

***Experience from another sport***

**by Mr. Derek McGRATH, Managing Director, European Rugby Cup**

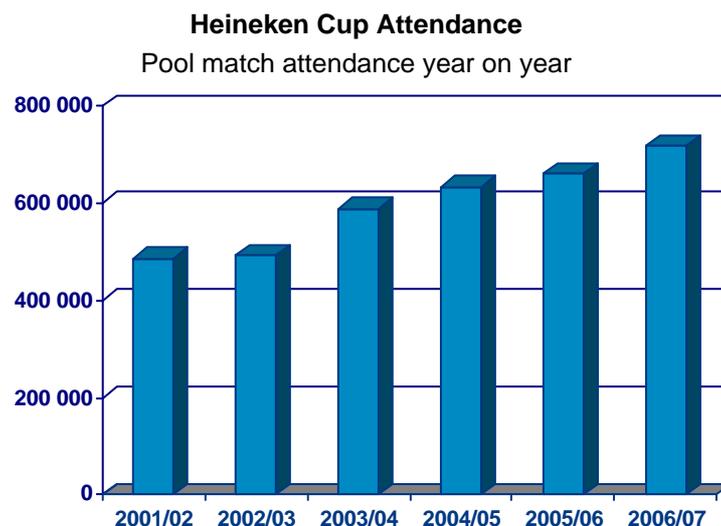
*“European Rugby Cup is the company which has been set up to run two tournaments, the Heineken Cup and the European Challenge Cup.*

*These are tournaments in which 44 professional clubs in eight countries around Europe participate. The top 24 teams play in the Heineken Cup and then the next 20 teams participate in the European Challenge Cup. The sport of rugby does not see itself in anywhere other than the bottom of the rung in terms of its size. It does, however, understand that in order to grow, it needs to share and be consistent in its strategies.*

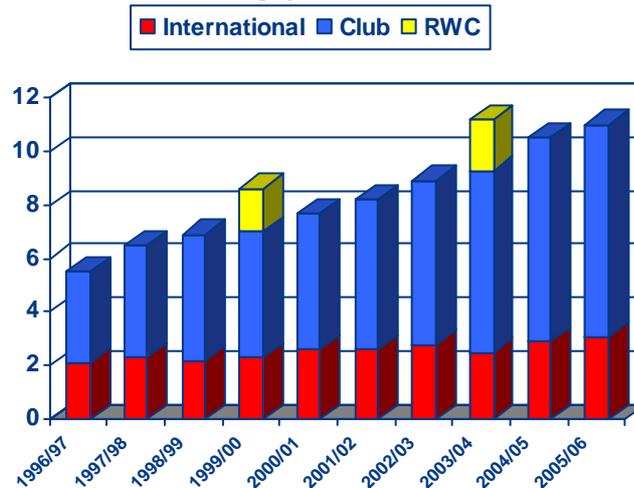


*Where do we fit in ? The Heineken Cup can be pointed in this hierarchy of events. The World Cup is in France right now. Everyone appreciates the size of the game of rugby when it is in town. Outside of that, it is a global sport to the extent that it is very, very passionately followed in nine countries but there is still a huge challenge to develop the game beyond that.*

*The Heineken Cup fits in under the international level and then below the Heineken Cup in the Northern Hemisphere and the Super 14 in the Southern Hemisphere we have each country with its own national professional championships.*



### Global Rugby Attendance



*The growth of the game is one that is clearly very important. The Heineken Cup over a short period of years is showing phenomenal growth in terms of attendance. The global game is no different : the international game in red and the club game in blue and then the World Cup in yellow, so that we are seeing growth of the game. The game is only 12 years young as a professional sport, but the benefit of that is that the product is right.*

*We have had the opportunity to have the players fit, the skills are improved, the contest is better. The people who come to those games enjoy what they see. They enjoy the experience and the important aspect of the rugby values is something that has been cherished, and a challenge to the game as its footprint expands is to maintain those values which people experience, the reason they are attracted to the sport. As the game expands, the challenge is to maintain those.*

### Development of Rugby's Economy

**Strong Events –**

RWC 1987 (surplus £1M)

RWC 2007 (surplus £90M)

**Arrival of the “Star”** - Jonny Wilkinson, Jonah Lomu

**TV Exposure** – balance of revenue against breadth of coverage

**Sponsors** – Promote Association, Promote Rugby

**Rights Holders** – Best Practice

**Dedicated Media** - mainstream media interest growing

**Satisfied Customers** – Attractive demographic

*At the same time as the development of the game is on the pitch, the economy has developed. The example of the World Cup that is now witnessed in France, this year the IRB, the governing body, will take a dividend from the event of 90 million euros. That compares to 20 years ago at the first event where there was 1 million surplus, and that is only the dividend that the IRB will take. There are many other stakeholders who will benefit from the event itself.*

*The arrival of the star has been critical to our game. It is only a recent phenomenon, probably in the last three or four years that rugby has its global stars that go beyond the game and bring the attention that the sport needs to attract in new fans. The promotion that we receive from that, but also from our partners, TV and sponsors, the oxygen received is critical. The editorial in particular that TV brings to the sport, and to add personality, is something that is increasingly important to explain what is a complex game to a new audience.*

*We are lucky to have now a lot of best practice within the game at club level, union level, but also a dedicated media, very supportive of what the game is trying to do, while at the same time, the mainstream media is also now taking a good, hard look at the sport. We are also lucky with the demographic that we have, which is ABC1, in the traditional sense, and they enjoy the product.*

*I want to give you some of the examples of how attracting new audiences, but clearly the one of loyalty is at the heart of any customer challenge, trying to expand our footprint, and the clubs that we work with work very hard with their audiences to develop loyalty. They have a very basic challenge within that, or basic need, which is that the revenues that come in from the season tickets come in May and June at a time when the gates are not clicking, the games are not on, the season is finished.*

*That is when the revenue comes in to help the cash flow, but in terms of developing the relationship with the fan, the clubs see it as a way to attract new fans to the games.*

*In Ireland we have Munster and Leinster, in England, Gloucester, in France, Biarritz and Perpignan, which are all in the middle of or just about to improve the facilities, to increase their venue size. Therefore they are improving the offering that they are making to the fans. The facilities are critical to bring in the new fans.*

*The other interesting example seen in rugby is that where a club has an ambition or a marquee game which it wants to take outside of its normal, by example, Stade Français in Paris, their whole venue is 11,000. They have been to Stade de France, which has a capacity of 80,000, so they have managed to fill that three times last year. That is an example of how a marquee game can be used to develop a sport, and for us it brings in huge attention.*

*Some of the strategies targeted ticketing pricing, joint promotion, database marketing, are those that we have brought to the game adding best practice to attract and to bring attention to the game.*

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*I want to now mention partnerships and to describe the strategy of the Heineken Cup Final, which has been applied for the last couple of years to explain how we have applied some of the practices to the challenge that we faced.*

*The Heineken Cup Final will take place next May at the Millennium Stadium, as it was also in 2006. Traditionally we faced a big challenge with this event in that we did not know who was going to be in the final until four weeks before the event.*

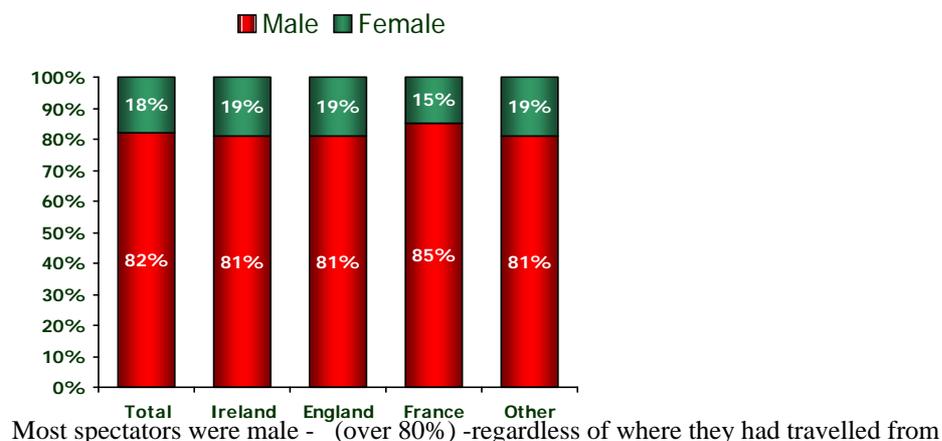
*Usually we played the event in the country of one of the participating teams. We were relying, therefore, on just the loyal fan base that existed in that country that would want to come and support that team or to come and perhaps support the game.*

*A rugby fan is a rugby fan to one team. He does not really want to go and support somebody else's team.*

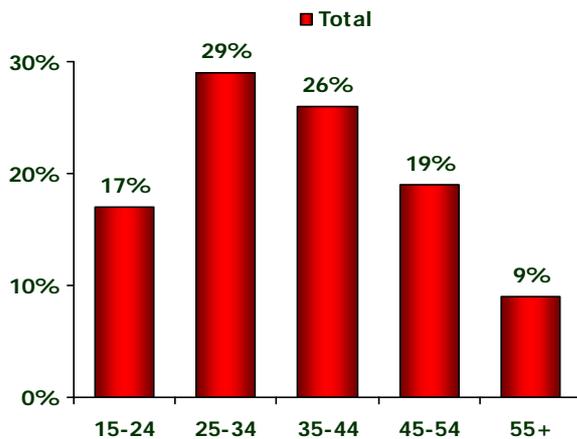
*So, we took the boldest step at the time to decide that we would take the strategy to a 12 month one and we would announce the venue 12 months in advance. So we knew the venue, we knew the event, we did not know who was playing. That was a massive challenge and we needed some help with that. We needed partnership.*

*In the case of Wales we went to our partners in Wales to address a challenge with them : the Welsh Assembly Government, the Welsh Tourist Board, Cardiff City Council, the hotels, the airport, the police. We got a shared commitment before we went ahead with this project, which was financial as well as spiritual. They came to it with a shared commitment, all of them having individual objectives. They could see the benefit. So, we set about setting the task of looking at the final.*

## **Heineken Cup Final Attendance - Gender**



## Heineken Cup Final Attendance - Age Profile



The average age was 39 years with a cross section of ages attending regardless of where they had travelled from. Over half of spectators were aged 25-44 years.

*We needed to know who were the people who come to those games in order to build up some information on the people who come to the finals. We know that the audience for rugby is traditionally, largely male, also largely mature, average age 39, over 50 per cent of the audience between 25 and 44. We know, however, that they enjoy what they see and that they want to come back to that event. The satisfaction ratings are very high for an event like the Heineken Cup Final. We know that it works commercially. The awareness for the title sponsor is almost 100 per cent, so it works.*

### **Heineken Cup Spectator Profile**

#### THE FAN

- Average Age 40
- 80% Male
- 70% have Satellite TV
- Read at least one National Newspaper
- 80% can name a radio station
- 50% members of a Rugby Club

#### THE EVENT

- Booked Ticket approx 3 months before event
- Bought ticket on-line through Ticketmaster or at his Club
- Paid £45 for ticket
- Travelled to the game with Friends
- Travelled by Plane/Train/Car
- Spent two nights in Host City
- Paid £130 for Accommodation

*To know these things about fan gives an opportunity to design a campaign which is going to attract that fan but also to look at the opportunities to expand beyond the footprint of those fans and design a campaign which will perhaps be a little bit different.*

*Just to give an example of some of the images used in our campaign for last year's final, we looked to time base the advertisements so we had at Christmas the Christmas stocking, in January the skiing and then as we got closer to the event we focused on the sport itself.*

*The idea was that customers would be asked to purchase a ticket at a particular time for an event which was happening in a few months time, and going back on the information that we had on their profile, we knew that the people coming liked to purchase their ticket. They liked to plan the event a long way out, and these were the new fans, those fans who were not able to get tickets for other rugby games. They liked the idea of travelling, and this was something which obviously with the demographic that we have, we looked to develop.*

*We have been very successful with the strategy; the sales have worked. We have a chance over a 12-month period to promote the event but the opportunity within that is also to promote the tournament because rugby is a very congested season. If we are getting an opportunity to talk about the event and the tournament right throughout the season, we can be very selective but also gather some share of the voice.*

*The strategy has been successful financially. We know that it works for our partners. The study we did for Wales showed an economic impact to Wales in the order of £25 million. We know the fans like what they see and obviously we have a year long promotional opportunity, not only for the event but the tournament. It is an excellent shop window for what we all do, which is looking to sell our event to the next partner.*

#### **Heineken Cup Final Strategy**

- ☛ **Sell-out crowds** - Financial security
- ☛ **Benefit to local Partners** – Economic Impact £25M to Wales
- ☛ **Positive Event Experience for Fans** - Develops loyalty to Heineken Cup and to Rugby
- ☛ **Year-long Promotional Campaign** - Develops Event Share of Voice
- ☛ **Excellent Shop Window for the Event** – Develops Commercial Values

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*Expanding the welcome is very important. How do we do that in rugby ? No different to racing. It is to improve the facilities, to offer a variety of choice, be that in the restaurant, in the bar, to vary the menu and the drinks. Communication is very important : change in the entertainment, bringing in the flags, in the music, in the PA announcer, both to explain but also to make it an attractive festival, a nice place to be and a bit of fun.*

*Once you have the product right you can add to these things and you have the right product. Accessibility to the star and tickets is something I have touched on before. This is important when you consider some of the images, for example the calendar that Stade Français players develop every year : it is edgy, it is different.*

*We have Stade Français there and Miss London to take the trophy around Cardiff : the star is important to the participants, to the young audience as well; a chance as a youngster who participates in the game perhaps to come and see a star, to be an integral part of the game with the mascots, with the ball boys.*

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Database marketing is something that we have also brought in.”

**Mr.McGRATH** showed a 30 seconds video used during his campaign last year : an e-mail sent to 145,000 people, which was then passed on from friend to friend who liked the e-mail.

*“The reaction was very good. Twenty seven per cent of the people who received the e-mail watched the footage. Of the 145,000 people, 3 per cent purchased through to a ticket and even better from our point of view, our own database of ERC website users, of which there were 30,000 received the e-mail, 14 per cent of those went through to purchase a ticket for the event, and that for us is a success. “*

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