



The new battle for football clubs and all rights holders... off the field of play!

By James Anderson, LinkedIn – 8 November 2017

As football clubs (and all rights holders) continue to contest fiercely on the field of play for points and prizes, there is a new frontier emerging which poses just a big of challenge and of course opportunity!

It is a parallel contest of the commercial battle which is waged on multiple digital and social media platforms, for attention, followers and the millions of pounds they (rights holders) can attract. Sports franchises are quickly becoming media brands of their own and in reality have objectives to be seen as content company's for fans and potential sponsors in their own right. Digital media is a chance to realise that ambition. It's particularly handy in erasing geographical boundaries.

Take Manchester United, for example: When it emerged in 2011 that the club wanted to build a social network, it was hard to see how it wasn't a knee-jerk response to the Facebook boom. Six years later, it's clear the club's decision to double down on growing its MUTV app in 2017 is about monetizing as broad an audience as possible. A large chunk of that audience will come from the U.S., said the club, where three-quarters of its fans are under the age of 34, two-thirds of whom use Apple devices. Much of the groundwork occurred at the club's summer tour of North America, with Manchester United pushing fans to download the app so they can watch each of the five games live on its owned channel for the first time.

Teams are becoming more open to testing and trialing new technology and understanding what works best to help reach their audiences in new immersive ways. Whether in virtual reality, wearables or ad tech, it's incredibly important that both tactically and strategically, rights holders are close to consumer trends and ensuring our content remains relevant to their fans and is delivered to them when and how they want to experience it.

Looking at the Premier League, their success has historically been based on the TV rights market, with the extraordinary revenues it has brought in being the jewel in the crown of live TV (content) £5.1billion in the latest domestic deal. There's been a 'socialist' feel to it, with the money spread to all clubs, and that's kept the top flight competitive.

However as we approach the new cycle for these much desired rights to be negotiated clubs are encouraging new players (Amazon, Facebook, Twitter) with best in class OTT solutions and data heavy, to enter the conversation. Furthermore these respective networks are armed with their substantial users and followers, of which half are sports fans anyway offer a compelling proposition as consumption behaviour continues to change which clubs are acutely aware of with their fans.

Big clubs see social and digital media as white space outside the TV rights realm where they can leverage their brands and turn fame into money, by attracting followers who will never set foot in their stadiums.

It is now less about the Premier League and more club versus club. The bigger the digital footprint, the more inventory the clubs have to sell. It's more dynamic and complicated terrain than ever. The



percentage of 18 to 34-year-olds consuming sport on mobile devices has just overtaken those who view it on TV say some reports. That has challenged the rights holders, though Sky Sports have been imaginative in their response.

Clubs are competing with TV companies for what is a new, huge demand for Premier League video output of any kind. They can hardly produce enough of the stuff. Clubs are becoming content providers and following one of the oldest tenets of publishing: build a following and make money from the advertisers. It helps that the nature of football support has changed, too. In this new global world, fans 'support' players as well as teams, and follow a star from club to club.

The average fan follows as many as four teams on average, say analysts. In theory, there are therefore millions of floating supporters out there. Numerically, Manchester United are way ahead here in terms of fan base. Vice-chairman Ed Woodward recently told the club's New York Stock Exchange investors that United account for almost half of all the social media interactions on Facebook, Instagram and Twitter of the 20 Premier League clubs, with 250m of the 510m 'likes', 'comments' 'shares' or 'retweets'. Twitter said last month #mufc was its most used hashtag.

But United's rivals — Arsenal, Liverpool, City and Chelsea, are proving far more imaginative as they look to narrow the gap. The clash between Liverpool and United a few weeks ago attracted a global audience of circa 900m and Liverpool won the digital war that day. Both clubs have tried to make history a big part of their digital appeal and Liverpool chose the biggest home game on their calendar to name a stand after Kenny Dalglish. The accompanying video was viewed 853,000 times on Facebook, numbers United with their huge headstart on followers, could only beat with a video of David De Gea saves against Liverpool.

What remains difficult to extrapolate is whether the number of clicks is evidence of authentic fans around the world, desperate to consume anything the club put out. This was called into question in 2011, when United claimed they had 650m fans, out of a world population of five billion. The research, which said a third of South Korea's population supported United, counted people who answered United were either their favourite team or one they enjoyed following. The numbers do inflate the value of sponsorship contracts.

For years, football clubs have used eye-bulging fan numbers as a proxy for their digital prowess. Some clubs, like Real Madrid, are trying to validate those lofty follower counts with first-party users with the hope of getting closer to a real number. Indeed, part of the reason Real Madrid beat FC Barcelona to 100 million Facebook fans last year was because it was able to use Microsoft's CRM system to target more than 4 million lookalikes to its fans.

Big money is also up for grabs from 'branded content'; films in which sponsors' products are subtly placed, often by the sponsors who produce the films. There's serious cash at stake here. One estimate suggests branded content generated sports businesses £2.3bn in the last year and that the market might be worth nearly seven times that by 2021.

With so many fans expressing affinity to multiple clubs, Arsenal, Chelsea and City have pushed out their content beyond the confines of their own media channels in the hope of recruiting them. All three are



shareholders in Dugout.com, a social media network of 79 of the world's top clubs that aims to replicate the success of Facebook for football fans. This professes to be the biggest collaboration between clubs. It aims to build a fanbase by sharing club content up to 48 hours before it is released on any other social media, with the revenue shared between the company and clubs. Every video is preceded by a lucrative advert.

Significantly, United are the one major club who turned down Dugout's invitation — the message being they don't need someone else's portal. The football world waits to see what they have planned. They're sticking with the paywall model which Chelsea ditched and City never adopted. Woodward has said he views MUTV as a 'sort of production company' which will generate content. Manchester City have been more experimental, something that reflects the brand identity they're trying to form: making up in modernity for what they lack in trophies and history.

Of course, clubs are not offering all of this out of the goodness of their hearts. When we (fans) click on any tweet, Facebook post or YouTube video, clubs' sophisticated content management systems are identifying us as possible purchasers of tickets, shirts or subscriptions. Our data becomes their data and sales messages will inevitably follow. The important aspect is that with this increased access to data fans expectation increases in regards to the type of message and content they are served.

This battle will not become less intense any time soon. The Premier League clubs' huge slab of TV money has made them less hungry for innovation and seen them arrive later to the digital scene than Real Madrid, Barcelona and Bayern Munich. However the modern football fan now demands and more importantly expects a sophisticated digital / social offering which is personalised and provides experiences which they can align and interact with, which ultimately enhances their fandom for rights holders to service.

Be interesting to see who the winners and losers will be off the field as fans make their precious choices!

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