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# "BRAND STRATEGY" IN PROFESSIONAL SPORTS MARKET

## The Importance of a Team's Fans

# "BRAND STRATEGY"

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During the past decades, athletic teams have managed to evoke an emotional response from their fans, a type of "give-and-take", whose strength possibly exceeds any other "relationship" present in any other financial activity. The superiority of this relationship is attested not as much by economic data rather than through the persistent devotion of fans towards their team, which in developed economies can be interpreted as significant income for professional athletic clubs. In an effort to capitalize on this emotional relationship teams share with their fans, professional athletic teams try to signal and thus project their "identity" through a brand name, which corresponds to the name of the team that has "entered" the consciences of fans for many decades and in many cases for more than a century. In business, the same exactly holds for companies that sell brand name products with a decade or even century long history (Coca Cola, Levis etc), as the management of such companies utilize this intangible asset as well as the "special" relationship that has been established with their customers.

A professional sports team, from any sports whatsoever, has the opportunity to build what is known as brand equity, namely capitalizing on the "emotional" relationship it shares with its fans. The so-called brand equity is defined by terms that refer to the influence the brand itself has through the marketing strategy: "it accumulates a natural result which emerges from the advertising of a product or service due to its brand, whereas such a result would not arise if the particular product or service did not have such a known name" (Keller, K. L. (1993), Conceptualizing, measuring, and managing customer-based brand equity. Journal of Marketing). Therefore, the brand equity of a company translates in a way to a promise it gives to its customers in order to meet their expectations as well as to the accumulation of any value created throughout the years on a constant and steady basis.

The value of an athletic brand can be distinguished amongst two categories. Initially, the value is translated in terms of valuation for the purposes of balance sheets, mergers, acquisitions or for purposes of dividend policy. On a different level, a strong brand name can be reflected in additional sales of athletic products and services both due to wide recognition and acceptance

of the athletic name, and due to the indirect promise of quality ensured for customers, a quality that is linked to the "weight" of the athletic name. Due to acute competition and multifaceted demand, athletic companies consistently strive to increase the level of expectations as well as the interest of their fans through an appropriate marketing strategy. As is the case for companies, athletic teams' managers also must understand in depth and effectively the psychology and behavior in general of consumers and fans, in order to proceed each time with more carefully planned and designed strategic decisions.
Having the above in mind, most – although not all – sports teams have aimed at "conveying" their condition to another level and to be established as brands according to their own rights and convictions. Internationally acclaimed teams such as Manchester United, Real Madrid, New York Yankees and Dallas Cowboys are some clear examples. Such are characteristic examples of athletic clubs that reflect the success of an aggressive sports name strategy, by promoting their teams in the market as large and significant. There are however several smaller teams that follow a more conservative path, as is the case of the Green Bay Packers of the US National Football League.

A powerful athletic name provides the team it characterizes with the ability to develop and restore the trust of its fans, a fact that with no doubt contributes to creating value from sales of a broad range of products and services linked to the relevant team. For example, the football team Real Madrid gained income from advertising during 2004 amounting to 225 million dollars. In reality, powerful brands have a financial value that is strongly connected to the opportunity provided for the sports team to create additional income by "taking advantage" of the name launched as its trademark. At the same time however, it is impressive even today that comparatively few are the sports teams that seem to act through a long-term strategy and plan the building and leverage of their name. The latter is an area on which a lot more work seems to be needed as regards to brand equity in professional sports.

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