

Spotlight

Loyalty marketing

Verbatim:

'All universities are in the same boat in looking for ways that we can connect even more with fans.'



Photo courtesy of Texas Sports Photo

Fans know spirit is more than a word at the University of Texas.

LONGHORNS keep 'em hooked

Vmag offers behind-the-scenes look, ups loyalty

By ALLISON ENRIGHT
Staff Writer

In Texas, the saying goes, football is life. The season-long roar of 80,000 rabid, stamping University of Texas Longhorn fans packing the school's stadium tends to back this up. This school's lifeblood runs burnt orange and white.

With 50,000 enrolled students at its campus in Austin and more than 450,000 living alumni spread around the globe, celebrating achievements and fostering loyalty with this broad audience is of great importance, and a great challenge, to the school. It reaches out to them via an overwhelmingly extensive network of alumni organizations, school programs and promotional products.

And, in 2005, the university's athletic department partnered with a communications technology company to introduce a Vmag—a video magazine distributed over the Internet to subscribers—into the mix.

Championed by Texas' charismatic head coach Mack Brown, the Longhorns' video magazine offered fans a fly-on-the-wall view of the team beyond the standard

game clips. With Brown's permission, the Vmag granted access to locker room pep talks and player antics, to coaches' meetings and footage of the team traveling to games.

"Truly what Coach Mack Brown did was say to fans that, 'We love you, we value you and we're going to show you from the inside out what we're really like,'" says Kathleen Hessert, CEO of NEWgame Communications, the Charlotte, N.C.-based company behind the Vmag technology. "Fans were ecstatic."

The 2005 football season turned out to be the ideal opportunity to hook Longhorn fans on a new product. The team stamped over opponents all season, turning in a 13-0 record and nabbing the ultimate prize: The Longhorns defeated reigning champion University of Southern California at the Rose Bowl in January to earn the National Championship trophy.

Collegiate sports of all kinds inspire a fanatical fol-

lowing, says Kyle Moats, the associate athletic director for national marketing at the University of Louisville, which is also an NCAA Division I school. College teams tend to be approachable for fans. For alumni, they are tied to a shared experience, unlike professional sports leagues.

"I think college sports fans are really in tune with their particular team. Most college sports fans are more knowledgeable about their teams as a whole than a pro sports fan," he says. "The people who are die-hard fans want to be as close as they can be. Even if they're not on the team, they want to feel like part of the team."

Colleges with smaller athletics programs than that of Texas, including Louisville, which has some 117,000 living alumni, often use direct mail programs to connect with fans and season ticket-holders. They also organize game-viewing events for fans that are no longer in the geographic area. The Internet is also helping with fan sites,

'Even if they're not on the team, they want to feel like part of the team.'

LONGHORNS / From page 15

New content increased offer's appeal

giving schools new ways to reach out. "I think all universities are in the same boat in looking for ways that we can connect even more with fans," Moats says.

"Sports fans are typically tied to conventional television" to see their teams and get updates, says Christine Plonsky, associate athletics director at the University of Texas. "We're just trying to find our fans. I think (the Vmag is) a wonderful product for another layer. We're fortunate at UT to have a lot of layers to reach fans."

The school's games are nearly always nationally broadcast on network or cable channels. Attending a Longhorns game in Austin is tough to do, given that every home game has sold out since Brown became coach in 1998, but fans can connect to the school's football program through such Web sites as www.mackbrown-texasfootball.com, the official football site for UT; www.texasports.com, the official site for the Texas athletics program; and www.texasports.tv, a subscriber-based online repository of game clips that costs \$79.95 a year to access. (The Web sites are commercial sites (.com) rather than educational sites (.edu), Plonsky says, because the traffic driven to these sites—more than 2.3 million requests were entered in December to the Mack Brown football site alone—would otherwise overload the school's servers.)

So the Texas Longhorns' Vmag entered into an already-crowded loyalty marketing space. But then, there is no shortage of loyal Texas fans.

The 10 Longhorn issues distributed over the 2005 football season were a bit of an experiment for the Vmag platform, Hessert says, as it was the first time the technology was used to connect with an athletic fan base. Previously the program had been used for university-level education and recruitment efforts and travel and tourism businesses. For UT, NEWgame produced an issue a week throughout the season, each issue providing about 10 minutes of original footage of the team at work and play.

Quarterback Vince Young and the Longhorns went undefeated in 2005 and claimed the National Championship when they beat the University of Southern California 41-38 in January's Rose Bowl.

The issues automatically downloaded fully to subscribers' desktops, were accessible at the viewer's convenience, and could be replayed.

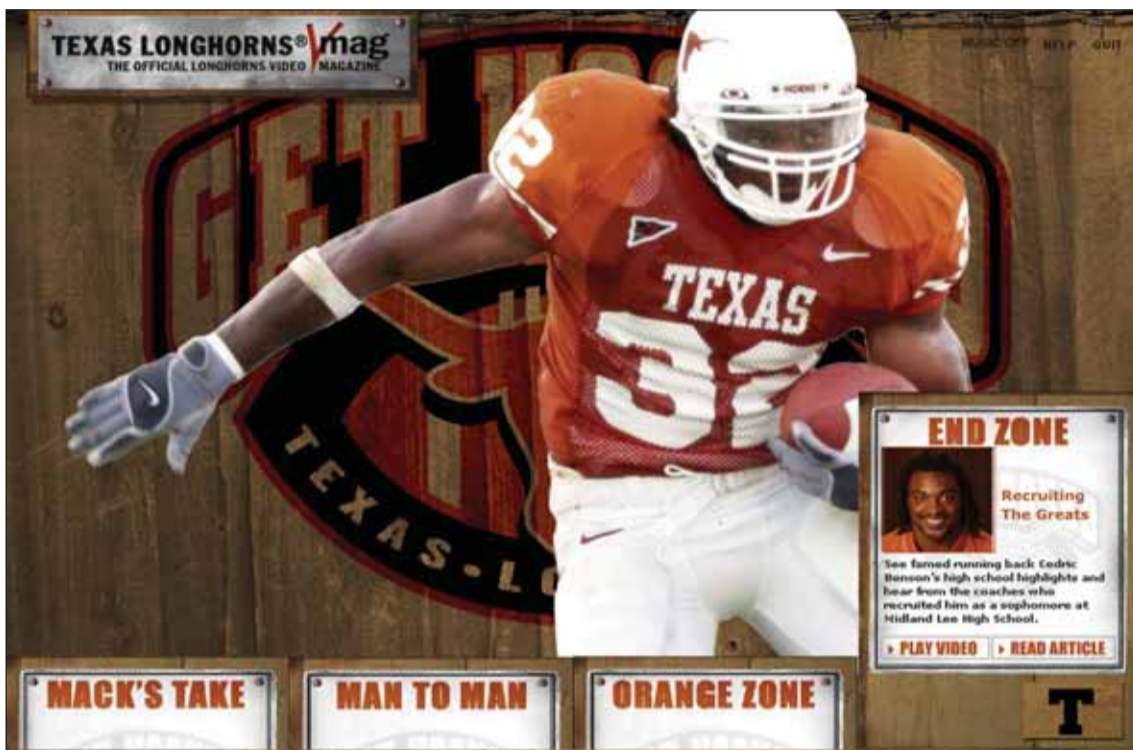
Because the magazines were downloaded (but to PCs only), the footage was in full-motion video; that is, it played on the computer screen as it would on television. The system avoided many of the technical elements that interrupt streaming video online.

That the content was different from what fans could get through other Texas fan channels is part of what made the offering appealing. "Sports is an exposure-driven business now. It's more about the people involved, and that human element is appealing to people," Plonsky says.

The product appealed in particular to fans who couldn't get to games. Subscribers were located in all 50 states and in 14 foreign countries.

"Displaced fans are the norm in (college) sports," Hessert says, adding that 74% of subscribers weren't season ticket-holders.

The Vmag



The Vmag provided otherwise unavailable video footage of Texas coaches and players.

earned 522 paid subscribers at \$24.95 a pop in its first season. That represented an 18% conversion rate among those who accessed the free sample issue, which was promoted on the school's Web sites, to season ticket-holders, and to members of the Longhorn Foundation, the university's athletics fundraising arm.

"Not all of America is ready to sit in front of a computer, but it's a healthy number for a first-year venture," Plonsky says.

The sample issue was downloadable at any time throughout the season, and any subscribers who signed on during the season received all the back-issue content.

Furthermore, through the sample issue, which was downloaded by 3,200 users, NEWgame was also able to learn a lot about Texas fans—information that was keenly observed by the university and its sports marketing company, Lexington, Ky.-based Host Communications.

(Host maintains a satellite office in Austin that works exclusively on UT programs.) Host and UT signed a licensing agreement with NEWgame to create the Vmag; initial subscription revenue went to NEWgame to cover costs, but income over a certain threshold was split between NEWgame and UT Athletics/Host.

"(The Vmag) tracks everybody as far as how many downloaded issues and what they watched, or re-watched, in each issue. The footage went over really well once they bought it," says Terri Kelley, account manager at Host Communi-

cations. Information was obtained on an opt-in basis. "We were really able to get an idea of what kinds of footage they were most interested in," she says.

NEWgame also tracked click-throughs and information requests from subscribers and found that 84% of subscribers asked for more information on promotions, the school's Longhorn Foundation and booster clubs. Subscribers also clicked from the Vmag through to the official Longhorn store for merchandise 12% of the time. "What we heard from subscribers was, 'We're rabid Texas Longhorns fans, send us what you've got,'" Hessert says.

The Vmag did not contain direct advertising, although the platform is capable of hosting it.

The university, along with Host Communications, did have final approval of editorial content of the Vmag; the athletic program approached content as a twist on a coach's show, Plonsky says. It was important to UT to show the football program in the best light and the school had the cooperation of the entire coaching staff and team. "The message was unfiltered. (The school could) talk directly to their constituents," Hessert says.

Fan feedback, obtained via a survey that was sent with the season's last issue, reinforced the experiment's success at meeting its goal of building Longhorn loyalty. According to the survey, 80% were likely or certain to renew their subscription next season. Further anecdotal feedback impressed Texas' Plonsky of the platform's validity.

"I believe sincerely that (the Vmag is) a product that might have a play for the sports buyer, but I really see it exploding on a business platform as a way to get to customers and communicate and get feedback on an (ongoing) basis," she says. ■

To further tackle the topic of loyalty marketing and Vmags, log onto www.marketingpower.com/marketingnews blog.

