

ARTICLE: Customer Relationship Management Systems

An essential sales and marketing tool for the sporting business

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A sporting club, whatever the size of it, should be viewed as a business. In common with any other business there is a need to increase the number of customers that spend money with us (season ticket holders, members, and sponsors), a need to retain all of these customers and a need to increase the amount of money they spend with us.

There is a need to have a data culture in order to retain these customers (we use communication to generate loyalty), in order to reduce our costs (if we send everything out via E mail instead of direct mail we will reduce our costs) and finally to enable us to maximise the income we are able to generate from our customers (if we know who our customers are and what they buy from us we can target them for other products). The customer relationship management system is the "tool" which assists us with our aims of maximising our sales, reducing our costs and therefore growing our business.

What is a CRM system?

A CRM system is not just a data base, it is a system which is part of a "customer centric ethos" which allows you to understand your customer (we understand their wants and needs) and it allows you to communicate with them in a very personable way.

What does it allow us to do?

Firstly, a CRM system is able to integrate information from a range of systems e.g. ticketing, merchandise and the corporate data base. Therefore within our business there is only one "data base" in which there is a single screen or record for each customer which displays all of their details.

This will immediately reduce the number of duplicate records within the business (an average sporting club will have 6 different data bases) and on one screen immediately shows us what each customer buys from us (e.g. it is an individual who is a season ticket holder who buys merchandise and who also buys occasional corporate tables).

Secondly, the CRM system is an easy to use "profiling tool" which can be used to segment our customers into groups very quickly and easily. Form example if we wanted to know which companies have come to cup games during the last two seasons, which season ticket holders live in a specific town or even which adults bought a shirt last season we will be able to collect together this segment of data/group very quickly and easily.

Finally, the system allows us to generate a personalised message which could be sent by E mail, Fax or Direct mail to everyone within a specific group.

In summary the advantages of the CRM system to our sporting club business are;

- It can build up a total understanding of our customer's activities, where they live and what they buy from us.
- It can reduce our marketing costs because we will know who wants our specific products and services, therefore we will be able to target the relevant groups for sales of specific products.
- It reduces our costs because it a) reduces our sales and marketing costs and b) we will send out more by email and will therefore reduce our direct mail spend.
- It improves our customer service.

How is it being used in the clubs today?

- a) *Developing Loyalty through the newsletter* – it is now understood that regular communication with your customer base will firstly develop loyalty with the customer and secondly provide you with a platform from which to sell products and services.
- b) *The newsletter as a sales tool* – as mentioned above the E mail newsletter will be able to carry promotions for a wide range of products including events, summer schools , merchandise and even endorsement of sponsors products and services.
- c) *Creating a sales campaign using the CRM system* – we have previously highlighted the ability of the system to very quickly create target groups or segments of data. We are then able to personalise these letters automatically (Dear Mr Jones, as a season ticket holder for the last two years we believe that you will be interested in.....). We can therefore create campaigns to target customers with products that we know they have previously bought. Examples might be golf days, season tickets, summer schools, hospitality at games, merchandise sales or Jazz nights).
- d) *The Season Ticket Campaign* – where the CRM system can demonstrate it's value in several ways in through it's use in the season ticket campaign. The system firstly allows us to segment the "audience" into groups that have something in common such as existing season ticket holders, lapsed season ticket holders, families, businesses that buy season tickets or junior season ticket holders. We are then very quickly able to generate a specific and personalised letter for each group outlining our understanding of why they would buy a season ticket. E.g. "as an existing season ticket holder you can guarantee your seat if you apply by the 10th May" or "Enjoy 18 action packed games at a cost of only £3 a games as a Junior Season ticket holder" We are then able to send out this information via E mail to those individuals that we have an e mail address for and this will dramatically reduce our direct mail costs. (In 2006 Aberdeen Football Club sent out their season ticket information to 32,000 via E mail and saved £15,000 on the campaign due to the reduction of direct mail costs.

The Value of Data

There are certain things that we need to consider when putting a value on how important the data is to a club;

- Each individual who is connected to the club, from the person who comes to the jazz night to the season ticket holder, has a value to the club. They are a customer and we need to collect (with their permission) the individual's data.
- Once we have their data, as long as adhere to the data protection act we can use it as many times as we like. We can't give it to other people to use and it would be unwise to use it on a regular basis because the customer would either ask for the communications to stop or just ignore them.
- It costs us six times as much to retain a customer as it does to find a new one.
- If we collect data it could increase the value of our sponsorship packages. An example of this might be the local butcher who wants to increase his business through sponsorship at the local club. The club has 5,000 local people on their data base, they can't give the data to the butcher unless everyone on the list has agreed to have their data given away to other businesses but the club can send a letter saying "one of our main sponsors, WD Thompson the butcher is offering 5% discount to anyone who takes this letter into the shop this Saturday.(Even then the customer has the ability to opt out of receiving an similar correspondence in the future).The fact that 5000 individuals can receive this letter increases the value of our sponsorship.
- If we collect E mail addresses then it could dramatically reduce the postage costs throughout the year as seen in the Aberdeen FC example above.

Summary

The CRM system is now accepted by many sporting businesses as an essential sales and a marketing tool. As we have seen it is able to increase the income of the business at the same time as reducing the costs to the business. It is a real essential for all sporting club businesses today.

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