

EHF-Vortrag

EHF Club Management Seminar

Do., 29.5.; 15:15 Uhr

Park Inn

Media Strategy Brain Games

- How sports clubs position themselves for a successful branding in mass media -

Introduction:

In a way americans are blessed to have the skill to express complex issues in a very simple way.

In this matter you can say that Larry Baer, the president of the baseball-club San Francisco Giants, is a typical american.

Not long ago he stated **(FOLIE)**:

„We're in the baseball business and we're in the content business. Those two businesses are morphing together. It's not just television. It's internet and every other way you can provide content to your fans. We have 41,000 seats, but we have to be delivering content to a lot more than 41,000 people. It's hundreds of thousands, millions of people, and you can do that if you're in the content business effectively.“

Baer points out what we can see in the past years all over the world

More and more sports clubs produce their own media content. Concerning this matter they use groundbreaking, innovative media strategies.

In a way you can say more and more sports unions and sports clubs are becoming media companies.

In my speech I am going to point out **(FOLIE)**:

- a.) how sports clubs used groundbreaking, innovative media strategies and how some of them became (in a way) media companies.
- b.) why it is useful and promising to think about media strategies as a sports club (in a way to jump on the bandwagon) and
- c.) which opportunities and chances (mainly concerning product policy of sports clubs) are associated with clever, well thought media strategies.

(FOLIE)

A. What kind of development - concerning media strategies - can be seen in a global context?

I would like to work this out by a few interesting case studies

Let's have a look at the media games of the New York Yankees

(FOLIE) Case Study 1: Media Games of the New York Yankees

In the year 2002 the US-baseball club New York Yankees decided to break away from the cable network operator *Cablevision* - a very big player in the US-media market who can give access to broadcasting.

The club refused to sell their TV-rights anymore to *Cablevision*.

They disassociated from their original model of licensing and started a special media project with *Goldman Sachs* and the *New York Nets*.

Background of this decision are specialities on the US media- and sports market.

TV-rights are not only allocated nationwide, but also regional - especially in metropolitan areas.

And: The TV-signal can be fed in by sports clubs.

Therefore they can manage to install their own TV-channel.

Furthermore: The New York Yankees are a franchise and thus not subordinated serving the public good. They are allowed to think more economically than many European sports clubs.

In 2002 the New York Yankees finally decided to built up their own TV-Channel - the „*Yankees Entertainment and Sports (YES) Network*“.

This metropolitan TV-Channel on a regional level concentrated mainly on live-content of games of the New York Yankees. Furthermore they aired content about the *New York Nets* (NBA) and *New York Giants* (NFL) frequently.

This initiative based mainly on the fact that the New York Yankees are worldwide known but are worldwide not watched by many people.

Setting up their own TV-Channel they tried to improve their image - like you can see on the Image-Trailer 2014 .. **(VIDEO)**

Some fine PR; quite some interesting technical issues . . .

But image improvement was not only important in the New York area but also internationally by forcing international alliances.

For example with the Premier League Club *Manchester United* and later on with *Arsenal London*.

(FOLIE) Case Study 2: The Superclub-Marketing-Project

(FOLIE) The New York Yankees and Manchester United agreed one year before on a SuperClub-Marketing-Agreement

Orchestrated by none other than George Steinbrenner (owner of New York Yankees, in parts owner of the New Jersey Nets and New Jersey Devils), this historical merger, the most lucrative in the history of sports, basically added up to revenue sharing and streamlined marketing between the two largest, richest clubs in professional sports.

Not only did Steinbrenner's plan include televising ManU matches on his YES network, it send Bernie Williams and Derek Jeter to Old Trafford for a British Tour, bring David Beckham and Fabien Barthez to Yankees Stadium for a US Tour AND, perhaps most significantly, capitalize on marketing by posting the one's insignia in the other's stadium and selling their trans-Atlantic counterpart's merchandise in each team stores.

The New York Yankees and Manchester United, both, wanted to get more popular: The New York Yankees in Europe and Asia. Manu in America.

That it worked out you can see on their Facebook-sites.

Both clubs do have a huge follower number **(FOLIE/2)** and under two percentage of their followers out of their region.

And a large, increasing number of followers far away out - close to the other clubs region.

YES-Network became a very interesting economic factor:

Thus it is not surprising that in 2014, this year, 21st Century Fox announced a deal to raise its ownership of the Yankees Sports and Entertainment Network to 80 percent from 49 percent, roughly two years ahead of schedule.

(FOLIE) "Our investment in the YES Network underscores our commitment to growing our global sports portfolio with offerings that are exceptional and unique," James Murdoch, deputy chief operating officer/boss's son at 21st Century Fox, said in a statement.

This project got so exciting that the Yankees could earn millions with it - and still having some control over it.

(FOLIE) Case Study 3: Being part of big entertainment business

Worldwide we can notice, that companies from the entertainment and media sector try to integrate sport clubs into their business portfolio.

One company, which is outstandingly trying this, is Anschutz Corporation - especially their subcompany Anschutz Entertainment Group (AEG). **(FOLIE)**

AEG is worldleading company in the business sector „Life Entertainment“ and „Sports“.

AEG owns and operates world largest arenas **(FOLIE/2)** and a range of companies, which put events onto market and producing them themselves.

AEG is the worlds largest owner of sport clubs, sportevents and sportlocations as well of entertainment locations.

AEG has one billion US-Dollar annual volume of sales.

Their portfolio in sports is astonishing . . . **(FOLIE)**

Sport events they organize are for example: world championship of figure skating, NBA-Allstar-Weekend, MLS-Allstar-Game, NHL-Allstar-Weekend, Women World Championships in Soccer, Tennis-Davis-Cup, HBO-Boxing (for example Klitschko vs. Lewis)

End of the year 2006 AEG had a very spectacular deal: they contracted David Beckham for their soccer club Los Angeles Galaxy.

To capitalize the deal they also founded the David Beckham Academy;

This is a football school founded by England international David Beckham in 2005. In 2009 it operated in two locations: in London, United Kingdom, and in Los Angeles, California, United States, though the London location closed in early 2010 (the facility is still used for football coaching, but is run by a different organization).

(FOLIE) Case Study 4: Being part of the world of media

We can see quite frequently that sport clubs are part of big media companies.

It is not seldom anymore . . .

Especially Sky and its owner Rupert Murdoch contracts with interesting sport clubs.

So Sky did in the year 2009 - contracting the professional cycling team: Team Sky.

Since then they do not report about the team, they promote it in their reporting

Like this little clip illustrates the reporting appears to be a advertising campaign . . . **(VIDEO)**

A similar test/campaigne was carried out by BskyB & Manchester United in the early 1990s. BskyB tried to take over Manchester United. But after all the UK Competition Commission forbad the buyout.

Their argumentation was: „The takeover of ManU by the UK’s primary pay-tv provider would result in acquiring a significant advantage in the marketplace over competitors.“ (Competition Commission 1999)

(FOLIE) Case Study 5: Footage as a kind of ambush marketing/publishing

Many team owners provide mass media with high quality material.

Red Bull - for example - provides many big media companies/ editorial staffs with expensive, high quality TV-material

Media companies are very pleased about it and put them on air.

Especially in the last few years we can examine that external PR-productions are taken over by sports journalism - without giving a hint to their audience who produced the material.

Thus - for example - the following clip was aired by many TV-stations world wide - and at most in the USA. Intention by Red Bull was to link their brand exclusively to the Formula One in America - after its return many years ago . . .

If you like have a look at camera positions and try to figure out costs of this production (VIDEO)

production costs: approximately 80.000 to 100.000 US-Dollar - but that is not a lot, because it gives you an unpayable viral marketing effect.

A very reflected, thought through strategy is practised by global sporting associations - like Fifa, Uefa, Formula One.

They produce the Live-TV-Signal by themselves and sell it to media companies, editorial staffs

Thus they do have the opportunity to direct their image and place advertisement in a most favorable way.

Especially the formula one circuit tries to place products most effectively by directors cut.

They do advice directors to hold cameras quite a while on advertising boards - even when the racing cars did leave the picture already. **(FOLIE)**

Another Strategy is to produce your own films/clips and use news agencies to distribute them - like Volkswagen does it at the moment.

Summarizing we can notice different strategies between clubs, associations, mass media and entertainment business.

In general we can subdivide them into three main strategies - each with different special benefits: **(FOLIE)**

Maybe you are asking yourself by now:

(FOLIE) Why is it important/possible to built up your own media company?

Let's have a look why it is possible to influence media coverage - especially in the last years.

We do have a very serious financial crisis in journalism - almost worldwide, but at least in the most important markets.

For example in the United States many leading media products - like the Los Angeles Times - went insolvent

in Great Britain broadcasting fees for the BBC were cut down, and parts of the public service are most likely going private.

Some financial problems can be seen in China as well. The government wants media companies to be not only politically successful but also economically.

Because of this existence-threatening situation many media companies appreciate it a lot to get high-quality media-products at a lower-cost base - and accordingly to force joint-ventures with sport clubs.

A simple theoretical approach - used in the field of New Institutional Economics - illustrates how simple it really is for media companies to combine external material without showing this to their mass audience.

(FOLIE) Some areas of quality can be seen by the mass audience - like spectacular motion-pictures, form (technical composition, camera movement) and content (places, actors) of the motion pictures.

Some areas of quality can not be seen - like producer, advertisement placement.

Because of this nontransparent areas they can use the material and even get a bigger profit out of it as if they would produce them expensively themselves.

This situation gives many sport clubs a great opportunity in a very difficult and complex field - the field of branding sport clubs.

(FOLIE) What are difficulties to built up a brand in a sport club context?

It is useful to use such a strategy because many sport clubs do have big problems to practise a media brand strategy.

Usually mass media do select only some very attractive sportevents and sport disciplines and do comment them like they do think it is the proper way to do so

A constitutive attribute of a brand is quality and omnipresence: But how to achieve that when you are dependent on an independent media coverage?

Branding is very restricted by an independent media coverage - because **(FOLIE)**

1. mass media are not willing to give you a constant, positive media coverage
2. different images are transported by different mass media companies/media staff rooms
3. journalists usually do not practice a omnipresent, continuous media coverage of a sport club - in fact they favor a discontinuous, punctual coverage.
4. Controlling and timing is almost not possible.

Having a look at the different case studies and strategies we can see that a succesful branding by mass media coverage is much more likely - and much more efficient and traceable.

Because mass media seem to have a bigger interest in external material a modern media management should think about using those media strategies as branding possibility. **(FOLIE)**