



## Cards & Loyalty

# DATA MONETISATION AND LOYALTY CAN GENERATE RELEVANT VALUE FOR "PASSION-DRIVEN" BRANDS

Innovation in loyalty models combined with Big Data and analytics opportunities can create huge opportunities for many brands, especially in those industries that mostly engage customers on their passion and interests.

Sport, Entertainment, Travel & Leisure are high potential sectors in this perspective, even if each of them implies different business models and engagement processes.

In the football industry, some leading brands have already achieved relevant results in this field, leveraging on their large fan base and strong brand positioning in domestic and foreign markets.

The value of their fan base data can be very attractive for sponsors and commercial partners, who are interested in developing sales and increasing their customer base. Those football clubs who launched structured programs aiming at increasing the value of their fan base, are now succeeding in commercial revenue growth, thanks to sponsor agreements, partners loyalty agreements and co-marketing initiatives.

The key steps to build and enhance the value of a fan base are the following:

- a) set up an appealing offering of engagement and gamification accessible on digital channels. This enables fan registration, data gathering and continuous update;
- b) set up and enrich the customer data base, including a wide range of information related to fan profile, wishes, experience and interaction with football club, day-by-day purchasing behaviour and activity in social networks;



c) develop a strong sponsor and partnership portfolio, by defining the most effective ways to give sponsors and partners access to the fan base and being compliant with permission marketing requirements and customer authorisation needs.

One of the most recent best practice for all this is certainly Real Madrid, an excellent example of synergies between brand strength, fan base passion, loyalty strategy and technology.

Real Madrid launched a new “app” to engaging fans in a wide range of actions and challenges, boosting the size and the value of database. The rewarding offering is quite attractive and includes a wide choice of videos about Real matches and footage on their most popular champions. Fans can reach different levels in the gaming framework, which allows them to achieve more and more appealing rewards. Moreover, for those fans who want to enjoy specific benefits on match-day as well as non-match day experiences at the club and its facilities, Real Madrid offers the “Madridista Program” that allows priorities, discounts and exclusive experiences to members.

In this way, Real Madrid developed a strong knowledge of their fan base profile, with the support of Microsoft, and achieved a relevant upgrade in their sponsor and partnership business model. As a result, the agreement with Adidas – that allows the leading German brand to target the Real Madrid fan base – has been uplifted to € 130 million per year.

There are of course other significant case histories in the market. Manchester United also stand as a best practice in this field, together with other leading English football clubs. But there is still a lot to be done. Markets like Italy or Germany, for example, show big opportunity, if we consider the value of their football brands and the significant size of their worldwide-spread fan base. Innovation is starting to spread across Europe and we expect to see the first effects in the short term.