Social Network Sites and Relationship Marketing Communications: Challenges for UK Football Clubs

Jeff McCarthy
jeff.mccarthy@mmu.ac.uk
MMU
MindTrek 2011
Twitter: @jeffmclfc
LinkedIn: http://linkd.in/ao8f5j
What we will cover

✓ Research context
✓ Knowledge gaps
✓ Methodology
✓ Key findings
✓ Conclusions
Changing Landscape

- Internet users are becoming increasingly active in their use of social media moving through phases of:

1. text-based sharing medium;
2. audio visual medium;
3. democratised influence
4. motivated through shared interest(s)
5. desire for brand interaction


Figure 1: Active Internet Users: Thinking about the internet, which of the following have you ever done?
Research Aim & Objectives

AIM:
To explore the impact of SNS on relationship marketing activity of football clubs.

Objectives:

1. To determine the nature of football club relationship marketing activity, focusing predominantly on website and email marketing.
2. To identify clubs’ concern with unofficial sites and SNS.
3. To explore the willingness and ability of clubs to respond to the SNS phenomena.
The Business of Football

- English professional football was worth £957m in 2008/09 tax contributions (Deloitte, 2010).
- Football clubs “face extraordinarily turbulent conditions” (Deloitte, 2009:2).
- EPL operating profits falling by more than half to £79m whilst TFL clubs spending 86% of revenue on wages on average (Deloitte, 2010)

Figure 2: Nominal UK GDP growth rate and leagues' revenue growth, indexed, 1991/92-2007/08 (Index 1991/92 = 100)

Source: Deloitte, 2009:1
Early research established the growing but poor quality of information provided by football club websites despite increasing demand for information from fans in England and globally (Green, 1999).
Knowledge Gaps

• The field of social network sites (SNS) is lacking in theoretical foundation (Fuchs, 2009) and the request has been made for researchers to contribute to this field (Beer, 2008).

• There is a distinct lack of research into the understanding of relationship marketing theory in the context of the sport industry (Bee and Kahle, 2006; Stavros and Westberg, 2009).

• Also limited academic discussion “...about emerging changes in the market environment and their potential direct effect on the practice of RM.” ([Veloutsou et al. 2002].)
Methodology

- Multiple case study approach
  - Purposive sampling strategy
  - Semi-structured interviews with FC marketers
  - Data analysis

- Within-case analysis preceded across-case analysis (Patton, 2002; Perry, 1998)

Considered important to stay close to the data for emergent categories rather than focus on allocating existing codes from the literature (Mello and Flint, 2009).
Overview of Findings

Figure 6: Research Findings

Relationship Marketing Activity

Willingness & Ability to Respond

SNS

Commercial Gain
Community
Interaction
Content

Club Concerns with SNS

Monetisation

Control:
Conversations
Brand

Inertia:
Denial
Engagement
Openness

Channel Disparity
Poor Customer Experience
Intuitive Classification of Supporter Loyalty

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Denial

“...in the rest of the football industry I’m not convinced anybody is doing it particularly well. ...I think that we’re miles behind.”

(Head of Customer Operations, Case A)

Social computing is now mainstream and cannot be dismissed by companies

(JRC-IPTS, 2009).
Club Concerns: Theme 1 “Inertia”

• Engagement
  – Lack of engagement and interaction a major concern
  – “Next generation” possibly seeking other forms of entertainment

• Openness

Clubs need to be much more open in appreciating their value as a “social business” with emphasis on their impact on the local community and stakeholders (Supporters Direct and Substance, 2010:4). Private ownership cited as a major factor.

Club view appears to be slowly changing; from “building gangways” comes a degree of openness.
Club Concerns: Theme 2 “Control”

1. Conversations

“These supporters are saying it in the pubs, or on the terraces, or in the shops, wherever they meet and congregate. So denying them that space on the website doesn’t mean that those views will go away.”

(Marketing Manager, Case C)

Findings appear to concur with literature defining the immersive experience of interaction and community involvement on such sites as Facebook and Twitter (Keenan and Shiri, 2009).

2. Brand

Clubs “…have just shied away from any level of interaction and engagement with our supporters.” (Head of Customer Operations, Club A).
Club Concerns: Theme 3 “Monetisation”

The commercialism of football has been widely researched (cf. Bridgewater and Stray, 2002; Chadwick et al. 2008; Gibbons and Dixon, 2010; Harris and Ogbonna, 2008).

“...the danger is that you make it overtly commercial. That’s the big, big issue.”
(Marketing Manager, Club C)

“We have to be a little bit careful that we don’t push them [fans] into finding information elsewhere in terms of the stuff we put out from a Club point of view.”
(Marketing Manager, Club D)

Findings illustrate the pressure to use SNS as a commercial space (Beer, 2008).

The term ‘moderated freedom’ of consumer content is proposed, i.e. to allow freedom but to reserve the right to moderate extreme or profane postings.
Key Conclusions

1. The findings did not concur with the accepted view that commitment is influenced by trust (Bee and Kahle, 2006).

2. Football club concerns regarding SNS are identified and must be addressed in developing a strategic response to the social web.

3. The willingness and ability of clubs to respond to SNS reflects the balance to be achieved in building club commercial gain and facilitating supporter engagement and commitment.

4. This examination is distinguished from the presently accumulated knowledge in that it suggests:
   
   (i) clubs are aware of collaborative opportunities with successful unofficial SNS owners and writers, or supporter branch Chairmen, in order to build their online customer relationships through empowerment (Thorbjornsen et al. 2002).

   (ii) clubs see collaboration with customers or unofficial site owners and contributors, as a potential means of co-creating value in their community (Rowley et al. 2007; Schau et al. 2009).
Research Contribution

1. This study questions the role of trust as a central construct in relationship marketing theory in sport.

   - The construct of ‘passion’ is proposed as an alternative

2. The themes of ‘Inertia’, ‘Control’ and ‘Monetisation’ provide a contribution to theory building in SNS literature.

3. The ubiquity of SNS is causing clubs to accept a more open and collaborative relationship with their fans.
Future Research

• PhD: “Social Media: Friend or Foe of the Football Club?”

• Opportunities:

  (1) single or multiple case research from the club or team perspective

  (2) case research from the fan viewpoint

  (3) a blend of the two

  (4) unofficial site and fan perspective
Questions/comments please!

Figure 8: ear
Source: http://www.google.co.uk/search?q=listening+ear&sa=1&ei=76yZUKnPAWtcpQOy6L4gCg&client=safari&rls=en,accessed 07/09/11.
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References

References

Impact

- The study shows how the short-term generic approach to monetising web traffic is potentially harming the longer-term revenue potential of official club sites. Clubs can no longer afford to be so passive with either no SNS presence or a simple replication of club news and offers, via an unofficial platform such as Facebook or Twitter.

- Difficulty is in balancing the commercial potential of SNS [9] against the proven risk that users will simply switch SNS if they perceive overt commercial influence being applied in that environment [12].

- This research will begin to inform how clubs balance the commercial realities of business with the potential to develop fan relationships through:
  - Modular CRM development
  - Embracing the opportunities and risks of social network sites
  - Harnessing the power of the tribal fan community

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