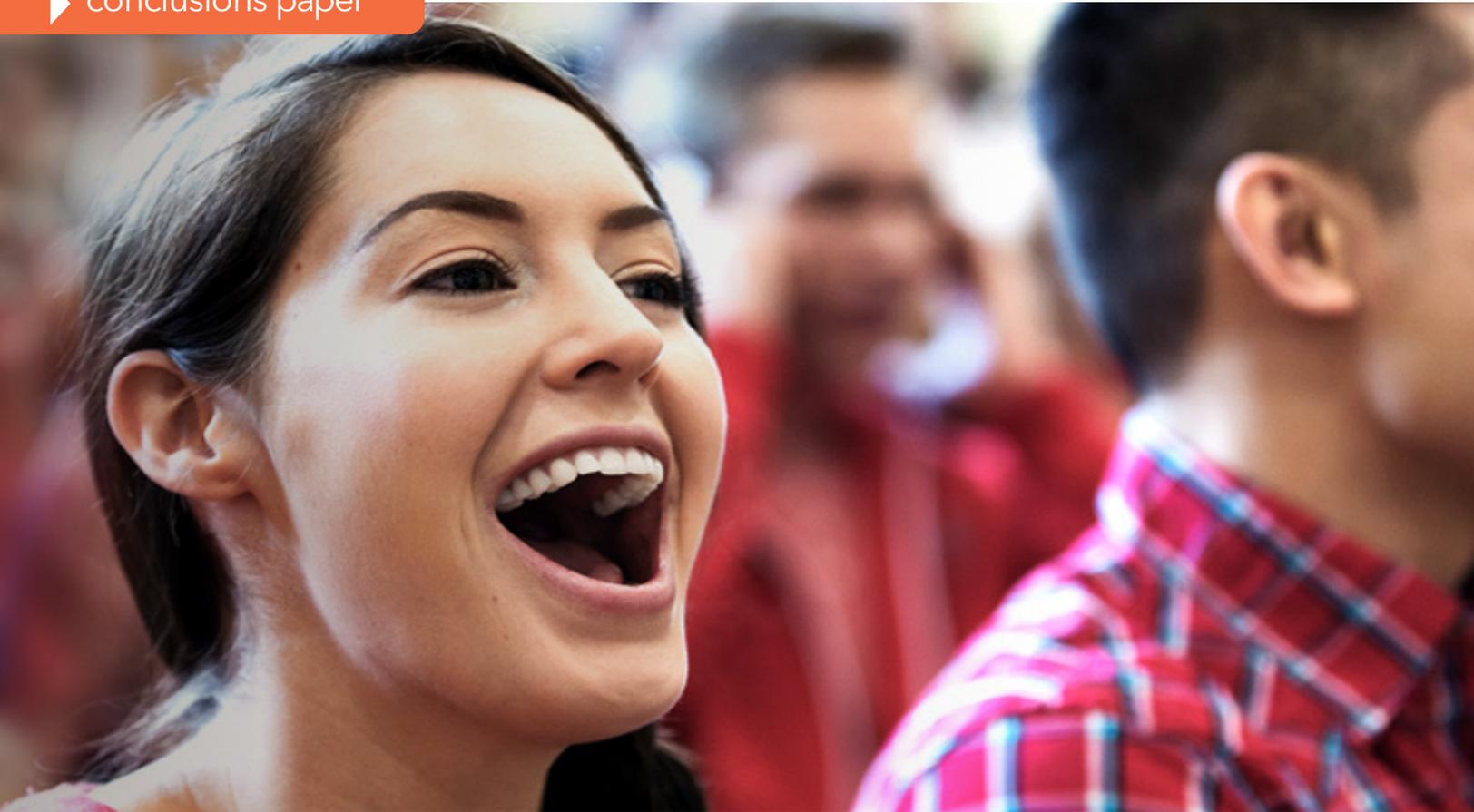


▶ conclusions paper



Marketing Automation Drives Sports Fan Engagement

Pro Soccer League Takes Contact Strategy to the Next Level

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Introduction

Fan loyalty is everything in the sports business. So when Major League Soccer (MLS), the top flight pro soccer league in the US and Canada, wanted to deepen customer engagement, it turned to SAS® Marketing Automation to get a better understanding of its fans.

Instead of sending out traditional static emails, MLS wanted to reach out to fans with personalized information that matched their geolocation, club affinity (the league has 16 clubs in the US and three in Canada) and more. To do this, MLS had to first build a fan database.

The first step in the process was integrating data from various internal sources, including ticketing, merchandising and digital subscriptions from all of the league's clubs.

MLS then applied the predictive analytics and data mining features of SAS Marketing Automation to get a better understanding of what its fans wanted. With these insights, MLS was able to put together an automated content relationship management (CRM) program to increase ticketing and merchandising opportunities for its clubs.

The Fan Funnel

MLS refers to its CRM program as its "fan funnel." The funnel consists of four phases: data acquisition, customer engagement, monetization and loyalty, explained Charlie Sung Shin, Director of CRM and Analytics at MLS. The goal of the program is to move fans from one phase to the next through a series of activities.

Each phase is linked to a tactical action and specific goals, he explained. By looking at the return on investment (ROI) and key performance indicators (KPIs) in each phase, the league can adjust its marketing tactics when necessary.

"Everything we do is measured and tracked and analyzed so we can go back and enhance our activities, make changes and adjust our strategy," Shin said.

Phase 1: Data Acquisition

The first phase of the fan funnel is data acquisition. The goal in this phase is to collect information as a way to establish a relationship with the fan, said Shin. This is done by building a solid fan database. MLS acquires fan data through internal sources (its website), partnership activities and third parties.

Data Sources

Internal:

- Ticket purchases and merchandising.
- Digital subscriptions.

External:

- Fan sweepstakes.
- Co-promotions.

Third parties:

- Data hygiene.
- Data appending/matching.

Internal Sources

MLS collects its data from many different internal sources, including its website, where fans sign up for online accounts to purchase tickets from any one of the league's 19 fan clubs. When MLS first began its CRM project, it discovered much of its internal fan data existed in silos across the organization.

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Charlie Sung Shin, Director of CRM and Analytics, Major League Soccer

"A lot of information exists within organizations that is not integrated and that people may not even be aware of. I'm sure our case is similar to a lot of companies out there," Shin said.

External Sources

To expand its fan database beyond what it collects from its own website, the league organizes promotions and sweepstakes with its partners. These activities involve getting fans to register for events or even to initiate grassroots activities, Shin said.

Shin shared the example of a recent partner activity with Lucasfilm, the creator of *Star Wars*.

"Star Wars fans are similar to MLS fans in terms of demographics and psychographics. So we created a sweepstakes called 'The Star Wars Soccer Challenge,' which we promoted through Lucasfilm as a way to gather additional prospects for MLS," he said.

Third-Party Sources

After MLS compiles data from internal sources and partnership programs, it sends the data through a cleansing process, Shin explained. This important step increases record accuracy, eliminates redundant and incorrect data, and merges fragmented profiles.

The next step is filling in the blanks; that is, adding additional (external) information to existing records so the information on each fan is more complete. Generally, this additional data comes from third-party sources. It might include household income, age, occupation, education levels, presence of children and other lifestyle characteristics, said Shin.

"A variety of information allows us to analyze and better understand our customers so we can target our communications more accurately," he added.

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Phase 2: Customer Engagement

Once MLS collects, compiles and pulls together its fan data to make it more meaningful, the organization can begin engaging with its fans. Shin discussed the three aspects of the league's customer engagement: newsletters, personalization and contact strategy.

Newsletters

MLS sends out several newsletters to its fans via email. "Email is the number one preferred method of communication by our fans," said Shin. "And, it is the main method for how we engage with them." MLS has four email newsletters that fans opt-in to receive.

MLS Newsletters

- **Kick-Off**, a daily selection of North American soccer news, analysis and commentary.
- **MLS Gear**, a biweekly newsletter with the latest product information and special offers.
- **This Week in MLS**, a weekly summary of top soccer stories and the latest MLS matches.
- **MLS WORKS**, a monthly newsletter highlighting the philanthropic efforts of the league and its clubs.

Personalization

MLS personalizes its newsletters as much as possible through profile targeting, fan recognition and behavior targeting. "Everything is personalized and all our newsletters are dynamic, based on fan profiles," said Shin. "We have seen measurable success through those efforts."

The company backs up the success of its personalization efforts with data.

As an example of how it does that, consider two versions of the company's 'This Week in MLS' newsletter. The first is a static email that promotes three nationally broadcast matches on NBC, ESPN or Univision. The second is a personalized version based on a fan's club affinity and geolocation. Depending on his club affinity, the fan sees different images along the top of the email highlighting his teams. In addition, the personalized email contains tune-in information for national and local broadcasting. Based on email response data, the personalized email saw a 39 percent increase in unique click rate versus the static email, said Shin.

Contact Strategy

MLS has a clear contact strategy. Two factors trigger the type of email a fan receives:

- How a fan's information was acquired (for example, whether it was via a sweepstakes, Web registration or another method).
- How a fan responds to an email.

Phase 3: Monetization

MLS measures the success of its marketing campaigns through ticket, merchandise and digital subscriptions sales. Shin explained the goals for increasing revenue in those areas.

"To maximize ticket sales, MLS sends out personalized email based on a fan's profile and transaction history. We also want to retain our most valuable customers, our season-ticket holders," he said.

He added that, "for merchandise sales, we focus on new sales, cross-selling, up-selling and understanding past purchase histories. Increasing digital subscriptions involves behavior and geo-targeted offers."

MLS Products and Goals for Monetization

- **Ticketing** - Personalized offers, season-ticket retention.
- **Merchandise** - New sales, cross-sales and up-sales.
- **Digital subscriptions** - Behavior-targeted offers, geotargeted offers.

Phase 4: Loyalty

Individual clubs (again, MLS has 19 of them) are responsible for developing fan loyalty. "At the end of the day, the fans are a fan of their clubs and not the league," said Shin. However, the league supports the clubs through technology and analytics.

Many of the clubs implement their own loyalty programs. Those programs focus mainly on providing value to season-ticket holders, Shin said. And they are designed to influence fan behaviors - for example, getting fans to enter the stadium an hour earlier, which would then impact the food and beverage sales at the stadium.

Loyalty programs provide incentives fans can't buy with money. For example, walking with the players into the games, or talking with the coaches. "You can only be part of those experiences if you are part of the loyalty program as a season-ticket holder," Shin said.

Measurement and Tracking

A critical part of MLS's CRM framework is measurement and analytics. To execute marketing campaigns successfully, you need to be able to measure and track their success, explained Shin. MLS aligns each phase with KPIs for measuring its success.

"In data acquisition, we measure the growth and overall size of our databases," said Shin. "We also look at where the data is coming from. Is it coming from an internal or external source? Was the partner campaign we held six months ago successful in terms of



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Key Performance Indicators

- **Data acquisition** – Growth of databases, key sources.
- **Engagement** – Newsletter subscriptions, responses rates.
- **Monetization** – Gross sales, frequency, conversion rates.
- **Loyalty** – Increase in club affinity.

the number of new data acquisitions?"

For engagement, the league aims to grow its newsletter subscriptions and make sure fans are signing up. MLS also wants people to sign up for a variety of newsletters, not just one.

When it comes to monetization, the goal is to measure overall gross sales, the frequency at which customers are purchasing products, and conversion rates. "Are we converting our campaigns into actual sales?" said Shin.

"In terms of loyalty, we measure club affinity," he said. "Every piece of data we send to customers asks them what club they are a fan of. This information gives the clubs the ability to communicate with those fans and build engagements. An increase in engagements leads to an increase in monetization and loyalties, and ultimately, an increase in lifetime value."

Final Thoughts

While the CRM program at MLS has demonstrated measurable success, it is an ongoing process. To anyone planning to launch a similar program, Shin says, don't look for a silver bullet. No strategy will get you from one place to another in one effort. "You need to put in a continued effort – across your organization – and focus on continual improvement," he said.

"CRM is a journey," he stressed. "It's not something where there's a start and an end. It's an evolution. It's something you have to work at and refine and take one small step at a time."

About the Presenter

As the Director of CRM and Analytics at Major League Soccer, **Charlie Sung Shin** oversees the company's CRM and business analytic initiatives. Prior to joining MLS, Shin was a senior business consultant at PwC Consulting, IBM Business Consulting Service and OpenTide. There, he managed various projects involving CRM strategy, business analytics, customer segmentation modeling, and loyalty program and campaign management. He also served on the adjunct faculty at New York University, where he taught database marketing in the sports industry.

For More Information

Best Practices in Real-Time and Multichannel Campaign Management: go.sas.com/s98pb4

The Power of Modern Digital Marketing Automation: go.sas.com/a5z678

For more about SAS Marketing Automation: sas.com/marketingautomation

To read more thought leader views on marketing, visit the SAS Customer Intelligence Knowledge Exchange: go.sas.com/4wvga7

To get fresh perspectives from marketing practitioners on the SAS Customer Analytics blog: go.sas.com/2qt00f

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