SPORTS BEYOND BORDERS: THE GLOBAL

EXPANSION OF PROFESSIONAL

SPORTS BRANDS

by

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ABSTRACT

Many factors drive the growing brands of professional sports teams beyond their native borders. The popularity of premier sports teams in the global sports environment provides opportunity for major money to be made through sponsorship, TV deals, merchandise, and much more. The internet and TV have made rapid brand expansion easier than ever. This project identifies the sports industry's global branding movement and aims to discover best practices for expanding to international markets.

Literature on the topic of international sports expansion primarily addresses either regional fan behaviors or the growing business side of professional sports. This thesis aims to focus the massive potential of sports teams in order to expand their following in an efficient manner. I conducted interviews with professionals in three major sports organizations: Major League Baseball, the PGA Tour, and the National Football League. These conversations confirmed some of my hypotheses, but often provided shocking insights that enhanced my research.

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INTRODUCTION

Competition for sports in the world is intensifying. Major brands have dominated for years, but massive viewership numbers and lucrative sponsorship deals provide opportunities for various sports to thrive in niche markets as well. As the digital age connects people around the world, sports marketers are realizing that international audiences provide massive potential for increased awareness, and thus, increased cash flow. As the competition heats up, the owners and executives of teams, the officials, the leagues—and, perhaps most important, the international associations that could market sports on a global scale—will have to go on increasing the attractiveness of sports to consumers, broadcasters, and sponsors while also realizing their commercial value (Back, Blatter, & Bughin, 2004).

Thanks to technology, the best teams in the world can now be viewed live from nearly anywhere. This advancement allows sports fandom to overcome regional borders that used to restrict association with a certain team. While this huge potential is clear, not all organizations have made conscious efforts to attract global crowds, and few have done so effectively. Teams like the Chicago Bulls, New York Yankees, Dallas Cowboys, and Los Angeles Lakers have long lead the charge for international sports brands. Fans around the world passionately follow these American powerhouse teams who rarely leave the country to play their games. However, this has changed as the NFL shifts strategically to boost awareness for the entire league in the United Kingdom. European soccer provides another example of international expansion as juggernaut teams like Manchester United and Real Madrid participate in tournaments in the United States. Liverpool FC recently embarked to Asia for a tour. AS Roma is building a new stadium that the team

hopes will boost their international attractiveness. While the teams have realized that they can take advantage of these audiences, the organizing leagues are the ones who can accelerate their efforts and draw significant crowds. In addition to playing in the English Premier League – the most watched football league in the world, with an estimated weekly reach of 643 million TV households in 212 countries – Manchester United also plays in the European Champions League tournament, which pits the team against other legendary clubs like Bayern Munich and FC Barcelona. That's another 360 million passionate TV households, some of which might not regularly watch the English league games because they prefer the Spanish, German, French or Italian leagues. That's incremental exposure (Rechtin, 2014). A British soccer club called Manchester City even invested in a Major League Soccer franchise in the United States. They decided that a partnership with the New York Yankees would provide aid for communication, validation, and reputation in the competitive New York entertainment environment. The biggest move of the year in international sports marketing was the opening of an office in Manhattan for Germany's (and possibly Europe's) most talented squad: FC Bayern Munich. The extension exemplifies a strategic movement toward growing the global fan base. Jörg Wacker, the club's executive board member for internationalization and strategy stated that, "It's a long-term strategy what we are doing here. It has to be sustainable" (Mai, 2014). While the opportunity is obvious, the strategy behind the process of spreading a team's international brand has yet to be identified. As more teams make moves to boost their global awareness, will the process become more streamlined? Will teams formulate a consistently successful method?

International branding movements are happening at all levels of sports in several regions of the world. There is money to be made, and whether it is an entire league or a single team these brands are catching on. Is there a blueprint for up and coming teams to implement when considering their international brand? Investigation will break down the global strategies that top teams in the world embody. Liverpool FC Chief Commercial Officer Billy Hogan recently said, "We've got a significant fan base throughout Asia, and it's also an important market for [jersey sponsor] Standard Chartered" (Mickle, 2014). His quote reveals awareness that has scarcely existed in the sports industry in the past. First, an analysis of professional sports brand reputations will delve into the various pieces that contribute to a team's image. Next, sponsorship research exposes the global nature of marketing expenditures that contribute to major sports team recognition. Finally, observation of sports fans and technology usage domestically and internationally provides a peek into examples of expansion bases. This study aims to examine the wide array of strategies that major teams utilize with the intent of arriving at a solution for teams without an international presence to take the plunge and grab a share of the enormous potential market.

LITERATURE REVIEW

Literature on the topic of internationally expanding the brands of professional sports organizations is limited. This review will begin by examining the current culture of sports brand reputations. Next, global sponsorship will be presented followed by an examination of the process of marketing to sports fans in the United States. Finally, the

culture of sports fandom in different countries will reveal differences in the markets. Europe and Asia, specifically, are analyzed for thorough comparison.

Brand Reputation

Public relations professionals around the world attempt to shine bright and wholesome light on their teams to ensure that the sporting world is pure and corruption-free. Contrarily, ethical lapses occur quite frequently in the sporting world and can damage a brand significantly, impacting not only the team or league, but also the international sport in its entirety. A December 2007 report prepared by former Senate Majority Leader George Mitchell detailed baseball's troubling drug culture and named 85 current and former players linked to performance enhancing substances. Included were heroes of the game Roger Clemens, Barry Bonds, Miguel Tejada, Andy Pettite, and Eric Gagne, to name a few. Government censuring of drug-enhanced performance activities followed, forcing Major League Baseball to confront its past and rethink its future (Sheinin, 2005). Obviously corruption is not restricted to solely domestic sports. India and Pakistan repeatedly face gambling and corruption scandals in their national pastime. Cricket's biggest match-fixing scandal was unearthed in 2000, when one star admitted he had accepted money to throw matches (Pritchard & Burton, 2014). Cycling has struggling with doping issues for decades. These messy scandals severely deteriorate the integrity of a sport and restrict marketers from the growth that they constantly work toward. It is much more difficult for fans to buy in to a sport when they are bombarded with negative news about the industry. The Miami Dolphins' drama in 2014 involved a player bullying a teammate with inappropriate name-calling and continual verbal abuse that eventually

became public knowledge and went viral. The troubled relationship the team drew

national scrutiny and stirred considerable debate about bullying in the work place

(Pritchard & Burton, 2014). The shockwave of the Dolphins' scandal hurt the reputation

of the team, the National Football League, and even reached communities beyond the

sporting world. What's the solution for these public relations nightmares? Ethical

practices throughout the organization are a start. It is safe to assume that front offices and

executives of teams know problems occurring within their teams before the media does.

These executives pay millions of dollars to athletes in many cases. One would hope that

the boss knows if his employee is behaving legally. Ethics in the sports marketing

industry come into play when the marketer has to decide how to handle these issues.

Unfortunately the problem for some sports executives is failing to see such cases as a

breach of ethics rather than just a product quirk that will resolve itself once the team wins

or reaches the playoffs (Pritchard & Burton, 2014). While the PGA Tour deals with

significantly less drama than other major sports leagues in the world, Tiger Woods

provided serious PR recovery work with his fall from grace in 2009. While the scandal

shocked sports fans around the world, the event proved that the sports industry becomes a

dangerous environment with such high-profile stars drawing widespread attention. At the

end of the day the athletes are humans, and sports industry public relations departments

around the world must be prepared for anything.

Contrarily, many sports organizations embrace social responsibility as a means of

influencing their brand reputation. Teams and leagues have increasingly adopted cause-

related marketing campaigns and green practices over the years. Team CSR activities

include, but are not limited to: athlete volunteerism, educational initiatives,

philanthropic/charitable donations, community development, community initiatives, fan appreciation, health-related initiatives, and community-based environmental programs (Walker & Kent, 2009). The themes of environmental protection and general civility are gaining momentum, but do these efforts carry weight with the public and, more importantly, sports fans? A comprehensive study of fans by Walker and Kent (2009) found that sports teams, on the other hand, are often viewed in high regard within their local community, and through CSR programs and social sponsorship they can further enhance their stature in the community. This insight suggests that the "trendy" nature of the sustainability movement is more than that, and actually carries weight in the minds of sports fans when weighing their affinity to a particular team. The global soccer community has taken steps in the direction of global citizenship as more than 40 percent of FIFA's income goes directly towards supporting the grassroots of the game, development work, and partnerships with relief organizations (FIFA, 2004, p. 66).

Global Sponsorship

While reputation represents a large piece of the sports branding puzzle, sponsorship is an increasingly significant facet of branding in as well as the sports industry revenue model. The international expansion of team fandom gives rise to opportunity for major players in global industries to reach their target audiences in new ways. Companies such as Barclays, Heineken, and Rolex strategically sponsor international sports related activities in hopes to not only reach more consumers, but also to unify their brands with the position of a certain team or league in the minds of consumers. "What's interesting about passionate fans," says Vineet Arora, Havas Media

Head of Integration, "is that they believe their favorite teams or players should be associated with brands that are committed to making a difference, according to our research. Many of the players themselves also wish to partner with brands that contribute to their communities" (Cheng, 2014).

It used to be that sponsorship was simply an added source of revenue by selling space on an outfield wall or an "official knick knack" of the team. It turns out that sponsorship can be exponentially more powerful when a calculated analysis aligns a team and a brand that are a good fit. Amit Dasgupta, brand director for South East Asia at Adidas, told delegates at the Sports Matters conference in 2013, "We stopped using the word 'sponsorship' so much; we have 'partnerships' now, which is long term." Different levels of sponsorship are available, but a when it comes to the naming rights of NFL stadiums or sponsorship of an English soccer jersey, these are multi-million dollar, several-year deals that require ample negotiation and usually a good relationship between the two parties. An ideal co-branding agreement benefits both the team as well as the sponsor by increasing traits like awareness and affinity. MasterCard, the financial services provider, sponsors many international events linked to soccer and golf, forming bonds with properties ranging from the UEFA Champions League to the PGA Tour and Champions Tour (Lai Chow, 2013). Andres Gonzalez, vice president of sponsorship for MasterCard in Asia Pacific, Middle East and Africa, argued local exposure to these global properties can go a long way in engaging consumers. "Those types of experiences bring the fan closer to a property that they care about, a sport that they care about," he said (Lai Chow, 2013). Major deals such as MasterCard's involvement with soccer and golf exemplifies a committed relationship between brands that share either a similar

position within their industry or a similar target audience. "You have to make sure you're in there for a long time and you don't just dip in, dip out – that you build some consistency on long-term platforms," Gonzalez said (Lai Chow, 2013). Advertising agencies can often play a role in the sponsorship relationship as a liaison between the marketing departments of a company and a sports team. Mike Rich, the chief executive of GroupM ESP – a unit of an agency called WPP Group handling entertainment and sports partnerships – said, "The thing we focus on is trying to ensure the brand has a reason for being within the sport," he continued. "One of the biggest challenges we see is when brands don't pay enough respect to the fanaticism of the fans, and don't really bring anything to the party" (Lai Chow, 2013). Similarly to aligning brand values to be consistent within departments of an organization, sponsoring brands and teams alike must evaluate the branding match. It's essential to ask 'are these the assets for my brand and do they provide the values we wish to embody' (Pascoe, 2014)?

In 2014, Tsiotsou, Alexandris & Cornwell examined the theories behind co-branding in a sports context to explain how co-branding occurs in sponsorship through evaluative conditioning. Evaluative conditioning is about the learning of likes and dislikes, and refers to attitude changes in a stimulus that results from pairing it with another stimulus (Tsiotsou *et al.,* 2014). This research explains that fans receive the brand image deeper than simply acknowledging its presence. It also confirms the previously mentioned theory of fit in sports partnerships. Sport brand managers should aim to attract sponsors whose personalities (exciting and sincere) fit with the personality of the team (Tsiotsou *et al.,* 2014). Sponsorship research shows that repeated exposure to a sponsor brand can lead to feelings of familiarity and positive attitudes towards the sponsor brand,

even if the sponsor brand has not been consciously assessed like a traditional brand (Bennett, 1999). Furthermore, sports sponsorship increases brand knowledge of a sponsor's brand qualities by associating the sponsor brand with the characteristics of a sporting team, event or endorser (Tsiotsou *et al.,* 2014). In terms of brand self-expression, sport brand managers should develop strategies in order to make their consumers feel that the sport brand/team expresses their inner-self (e.g. their values and personality) and enhances their social self (Tsiotsou *et al.*, 2014). Now, why does this research matter in a global brand expansion context? This matters because of the global connectivity that sports sponsorship creates in new regions. Since large companies now recognize the ability of sponsorship to expand awareness and increase liking, they are much more likely to partner with teams in new parts of the world. The pairing of a sport brand to a sponsor brand can shift sport consumers' evaluations in a more positive direction towards the sponsor brand, resulting in increased sponsor brand equity and positive word of mouth (Tsiotsou *et al.,* 2014). From a team's brand expansion perspective, they are likely to draw an international audience and following through major sponsorships with global companies. Atlético Madrid, a premier soccer team in Spain, wears jerseys with "Azerbaijan, Land of Fire" on their chests. The oil-rich eastern European country's decision to sponsor the rising powerhouse team is part of a wider push by the country to raise its profile (Gibson, 2014). In accepting the partnership, Atlético Madrid acquires

Photograph: Pierre-Philippe Marcou/AFP/Getty Images

millions of dollars in the deal, as well as increased fandom in the sponsoring region of Azerbaijan. The initial sponsorship deal, which ran for a season and a half from January 2013, cost the Azerbaijanis just €12 million. Not only did that include shirt sponsorship, but a wider strategic agreement that saw the Atlético squad and coaching team travelling to the country last spring and a plan to train young Azerbaijani footballers in Madrid and Baku (Gibson, 2014). Partnerships such as this one can influence fans in big ways. Another example is British soccer team, Manchester United's new jersey sponsor, Chevrolet. While the American company hoped to increase awareness in Europe, the soccer team similarly increased their fan base as Americans search for a team in England to root for. The president of another Manchester United sponsor said, "We didn't sign up because of the sport. Manchester United's five times bigger than the New York Yankees as far as their global footprint. It's hard to fathom that as an American" (Baxter, 2014). Sports also provide a non-threatening atmosphere to enter the lives of their customers. The advantage of partnerships in sport is that it is a common language, marketing to people's passions – usually in their own leisure time – creating bespoke and individual engagement with target audiences (Pascoe, 2014).

A marketing professional's biggest obstacle seems to be ROI or return on investment. Greg Unsworth, the technology, media and telecommunications leader at PricewaterhouseCoopers (PwC) in Singapore said, "people are passionate about sports, and people will invest in that. But they want to be able to see the return they're getting for that. I think that's one of the ongoing challenges – the measurement of how they achieve that" (Lai Chow, 2014). Alan Pascoe suggests that in situations where immediate returns are not clearly evident, it is important to remember that longevity is a key consideration.

Building reputation in the long term has been clearly shown to be more profitable than gaining sales through short-term promotion. Rights holders usually look to a minimum three years, but partnerships tend to prescribe longer periods (2014).

Sports Fan Culture in the United States

Mintel released *Marketing to Sports Fans – US* in July 2014. The study revealed numerous trends in the industry that are drastically changing compared to recent activity. The research considers the following leagues: National Football League, Major League Baseball, National Basketball Association, National Hockey League, Professional Golfers' Association, NASCAR, and Major League Soccer. Mintel explains that with a fan base of nearly 120 million adults and more than 16 million teens 12-17, the seven professional sports leagues covered in this report enjoy perhaps the largest single market for a recreational activity in the US" (O'Donnell, 2014). Another key demographic statistic is that while women make up 44% of fans, only 13% of the total fan base are 18-34 year old women, which means that the majority of female sports fans are 35 and older. It is important to note that this small demographic of young female sports fans is still valuable to brands as they show higher levels of engagement.

Millennials are changing the way that the sports community spectates and engages with sports and events. Internet and tablets have replaced the dependence formerly placed on TV to obtain sporting news and information. Furthermore, fewer children are involved in youth baseball, basketball, and football, which means that kids are learning about sports through video games instead. Millennials paved the way in this area, but adults followed shortly after with a massive increase in participation in fantasy

leagues (O'Donnell, 2014). These recent trends provide abundant new opportunities to reach sports fan audiences, and while TV is still the most popular platform for viewing sporting events, the trends challenge marketers to implement creative new strategies beyond television ads.

Mintel's report explains that male fans show a greater interest in following sports, but there is a unique opportunity in the fact that female teenagers follow less popular sports, specifically soccer, hockey, and racing, in the same rates as boys of the same age (O'Donnell, 2014). Women typically lead men in social media participation, but that is not true in the sports field. Younger teen boys show the highest levels of engagement as they express interest in nearly all sports, but less engagement as they age. Although women show less interest in following sports online and interacting with sports info, they show vastly different signals in regards to purchasing tickets and apparel. In fact, the report explains that women 18-34 are more likely than men in the same age range to buy tickets to live events, branded apparel, and branded merchandise (O'Donnell, 2014). This demographic simply cannot be ignored by teams who are constantly searching for increased fandom.

While males express stronger engagement with most sports, the true passion that men feel toward teams is represented in their description of their reasoning for following a team. The majority of male sports fans suggest that affiliation with a sports team has a significant impact on their identity. Family tradition and hometown pride are other common reasons for following a team. There is a strong social aspect to following a sports team as social proof provides motivation for people to follow teams that their friends and family follow.

Star power is an important theme among sports fans watching advertising in the United States. Advertisements using famous athletes stuck with fans most successfully. Other popular sports-related advertisement themes included emotion, inspiration, and humor (O'Donnell, 2014). The United States provides bountiful opportunities for sports fans to engage with brands since Americans are accustomed to experimenting with new technologies and adopting innovative techniques if they gain popularity. Opportunities exist in TV, internet, mobile, and far beyond as sports become increasingly important in people's everyday lives. Nielsen found that Americans of different age groups listed vastly different choices for top sports stars based on a calculation of N-Score to describe their fit with the demographic. For example, the top three athletes associated with Dads are Peyton Manning, Danica Patrick, and Derek Jeter, while the top three among teens are Michael Phelps, David Beckham, and Aly Raisman (Master, 2013). The fact that there is no overlap in the top three star athletes for these categories proves the level of investment that American sports fans place in their favorite athletes. Different ages and genders prefer different athletes as their top interest, which offers marketers vast opportunity to use celebrities to influence a specific target market segment.

Live sporting events remain as one of the few important players in the TV advertising space. The value that sports have in the advertising industry's entirety is significant, and loyal media usage will likely propel sports to continue on the trend of massive growth. For instance, $13.3 billion was spent on advertising within sports events programming, accounting for 23 percent of national TV ad spend (Master, 2013). While expansion beyond domestic borders requires knowledge of media data beyond the United

States, it is important to acknowledge the trends of the most advanced sporting industry in the world as it paves the way for international sports progression.

Sports Fan Culture in Europe

Mintel conducted a broad study of the soccer market in the United Kingdom in 2013. The findings cover topics such as revenues, segmentation of the market, and consumer analyses. While many sports are enjoyed in the U.K. and in the rest of Europe, soccer is easily the most widely followed. It is also important to remember that European fans are frequently pitted against teams of other cities, counties, or even countries. Added ESPN soccer analyst Alexi Lalas, who played two seasons at Padova in Italy's Serie A, "This is where it's difficult sometimes for American sports fans to understand fandom of other countries when it comes to soccer: What is the underlying part of many of these fan groups is politics, cultural differences and long-held beliefs within these organizations that have absolutely nothing to do with the actual kicking of the ball." (Blum, 2013) This fundamental difference increases the passion that fans feel for their team. Havas Media developed a framework that determined that fans approach sports through what they call eight "logics of engagement": entertainment, immersion, social connection, play, identification, pride, mastery and advocacy. Germany's football fans, for instance, approach the sport through advocacy and play – meaning that they've grown up playing the game, and are very passionate when it comes to defending their favorite teams. Fans of the Portuguese-speaking nations of Portugal and Brazil share a preference for immersion, indicating that they are likely to completely lose themselves in the emotion of the game, and are greatly affected by wins and losses (Cheng, 2014).

Thanks to new broadcasting deals, English soccer teams reached nearly four billion pounds this year. Revenue sharing is a concept that is implemented by several leagues in the United States, but is a crucial cornerstone in soccer's fair play policy. England's premier soccer league, appropriately named The Barclays Premier League, is followed by 20.3 million people (Walmsley). This league has the largest international following in Europe due to boasting powerhouse teams such as Manchester United, Chelsea, and Arsenal. Interestingly, Mintel's research revealed that a higher percentage of adult internet users attended a live soccer match in a lower division (15 percent) than attended a Premier League match (12 percent).

Marketers have ramped up efforts to reach this large market through expanding TV contracts and through viewing on different media platforms, such as online streaming. 50 percent of fans actually stay up to date with their team through utilization of five or more types of media platforms (Walmsley, 2013). While marketers attempt to separate the market to allow for more direct messaging, the segmentation process revealed surprising results. Differences between diehard fans and casual supporters emerged quite obviously, providing an opportunity for brands to connect with each group in unique ways. Many fans suggested that they place more importance on their team playing an entertaining style of soccer than their team winning the game and 37 percent of fans agreed that their favorite team has a realistic chance of winning the trophy this season (Walmsley, 2013). This is a very optimistic attitude considering that there are 20 teams in the premier league and a similar number in other divisions. This optimism provides serious opportunity for teams looking to stoke the fan engagement fire and capitalize on positive attitudes.

Leading the way for media usage by European sports fans is a new mobile app platform by Celtic Football Club called CelticLIVE. The application provides videos, interviews, tweets, live updates, and even voting abilities to enhance the in-game experience for devoted fans. Put simply, the app is a resounding success. Celtic fans have downloaded and engaged again and again throughout the season. The app has been downloaded 41,000 times in its opening season and was rated the number one app in the iTunes store on launch day (Unknown, 2014). Further research explains that a sports app on average is opened for 1.8minutes; CelticLIVE is opened for an average of 2.6minutes. This demonstrates its durability of content and ability to capture the imagined of even the most engaged fans (Unknown, 2014). Similar systems have already shown serious popularity in the states, but have not taken off the same way in Europe. CelticLIVE is truly a breakthrough that will pave the way for future fan engagement in the continent. Social media is another crucial medium for teams to connect with fans. In the case of CelticLIVE, the social aspect has been a raging success, backed by numbers: there were over 8.5 thousand tweets surrounding CelticLIVE delivering a total of 17.6 million impressions (Unknown, 2014).

Sports Fan Culture in Asia

Greg Unsworth, the technology, media and telecommunications leader at PricewaterhouseCoopers (PwC) in Singapore, was optimistic about the future of Asia's sports market in general. "There's a great opportunity. We will see Asia growing at a very fast rate in promoting growth and the whole sports industry," he said (Lai Chow, 2014). PwC estimates that Asia currently holds 19% of the sports market, which was valued at

$130 billion globally in 2012. Asia's market share figure compares to North America's total of 41%, Europe, the Middle East and Africa's total of 35% and Latin America's total of 5%. PwC, though, expects the sector to record a compound annual growth rate of 5% in Asia from 2011-15, trumping anticipated upticks of 4.7% in North America and 4.6% in Europe, the Middle East and Africa (Lai Chow, 2014). A survey carried out by YouGov of 21,000 people in 15 markets (including football-crazy nations such as the UK, Spain and Brazil) suggest that China have the highest share of respondents who identify themselves as "very passionate" (30%) about football. The global average percentage of passionate fans was 17% (Cheng, 2014).

Heineken provides crucial insight into the culture of Asian sports fans. David Moore, Heineken Asia Pacific regional marketing manager mentioned that the UEFA Champions League (a tournament involving Europe's top soccer teams) is especially relevant for its consumers in Asia. Moore pointed to how, leading up to the Champions League final, the brand engaged local football fanatics in Hong Kong by pitting two bar-goers against each other in a night race from Hong Kong Island to West Kowloon. The first man to score a goal across the Victoria Harbour was rewarded with a flight to Lisbon to watch the final live that weekend (Lai Chow, 2014). These insights from the international brewery explain that the Asian market is full of European soccer fans and also suggests that creative campaigns such as gamification and prizes can motivate consumers.

OBJECTIVE

Is there a universal blueprint for international expansion of professional sports brands? This research aims to capture the power of global sports branding expansion by discovering the most attractive expansion sports as well as the most attractive markets to see if there are major differences in industries, or if current expansion successes can be replicated with a similar method. Interviews with current sports professionals provided key insights that both confirmed previous notions, but also powered this research forward.

RESULTS

The process of marketing in a new part of the world presents novel challenges that may vary from sport to sport. Copious methods exist when considering how to build a brand, but decisions about which ones to employ, and in which order, must be carefully tailored to the strengths and weaknesses of a sport and applied with a long-term perspective that respects and maintains its traditions (Back, Blatter, & Bughin, 2004). Some sports require tedious negotiations and deliberation for TV and sponsorship deals to gain awareness. For some sports it comes with a bit of good luck: The emergence of Tiger Woods, a megastar popular not only in the United States but throughout the world, was fortunate for golf, and the PGA was quick to seize the opportunity to intensify its promotional efforts (Back, Blatter, Bughin, 2004). But "star power" is not as important for fans of all sports or even fans in all countries. Research by Alan Pascoe discovered that digital platforms, social media and the attendant creation of rich content are now fundamental to any successful program, the success of which enhances the sport and

brings a nation or community together (2014). This modern approach accounts for

millennial sports fans that seek content beyond the buzzer in the form of articles, videos,

and social media connection. Pascoe goes on to explain how thoroughly an international

campaign must be integrated. If this is an international project, much thought needs to be

given to how this will operate in other markets and how prescriptive the center needs to

be for any activation. Flexibility – to allow other markets to capitalize on their local

knowledge – is vital. Relationships in every market need to be deep and sustainable

(2014). This insight is vital to remember as analysis moves into expansion tactics in the

United States, Europe, and Asia. The following chart was created to illustrate the

differences in these three major global markets when considering expansion:

Expansion into Major Markets			
	North America	Europe	Asia
Pros	• Fans are used to supporting one team in several different sports • 41% of global sports revenues in 2011 • Multicultural acceptance • Lucrative television deals	• Success of NFL London suggests openness to new sports • Passionate fans • Major sponsorship opportunities • Live events drive revenues	• 19% of global sports revenues in 2011, but growing at 5% annually • Fans are used to following teams/leagues outside of Asia • Sponsorship is a major revenue driver
Cons	• Potentially saturated market • Very expensive to enter current leagues	• Soccer is dominant • Less open to diversity in sports • Slower, but rising technology adoption by fans	• Players of their nationality drive fan interest • Language barrier makes sponsorship more difficult

Expansion to North America

Teams considering expansion into North America must recognize the family-oriented nature of today's American sporting event. In an effort to expand their brand, teams and leagues in the U.S. also have made a concerted effort to make their games more family friendly, said Larry DeGaris, a marketing professor at the University of Indianapolis. Warm-and-fuzzy mascots give away T-shirts during timeouts, and popular music blares from the P.A. (Blum, 2013). While young males may drive ticket sales on other continents, the American sports model has shifted to include fans of all shapes and sizes. Some parts of the sports world currently struggle with racial tension in sports, a concept that is hard to grasp in the United States. The United States has a history of diversity that the rest of the world does not. Almost everyone in the United States can trace his or her roots to another country while many European countries, in particular, are still struggling with the idea of multiculturalism (Blum, 2013). This makes the American market very attractive for new European teams to expand their reach. What would appear as unattractive about American expansion is market saturation, but in reality, Americans have learned that it is normal to pick a team in each sport to root for. Ronald Blum and the Associated Press explained that while Europeans or South Americans have one club and one country they root for, an American will have a favorite baseball team. A favorite pro football team. A favorite college football team. A favorite college basketball team (2014). This suggests that teams currently expanding to the United States, such as Germany's Bayern Munich, may be able to attract a loyal following.

I had an opportunity to speak with Raul Allegre, Super Bowl champion with the New York Giants and now a commentator for ESPN Deportes in Mexico. Mr. Allegre

explained that fans in Mexico are "sports sophisticated" and tend to be very passionate about their teams. They travel to games around the country and into the United States and provide healthy television ratings that lead to hefty media deals. When asked if an NFL team could be possible in Canada or Mexico City, Mr. Allegre was skeptical. He described Canada's current football league and its success within Canadian borders. The Buffalo Bills NFL team has played games in Toronto with little success. He also suggested that while the NFL's popularity in Mexico is undeniably important and increasing, adding an NFL team in Mexico is highly unlikely due to cultural differences and ridiculously high startup costs. One major cultural difference is a language barrier that NFL players are not used to. The key takeaway for considering expansion into North America that the fan base is passionate and open to new sports and teams, but the market is heavily saturated and must be properly navigated to find a niche.

Expansion to Europe

While research suggested that Europeans are deeply passionate about soccer and soccer only, opportunity exists to gain fans in this region. In the same way that soccer exhibition tours in the United States have exposed sports fans to the best soccer teams in the world, the NFL's exhibition games in London have successfully created interest and introduced European sports fans to the intricacies of the game that is incredibly popular in the United States. Continuing these exhibition games or "tours" in Europe is a productive way to motivate fans to buy in, but it will take more than that. Sponsorship is such a powerful motivator in sports that taking on a highly touted European company as an NFL sponsor would increase European attention significantly.

Social media presence is critical when expanding a brand to a new market. As mobile applications and increased social media intensify in the European sports world, the prospect of brands catching on in Europe increases. In the case of an NFL sports team, creating a social media presence that is European-friendly, or even a branch account specifically for Europe, would do wonders in reaching new fans. Whether it's an NBA team, Asian baseball team, or any other team for that matter, increasing fandom in Europe requires a brand and culture for fans to latch onto. While fans in Asia analyze the strategy and history of the game itself, Europeans have shown through passion for soccer that they want their team to win. Considering that 37 percent of fans agreed that their favorite team has a realistic chance of winning the trophy this season (Walmsley, 2013), it is crucial that fans have a team to align themselves with and ideally that team would be in contention for winning a championship.

An interview with a recent PGA Tour player, named Joe Ogilvie, provided insights into how quickly golf has expanded its following into Europe. He stated that the biggest change he saw in the tour's positioning over his 15 seasons was the move into the global arena as there are now 88 international players. While the PGA Tour benefits from golf's history in Ireland and Scotland as well as The British Open's importance in England, golf's incorporation into the future Olympics is massive for the sport. The PGA Tour's brand in Europe will undoubtedly benefit from the increased airtime for the sport. With proper marketing efforts, sports fans that cheer for European players in the Olympics will follow these world-class athletes into their seasons on The PGA Tour.

Expansion to Asia

Asia holds a unique perspective in the sports world as the massive population of this area follows sports internationally, but lacks a world-famous league that is followed by citizens outside of Asia. "One of the things we've noticed is that bringing global properties across to this part of the world works really well," Amit Dasgupta, brand director for South East Asia at Adidas, told delegates at the Sports Matters conference, held in Singapore in September 2013. He cited as evidence the "amazing experience" of Chelsea FC – an English football club with which Adidas is affiliated – playing in Thailand, Malaysia and Indonesia as part of an Asian tour in July 2013 (Lai Chow, 2014). Chelsea's exhibition tours in Asia demonstrate an attempt to tap into this massive sports-consuming market that frequently watches events on TV, follows on the internet, and even purchases merchandise.

I had the chance to speak with the VP of Marketing with the Texas Rangers, a Major League Baseball team, about their international fan base. The team's major international following consists of fans in Japan, Venezuela, and Korea. These regions are due primarily to the Rangers' signing of players from these countries. Not only are the Japanese interested in the performance of their pitching prodigy, Yu Darvish, but the country follows the player passionately and is so proud of his representation of their country that a museum for Yu now exists in Japan. Beyond increased fandom abroad, Yu Darvish's signing and following success have lead to sponsorship deals from Japanese companies who are aware of the Japanese audience watching. Nitto Tires, for example, is now a major sponsor thanks to the success and popularity of Asian players Yu Darvish as well as Korean outfielder, Shin Soo Choo.

When considering expansion of baseball into Asia, it is important to examine the culture match. According to the Texas Rangers representative, baseball fans are different. The game is much more laid back, approachable, and family friendly – made evident by the Rangers' frequent discounted children's tickets. This more relaxed crowd is one that actually engages in conversation during the game and is allowed to take their eyes off of the field every now and again without missing a big play. What does work to the sport's advantage is that teams have integrated technology much more thoroughly and begun to track statistics such as Facebook check-ins at the stadium, which fans have embraced. Asian fans are comfortable integrating technology into the game. MLB teams have also played exhibition games in Japan as well as Australia to reach new markets.

DISCUSSION

This research discovered that there is not a cookie-cutter blueprint for international expansion. Rather, it is a medley of brand positioning, sponsorship, technology, and culture fit that combine to create a successful expansion into a new region. The big bucks of TV deals will always be a target for governing leagues, but the fans are the ones who really add value to those deals. Without a large following to turn on the TV's, there's no deal. It is evident that various strategies exist for expansion. In some cases, such as the NFL's, the league decides to showcase their sport in a new region. In others, such as Bayern Munich's, establishing a marketing department in a new country to build your own team's brand in a region can work as well. Whether one team leads the way or a league paves the path, one thing is for sure: expansion is happening. Sports breaks down borders because it doesn't require translation into a new language or

discriminate which race can be successful. Sports are a universal language that allows

companies to reach people where they are most comfortable. The frontier of international

competition holds massive opportunity, and the future is bright. Let the games begin!

APPENDIX A: IRB PRIMARY RESEARCH CERTIFICATION

TCU INSTITUTIONAL REVIEW BOARD

Review Cover Sheet

Date: November 1, 2014

Principal Investigator: Dr. William Moncrief

Project Title: How Sports Teams Expand Their Brands Internationally

Multi-Year Project: No

Proposed Participants: Non-TCU Participants

If requesting an exemption or expedition, please state reason: This project is seeking exempt status because the proposed research involves completely voluntary interviews and the disclosure of information obtained in the research will not place the subjects at risk of any kind (criminal or civil liability, financial standing, employability, or reputation).

1. Date: November 1, 2014

2. Study Title: How Sports Teams Expand Their Brands Internationally

3. Principal Investigator: Dr. William Moncrief

4. Department: Marketing

5. Other Investigators: Braydon Rinke

6. Project Period: November 2014 to May 2015

7. If you have external funding for this project: There is no external funding for this study.

8. If you intend to seek/are seeking external funding for this project: This study is not seeking external funding.

9. Purpose: This study investigates the ability of sports teams and leagues to increase their fan bases internationally.

10. Background: Many sports leagues and teams have taken advantage of the digital age to spread their brand around the globe and attract new audiences internationally. With TV contracts and sponsorship generating more revenue than ticket sales, it is no longer just about filling stadiums. One example is initiative that the NFL has shown by holding a couple regular season games overseas in London. The possibility of moving a current NFL team to the English city is a serious conversation as of late. Another example is the soccer club, Bayern Munich (from Germany) opening a PR and Marketing office in Manhattan strictly for expansion of awareness in the United States. While the trend is recent, it is powerful and rapidly catching on. My research will study the calculated measures that these teams and leagues take when making strides abroad while gaining key insight into the overall impact on the brands and possible outlines for expansion of other teams in the future.

11. Subject Population: My target audience is professionals in marketing departments of sports brands that reach fans beyond domestic borders. The project is aiming for a minimum of 10 participants.

12. Recruitment Procedure: No specific recruitment strategy will be implemented. Participants will be reached out to and it is likely that a minority choose to participate in an interview.

13. Consenting Procedure: Participation in this study is completely voluntary. Participants can withdraw at any time during the study. There is no incentive offered for participation. Students will read and sign consent form prior to participation.

14. Study Procedures: Interview

15. Data Analyses: Qualitative coding, if any.

16. Potential Risks and Precautions to Reduce Risks: This study involves minimal risk. Participants may feel slight anxiety to complete the interview in the allocated time, but the anxiety will not last beyond the time of the study. To reduce this anxiety, the researchers will explain that participants are not required to complete the interview and can finish at any time. In addition, upon completion of the interview, the investigators will discuss the end goal of the research if desired.

17. Procedures to Maintain Confidentiality: If the participant desires to remain anonymous, coding procedures will ensure their confidentiality by protecting their name and all of their responses.

18. Potential Benefits: We expect the project to benefit those working in sports marketing (international and domestic) by providing them with more information about how international expansion occurs and the resulting impact on the organization's brand. Participants who would like to learn of the findings of this research may attend the student investigator's honors presentation in April 2015.

19. Check List for the Items that Need to be Submitted:

Protocol

Consent Document

Protecting Human Research Participants Training Certificate for each investigator

Questionnaires or other documents utilized in screening and data collection

Texas Christian University

Fort Worth, Texas

CONSENT TO PARTICIPATE IN RESEARCH

Title of Research: How Sports Teams Expand Their Brands Internationally

Funding Agency/Sponsor: Principal Investigator: Dr. William Moncrief

Study Investigators: Student Investigator: Braydon Rinke

What is the purpose of the research?

This study investigates the ability of sports organizations to increase their fan bases internationally and the resulting impact on a the brand.

How many people will participate in this study?

Between 10 and 20 people will participate in this study. Participants professional in the sports marketing industry.

What is my involvement for participating in this study?

You will be asked to give your opinion and knowledge about questions relating to the topic. The line of questioning will depend on your answers.

How long am I expected to be in this study for and how much of my time is required?

This interview will take between approximately 10 and 30 minutes to complete. There is no follow up information required.

What are the risks of participating in this study and how will they be minimized?

This study involves minimal risk. You may feel slight anxiety to complete the interview in the allocated time, but the anxiety will not last beyond the time of the study. If you feel overly anxious, you are not required to complete the interview and may leave at any time. There is no penalty for withdrawal.

What are the benefit(s) for participating in this study?

We expect the project to benefit those working in sports marketing (international and domestic) by providing them with more information about how international expansion occurs and the resulting impact on the organization's brand. Participants who would like to learn of the findings of this research may attend the student investigator's honors presentation in April 2015.

Will I be compensated for participating in this study?

There is no compensation associated with your participation in this study.

What is an alternate procedure(s) that I can choose instead of participating in this study?

A skype interview or other virtual interview could replace a face-to-face interview. Otherwise, your participation is completely voluntary, so you may choose to work on anything else instead of participating.

How will my confidentiality be protected?

If you desire to remain anonymous, your identity, demographic data, and responses will be coded and protected throughout research and final presentation of information

obtained.

Is my participation voluntary?

Yes, your participation is completely voluntary.

Can I stop taking part in this research?

Yes, at any time you may stop taking part in the study. There is no penalty for
withdrawal.

What are the procedures for withdrawal?

To withdraw, you should compile the case materials, return them to the proper envelopes,
and give them to the investigators in the room. For any questions, contact the principal
investigator Dr. William Moncrief (b.moncrief@tcu.edu).

Will I be given a copy of the consent document to keep?

Yes.

Who should I contact if I have questions regarding the study?

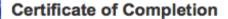Principal Investigator – Dr. William Moncrief (b.moncrief@tcu.edu)

Student Investigator – Braydon Rinke (braydon.rinke@tcu.edu) or at (512) 296-8650

Who should I contact if I have concerns regarding my rights as a study participant?

Dr. Dan Southard, Chair, TCU Institutional Review Board, Phone 817 257-6869. Dr.
Bonnie Melhart, TCU Research Integrity Office, Telephone 817-257-7104.

Your signature below indicates that you have read or been read the information provided
above, you have received answers to all of your questions and have been told who to call
if you have any more questions, you have freely decided to participate in this research,
and you understand that you are not giving up any of your legal rights.

Certificate of Completion

The National Institutes of Health (NIH) Office of Extramural Research certifies that **Braydon Rinke** successfully completed the NIH Web-based training course "Protecting Human Research Participants".

Date of completion: 11/03/2014

Certification Number: 1607879

Certificate of Completion

The National Institutes of Health (NIH) Office of Extramural Research certifies that **William Moncrief** successfully completed the NIH Web-based training course "Protecting Human Research Participants".

Date of completion: 01/28/2015

Certification Number: 1672257

APPENDIX B: INTERVIEW QUESTIONS

MLB Interview: Becky Kimbro

- What kind of following/awareness does your team have outside of the United States?

- Does the nationality of players impact your strategy? In what ways?

- To what extent does your brand campaign expand internationally?

- What's the biggest challenge presented by international markets?

- Have you encountered any legal, political, or cultural barriers to expansion?

- What makes baseball fans different from a marketing perspective?

- To what extent has your team's fans embraced new technology?

- How successful have the team's current international activities been?

- Does the MLB have the potential to expand internationally in the way that the NFL is attempting to?

PGA Tour Interview: Joe Ogilvie

- How would you describe the PGA Tour's brand positioning?

- How has the brand changed over your time on the tour?

- How would you characterize a PGA Tour fan?

- To what extent does a PGA Tour fan embrace technology?

- What motivates a PGA Tour fan?

- What is the PGA Tour doing to increase fandom domestically?

- How aware is the PGA Tour's marketing department of the brand's international following?

- In your opinion, has global expansion been successful?

- How does sponsorship change regionally? Globally?

- Where is the money in golf? TV? Tournaments? Partnerships?

- How would you position the PGA Tour for future success?

NFL Interview: Raul Allegre

- How has the NFL brand changed since you played in the league?

- What is an American NFL fan like?

- How would you describe a Mexican or Latin American NFL fan?

- How aware in the NFL of their international fan base?

- Are technological advancements (mobile apps) accepted by fans in Mexico?

- Where is the NFL focusing its expansion efforts now?

- Where is the money in the NFL-Mexico? TV? Sponsors? Merchandise?

- Could an additional NFL team succeed in Canada or Mexico?

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