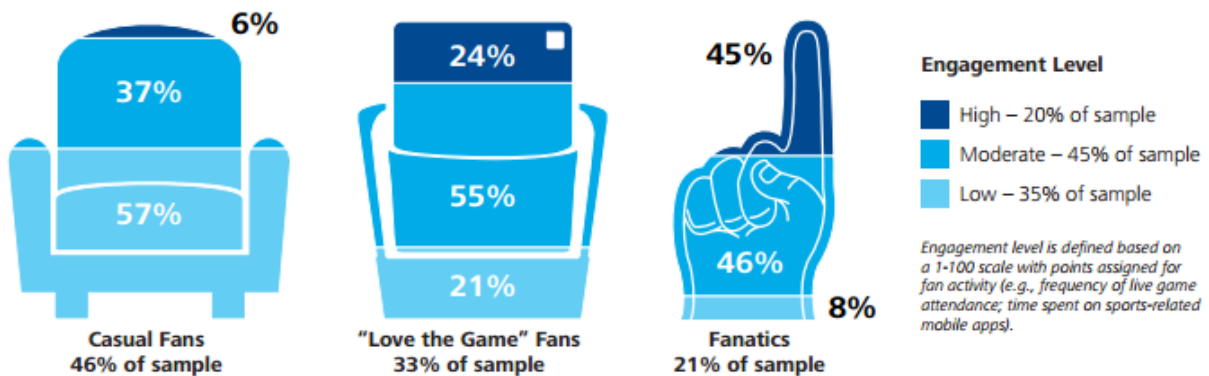
The loyalty and engagement that exists in sports is something brands and companies in other industries look to with envy, especially as fan engagement drives new initiatives in the market. While there are many opportunities, there are also several considerations organisations need to look at and develop to fully leverage them throughout the fan lifecycle.

Sports organisations are waking up to greater opportunities to extract value from their media rights, offering more compelling services and content for their fans across multiple digital platforms.

### 3.1 The Fan of Today

Before adapting an engagement strategy for the fan lifecycle, it is worth noting that sports fans are not what they were five or ten years ago.

Being a sports fan is more than just donning your favourite team’s kit or singing their terrace songs. It is about being something bigger, being a part of the club, something that can be positive and uniting. While they might still purchase every new kit, and attend every game, they also want to interact with their favourite team as much as they can. Doing so at any opportunity, whether that it is before, during or after games. Today’s fans have a range of entertainment opportunities within their reach, which stresses the importance of providing the best experience at every touchpoint.



(Source: Deloitte)

During games, during breaks, fans continue to engage with the action, using their mobile devices to check out related content, reliving any points or goals scored, posting about the games, live injury updates, checking fantasy stats and even betting. Some stadiums have already taken note of the way fans interact during games and matches, with London’s Wembley Stadium, for example, providing fans with Wi-Fi hotspots as part of their ticket, enabling them to download apps which connect fans to related services during games.

The sports fan of today:

- 79% of fans believe tickets to live sports are overpriced
- 94% of people watch sports live<sup>1</sup>
- Fan consumption of sport-related videos increased 75% the night before a live event
- 73% of fans believe it is important to have access to sports content whenever they want<sup>2</sup>

Sports fans have an insatiable appetite for content. This provides organisations with the opportunity to entertain and engage with their fans more often, helping to develop and foster fan relationships. A great example of this would be the popular #GoalsRecreated series developed by BT Sport to promote their football content across their channels and drive interest outside match days. A combination between content initially created by the brand, and user-generated content thereafter.

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## 3.2 Leveraging Fan Data

Data is the new oil when it comes to lubricating strategies and growing revenues. For sports organisations, it provides that extra insight into fan behaviour. Data is a raw material which needs extracting and refining for usable products and data-driven offers. Without this insight, sports organisations will struggle to improve the fan user journey, optimise experiences or create personalised services.

With fans accessing online services, matches, retail and game experiences in different ways, there are multiple data collection opportunities for sports organisations. This data will provide greater insight and drive monetisation opportunities. These fans provide organisations with behavioural intelligence, including:

- Purchasing habits; online, in-store and on match days
- Visiting habits; mega store, match day and hospitality
- Frequency and geo-location insights
- Content, tags and metadata
- Genre and category
- Hospitality and travel preferences

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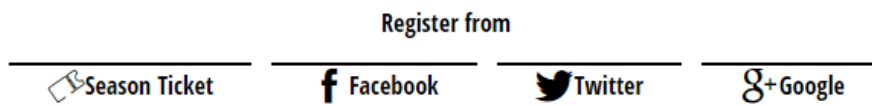
<sup>1</sup> *The Future of the Sports Fan*, Performance Communications, 2016. [Source](#)

<sup>2</sup> *How brands can find the appetite of the 24-hour sports fan*, Ian Hsieh, September 2016, The Drum. [Source](#)

Collecting fan intelligence enables organisations to create personalised and optimised engagements by building interactive journeys, where the data is harvested in many ways. This information can be collected, analysed and used to enhance the experience for the fan. Brands can use this information to surface more relevant news, product information and content to appropriate fan personas, or create compelling incentives with clear calls to action. Thus, motivating anonymous online fans to convert, register, engage further or become a paying subscriber.



## Juventus Fan Account registration



An issue many sports organisations have faced, with online services, is that until a consumer registers there is only limited information available about them. Digital fingerprinting is enabling organisations to overcome this problem by analysing many different datasets, including:

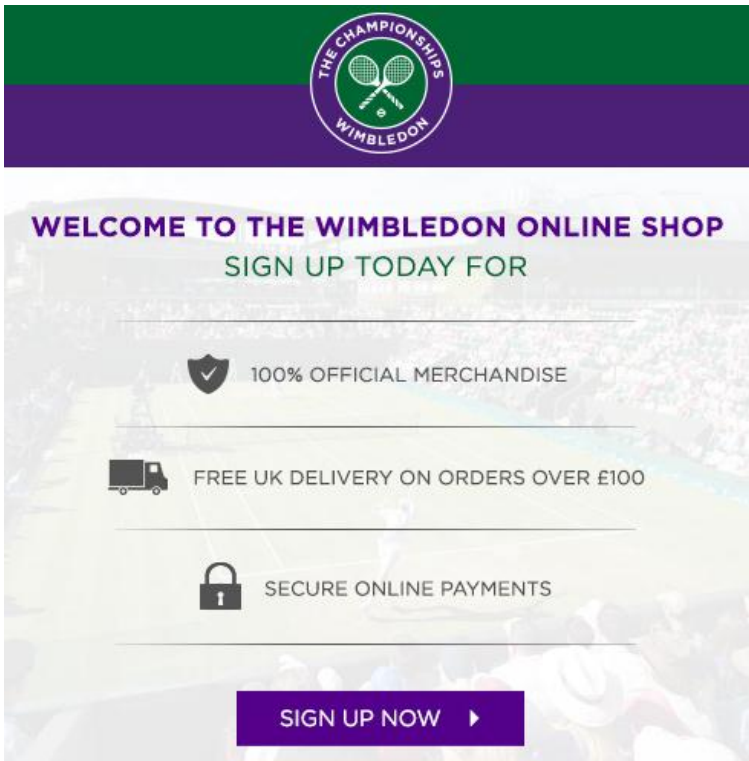
- The device and browser type being used
- Country, language and time zone
- Whether ad-blockers or plug-ins are being used
- Browser access rights
- Type of content generating most interest

This technology tracks characteristics of an anonymous visitor, enabling organisations to target the fan with conversion communication. Post-conversion, sports brands can progressively profile them to gain even greater insight, based on usage, contact history, purchase history and other interactions. Leveraging data from the viewing and behavioural habits assigned to fan profiles will help organisations to keep their fans engaged and enjoying the services.



### 3.3 Collaboration with Merchandise

As fans engage with and purchase various products and services associated with their favourite team or sport, organisations can collect a range of insight about their fans. However, this insight can only be fully leveraged if brands unify their digital presence with in-store and at-game products and services. A single fan view across all digital properties, coupled with retail, is the holy grail for rights holders, clubs and federations alike.



The collaboration of additional digital offerings with merchandise sales, both in-store and online, needs to become a key part of a sports brand's business strategy.

Gaining knowledge of fan touchpoints with the brand helps sports organisations to understand what products or services are engaging the most, generating the most revenue, and - ultimately - which products need removing or changing to become more compelling. For example, geo-focused offers and communication across core products, such as merchandise, ticketing and digital.

### 3.4 Fan Relationship Management (FRM)

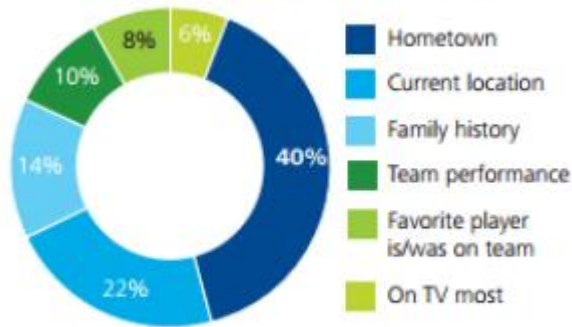
Sports organisations are acknowledging the importance of managing the balance between sporting and commercial considerations. Fan relationship management is taking an even higher position on the strategic agendas of a range of sports organisations, beyond the brand's traditional product and service offerings. Part of this stems from the fact that these organisations can improve relationships and revenues by better understanding the needs of groups, individuals and segments.

Sports fans have cultural and emotional ties to their favourite sports and clubs, which distances these sports brands positively from many brands outside of the industry. Thereby, providing more insight and information which sports organisations can use to improve engagement between the business and its customers.

### 3.4.1 Fan Loyalty

Loyalty goes a long way in the sports industry. Sports fans choose their allegiance based on various criteria, such as their locality, favourite players, the success of the club or family traditions of watching a certain team.

**Primary reason for team loyalty**



(Source: Deloitte)

A club or team's highest valued fans are of course those who have built their lifestyle around the club's identity and attend matches, purchase merchandise and watch every game. Long term relationships are essential in the sports industry and building loyalty through clear and distinct value-exchange programmes will heavily influence the likelihood that fans will share their good experiences and consume more products and services. Developing this loyalty is critical for sports organisations of today, especially as fans can interact with their favourite sports through a range of touchpoints.

### 3.4.2 Single Fan View

As fans have already chosen their favourite team, the challenge for many sports organisations is focusing engagement initiatives on surface-level offerings or products to enhance the fan experience. Sports brands are looking to deepen their engagement with the existing fan base and make the experience attractive to those who have not previously engaged, such as international fans, to grow the number of fans and paying customers.

Fans can access a range of services and experiences associated with their favourite sports team or club. Their engagement and interaction with these services provide greater insight into their personal preferences, specific tastes and the strength of their loyalty, enabling organisations to deliver relevant packages and services.

To better understand fans and subscribers, it is essential to have access to their information in a central repository. A centralised platform enables organisations to access all customer data and records in a single view, across multiple engagement points, territories, products and languages, to further develop relationships across all digital properties.





Leveraging a platform such as eSuite, an advanced eCommerce platform empowering sports companies to monetise digital content and physical products, sports brands have access to information throughout the complete fan lifecycle. With this level of insight, from registration, authentication, purchase, delivery and entitlement management, upgrade, progressive profiling, support and subscription renewal, organisations can build closer and more engaged relationships. Sports brands can analyse everything from a fan’s favourite player, their interest and specific search items, to the type of device the fan is using, as well as their geographical location.

Utilisation of this data enables organisations to offer tailored packages to audiences, create personalised fan user experiences and innovative offers, maximising conversion rates and helping to foster loyalty.

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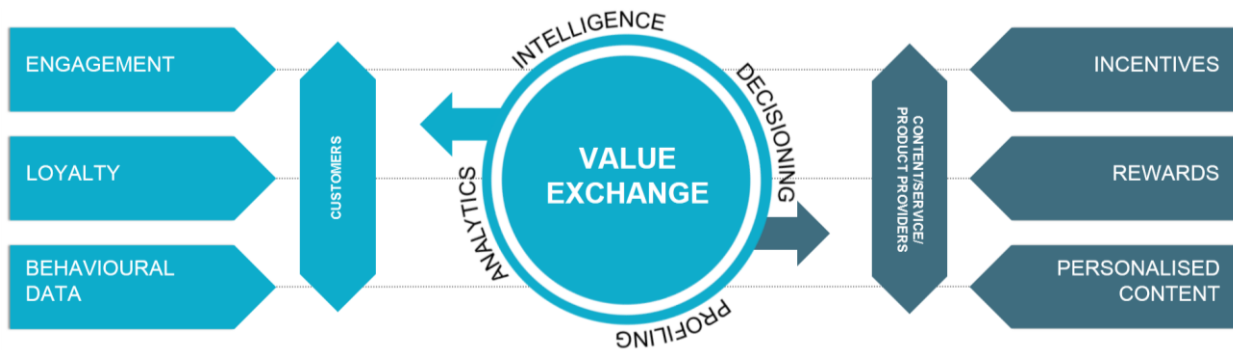
### 3.5 Maximising Conversions

Once fans have already established their allegiance they want to engage with their favourite teams or organisations in some format. What sports organisations need to understand is how to get these fans to interact with the additional services on offer. Within sports, it is vital to promote a value exchange to entice fans to pay that little bit more to support their team.

With it costing on average 6 times as much to acquire a subscriber as it does to retain one, it is essential that the tactics being leveraged are driving results.<sup>3</sup> Experience in the market has shown that to maximise conversions it is critical for sports organisations to incentivise audiences.

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<sup>3</sup> *It is 6 Times More Expensive to Win a New Customer than to Retain an Existing One.* Tricia Morris, March 2016. Business 2 Community. [Source](#)



These brands need to be creating compelling value propositions and incentives for anonymous fans to encourage data sign up, increase database volume and engagement with the club or team products and services.

### 3.5.1 Offers & Free Trials

Sports fans are willing to pay for access to additional content or products when it comes to their favourite teams, with 'super fans' spending £20 billion each year.<sup>4</sup> However, they can only interact and spend where opportunities exist. Clubs should offer compelling video services with exclusive content, content not available via linear broadcasters – content with value.

As fans engage with sports all year round, not just during match season, sports brands can be tapping into their fan base on a regular basis, providing additional ways of engaging with the sport. Many sports clubs garner fan bases internationally, Liverpool Football Club, for example, has over 200 Official Supporters Clubs across 50 different countries. Clubs can reach out to these audiences with enticing offers, helping to develop fan engagement with the club, the sport and services.

To tap into and provide these dedicated fans with additional sports content and products, set up an array of fan-facing incentives to entice them to become a customer or subscriber. With a platform such as eSuite, sports brands have access to functionality to create offers for a range of sports services, including:

- Free Period Offer
- Low Start Offer
- Percentage Discount Offer
- Trial Subscription Offer
- Timing/Contextual Based Offers (e.g. Important Fixtures)
- Refer a Friend or Gifting

<sup>4</sup> Meet the sports super fans spending £20billion each year, Ruki Sayid, June 2016, Mirror. [Source](#)

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Introduce a free trial period for fans to sample the additional content and club insight on offer. There is also the opportunity to take payment details when the fan registers, but not charge them until the free trial period has lapsed and they roll into a monthly or yearly subscription, dependent on the service.

Offers can be leveraged in a similar fashion, such as by providing a discount for joining the service (1 month free in a 12-month subscription). This reduces barriers to entry and if the fan feels they are getting good value for money, plus getting more from their favourite team, they are more willing to sign up and pay.

### 3.5.2 Voucher Codes

Organisations can also leverage voucher code functionality for a variety of promotions. These can then be used to target different audiences and different segments of fans:

- Registered Fan: a personalised voucher based on their interaction with the club and its products, which converts them into becoming a paying subscriber.
- Engaged Subscriber: offer a voucher code which provides a month free if they recommend a friend to the service.
- In-store Fan: offer in-store fans vouchers and discounts to leverage online on receipts.
- Long-Serving Subscriber: reward loyalty by providing early access to exclusive content and VIP services and events.

By leveraging offers, voucher codes and free trials, sports brands can encourage increased traffic, engagement and conversions. This helps to not only grow revenues but develop fan relations and help to foster loyalty across a club's multiple destinations and channels.

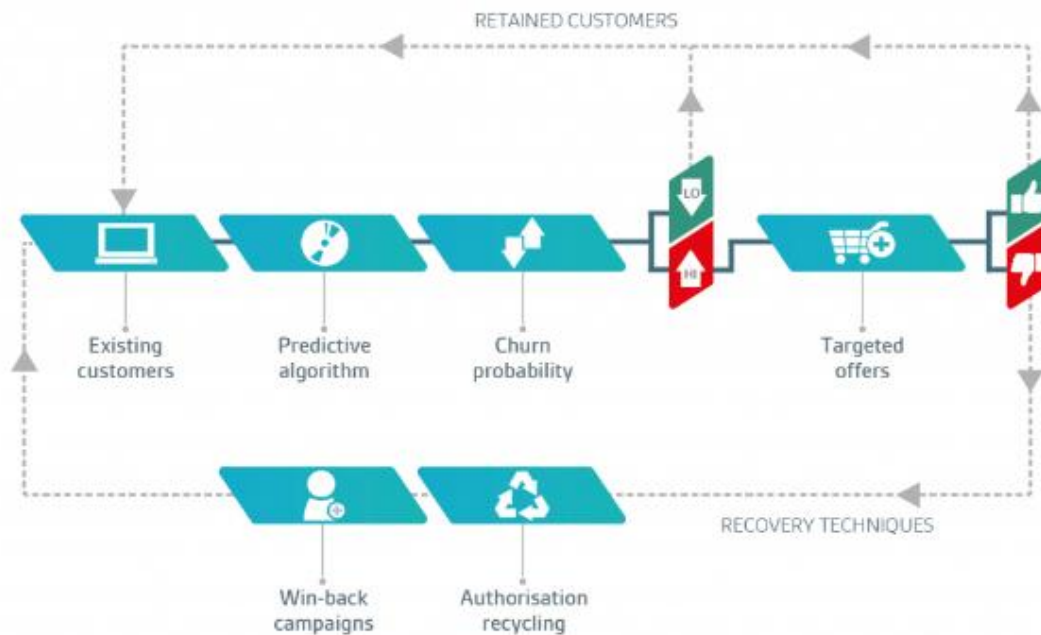
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## 3.6 Minimising Churn

Engaging with fans at every stage of the lifecycle has become a key part of the business strategy for sports brands. As the focus on engagement has grown, organisations look to increase conversions and grow revenues. However, it is similarly critical to retain these fans, customers and subscribers and protect revenues, which is where churn management comes in.

Churn is an issue across multiple business areas for sports organisations, for example, season tickets, memberships, premium content and even club-specific OTT services.

Sports organisations can now protect subscription revenues with predictive churn algorithms and the application of advanced fan retention services.



### 3.6.1 Voluntary Churn

Reduce the number of paying subscribers churning voluntarily by implementing technology to both prevent cancellations and attract churned customers back to the service.

During the cancellation flow, a proven tactic has been to ask why the fan is wishing to cancel their subscription. Much of the time, the main factor is price, at which point the sports organisation can offer a reduced monthly fee for a limited period of access to the service.

Sports fans have a deeper relationship with the services available from their favourite sport or club, so although they might be voluntarily churning, this does not mean they do not still want to engage with it. Sports brands can reach out to churned customers with win-back campaigns, presenting enticing offers or discounted subscriptions based on their interaction with the sport and its services previously. Fans are more likely to return to the service if they feel valued and recognised, and they are provided with a more personalised experience or offer. This again highlights the importance of having insightful data available and leveraging it to help maintain and grow revenues and engagement.

### 3.6.2 Involuntary Churn

Involuntary churn can represent a significant amount of revenue a sports organisation is losing needlessly. Leveraging eSuite's Retention & Recovery module, brands can boost existing subscriber revenues and reduce the amount of revenue losses.

- Card Expiry Date Validation: validate card expiry dates for a renewal cycle to ensure a successful subscription renewal event.
- Automatic Account Updating: ensure the most current card information is used during authorisation attempts, reaching out to authorising banks ahead of payment.
- Grace Periods & Retry Rules: leverage flexible multi-layered time-based retry rules, which are both configurable on an individual subscription and on a global basis.

Using retention and recovery technology, sports organisations can reduce cancellation numbers by over 70% and dramatically increase retention. Many fans who have chosen to subscribe want to continue engaging with the service so by preventing churning from happening involuntarily, sports brands can help to retain and maintain positive relationships with them.

### 3.6.3 Predictive Churn

Leverage predictive churn technology and accurately identify subscribers who are at high risk of churning. This knowledge enables sports organisations to adopt preventative measures to help retain those subscribers and protect revenues. eSuite employs Machine Learning techniques which enable organisations to understand consumer behaviour and prevent churn before it happens.

The technology analyses historical data of existing fans and subscribers to understand at which point they engaged with the service, when they purchased the product or service, their engagement since subscribing and then forecasts a churn precision rate. In live environments where predicted churn was measured against actual churn, precision rates of 90% to 98% were achieved.

While 5% of subscribers churning might not seem like a significant percentage, if you take into consideration the amount of revenue it represents, it can have a serious impact on established services. Even a small reduction each month significantly affects fan/subscriber count and revenues in the long term.

### 3.7 Performance

Fans demand more from their favourite teams and sports brands, therefore it has become critical to implement a platform which is scalable and adaptable. This will enable you to not only meet the demands of the business but also to manage the demands of the constantly evolving market.

By leveraging a flexible platform such as eSuite, which features a host of APIs, an SDK and rich functionality, sports organisations can shape and modify their products and service offerings quickly, easily and efficiently. This ensures the brand is better equipped to accomplish all their objectives, despite fan behaviour continuing to change.

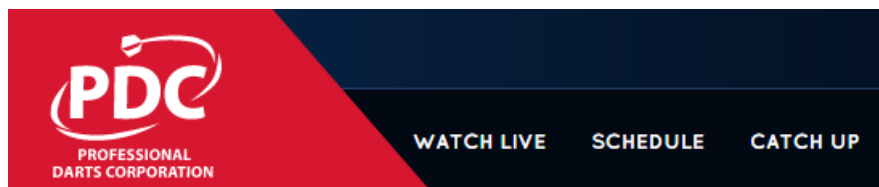


## 4.0 In Summary

Fan relationships with clubs and organisations are evolving within the sports media industry. They are now able to engage with their favourite sports team through more channels, platforms and touchpoints than ever before.

Compared to other industries, sports enjoy a level of customer loyalty other sectors simply cannot, due to the tribal nature of fans supporting their favourite team. Sports organisations need to leverage these relationships effectively to build stronger and longer term fan engagement.

Organisations must be able to compete in this way to appropriately service their fan bases in a marketplace which is heavily diluted with content, due to the proliferation of connected devices and new media services.



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Many in the sports industry are currently not at the forefront when it comes to measuring, developing and growing value from fan relationships, with little engagement beyond the season ticket holder population and cold data, data across disparate systems. This means there is a great opportunity for sports brands to begin to manage and engage at every touchpoint in the fan lifecycle.




To invest in players and other performance conditions, leading to good sporting performance and better business outcomes, sports brands depend on generating revenues and profit. For many sports organisations, it is much more than simply filling a stadium; sports brands need to engage with fans in the build up to, during and post event. As the sports environment continues to evolve, organisations need to leverage tactics and technology which enable them to enhance fan

relationships, streamline subscriber experiences and grow revenues across multiple channels and international audiences.

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## 4.1 Contact Us Today to Learn More



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