

Case study | Newcastle Falcons follow analytical approach to revive flagging attendances



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- Rugby Union's Newcastle Falcons deployed a new CRM system to take a more data-driven approach to marketing communications as a means of strengthening fan engagement and reinvigorating attendance growth.
- Data analysis identified some key customer segments for marketing campaigns to target – but also revealed some significant holes in customer profile information that needed filling as a priority.
- Marketing messages were additionally guided by qualitative data obtained through fan experience surveys as well as the monitoring of response rates to a range of content types distributed across digital channels.
- The club achieved a 10% increase in attendances during its first season of data-driven marketing and a 29% increase in average ticketing spend, but also built a platform for further growth by adding 16,000 email addresses to its customer database.

It is almost exactly 20 years ago that Newcastle Falcons were English rugby union's champion club, as they took first-mover advantage of the sport's switch to professionalism in 1995 to sweep through the second division and power on to the Premiership title in 1997/98. Bankrolled by the then Newcastle United Football Club chairman and local businessman Sir John Hall, the Falcons assembled an all-star cast of internationals led by England fly-half Rob Andrew and All Blacks wing Va'aiga Tuigamala, as well as the rapidly-rising star of the world game, an 18-year-old Jonny Wilkinson.

The two decades since have been considerably tougher for a side whose rivals were quickly up to speed in both spending and strategy, and which must scrap for public attention in the long black-and-white shadow of the North East's obsession with football

and the dramas of the city's football team. Ten years in the bottom half of the Premiership eventually led to relegation in 2011/12 and although the Falcons escaped from the Championship at the initial attempt, they finished last but one in the first three of their four seasons back in the top flight.

Over that period, attendances have inevitably risen and fallen correspondingly. During the first half of the 2000s, the Falcons' gates increased in line with those of the rest of the league as the rising tides of broadening interest in the domestic game and England's winning of the 2003 Rugby World Cup combined to lift all Premiership boats. Across its latter years, however, the club became uncoupled from the gravy train and attendances bottomed out during its exile in the Championship at an average 4,416.

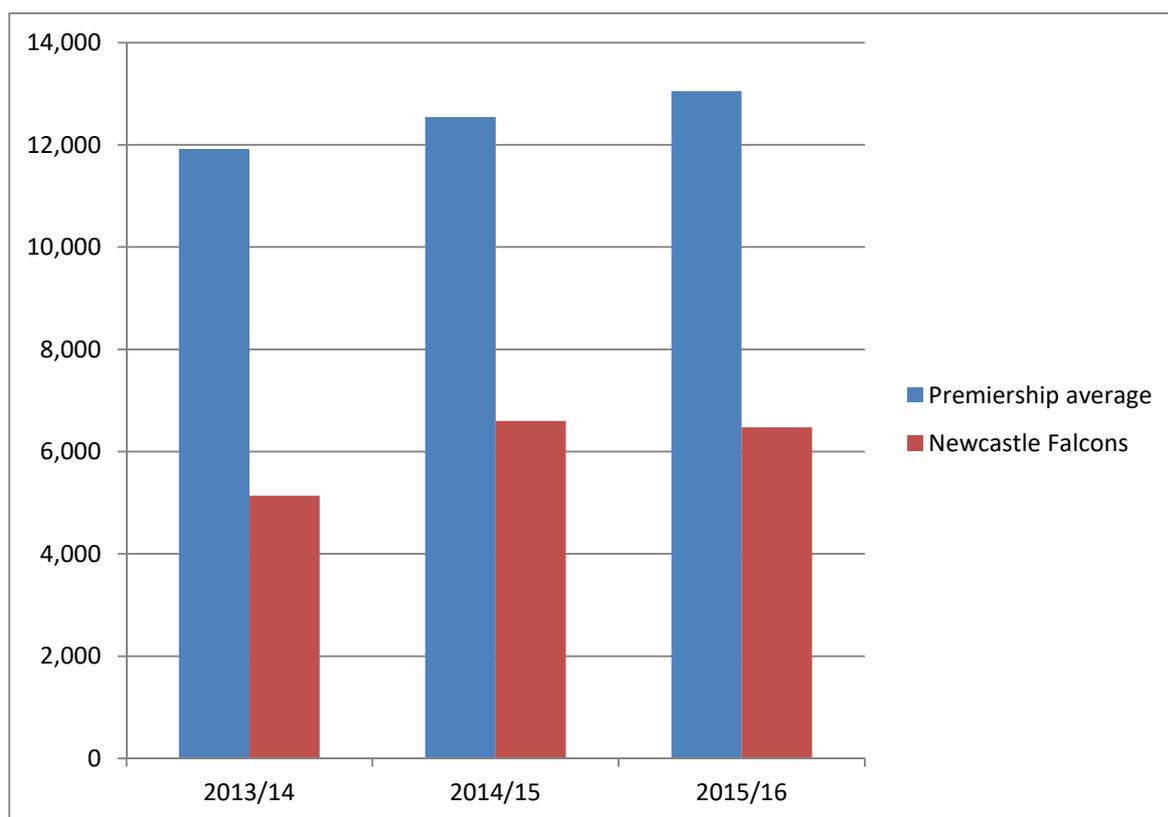
Newcastle Falcons average Premiership attendances, 1999/2000-2011/12



Source: Premiership Rugby/Newcastle Falcons

Back in the top flight, as Newcastle achieved the initial objective of all promoted clubs in holding on to their regained status, attendances revived too – albeit only to the level achieved in the years preceding the final slide into relegation, and still at around half the average of the Premiership as a whole.

Newcastle Falcons average Premiership attendances, 2013/14-2015/16



Source: Premiership Rugby/Newcastle Falcons

When the attendance growth achieved between 2013/14 and 2014/15 failed to continue into the Falcons' third season back in the Premiership, the club carried out a root cause analysis that identified a link between sluggish attendance growth and fan engagement issues, which it then traced back to a lack of consistency and focus in the way the team communicated with supporters.

Managing Director Mick Hogan says of the situation: "We found we had a lack of co-ordinated communication channels to our supporters, leading to some disengagement within the fanbase. Our annual Premiership-wide supporters' survey indicated that although engagement with fans was improving year on year, that was largely because it was coming from quite a low base – the main indicator of disengagement was that attendance growth on matchdays was slower than we believed it could have been."

To tackle the problem, the Falcons turned to data as both a means of quantifying the primary issues they faced and then in identifying the best responses to them, and decided they needed to rebuild their customer relationship management (CRM) system to do so. Hogan explains: "We knew that we wanted to improve the fan experience and the best way to do this would be to use data to understand fans better. Initially this would manifest itself through better communication and eventually through much stronger insight to help make better customer-driven decisions."

And he adds: "We had tried to use data before but it wasn't effective because the tools we used were fragmented. We had many disparate systems holding fan data, which meant it was difficult to understand and communicate with them. So we selected a new CRM and fan engagement solution, Green 4 Go, and brought all the disparate data

sources into one system – including contact data, ticketing purchases, email engagement, corporate sales etc. Achieving a 360-degree view of each fan by holding all data in one system enabled us to get a better understanding of our fans and their interaction with the club.”

Data acquisition

The Falcons began by drawing all data from existing systems into the new CRM and data management service operated for the club by Green 4 Solutions to produce a single customer view covering every identifiable individual’s known interactions with the club. The profiles produced as a result sought to categorise the incoming information under three headings: contact, ticketing and communication.

Contact information comprised basic identification details such as:

- Name
- Date of birth
- Gender
- Email address
- Postcode
- Mobile phone number

Ticketing information sought to build up a picture of attendance history through:

- First event attended
- Event most recently attended
- Total number of tickets purchased
- Total ticket spend
- Average number of tickets purchased per event
- Average number of days booked prior to an event
- Average spend per event

Communication auditing focused on responses to email and SMS messages:

- Open rates
- Click through rates
- Email-generated sales

As well as amalgamating and classifying existing data from legacy systems, the club also sought to accumulate new layers of information from across the business and impress the importance of this new focus upon all staff groups.

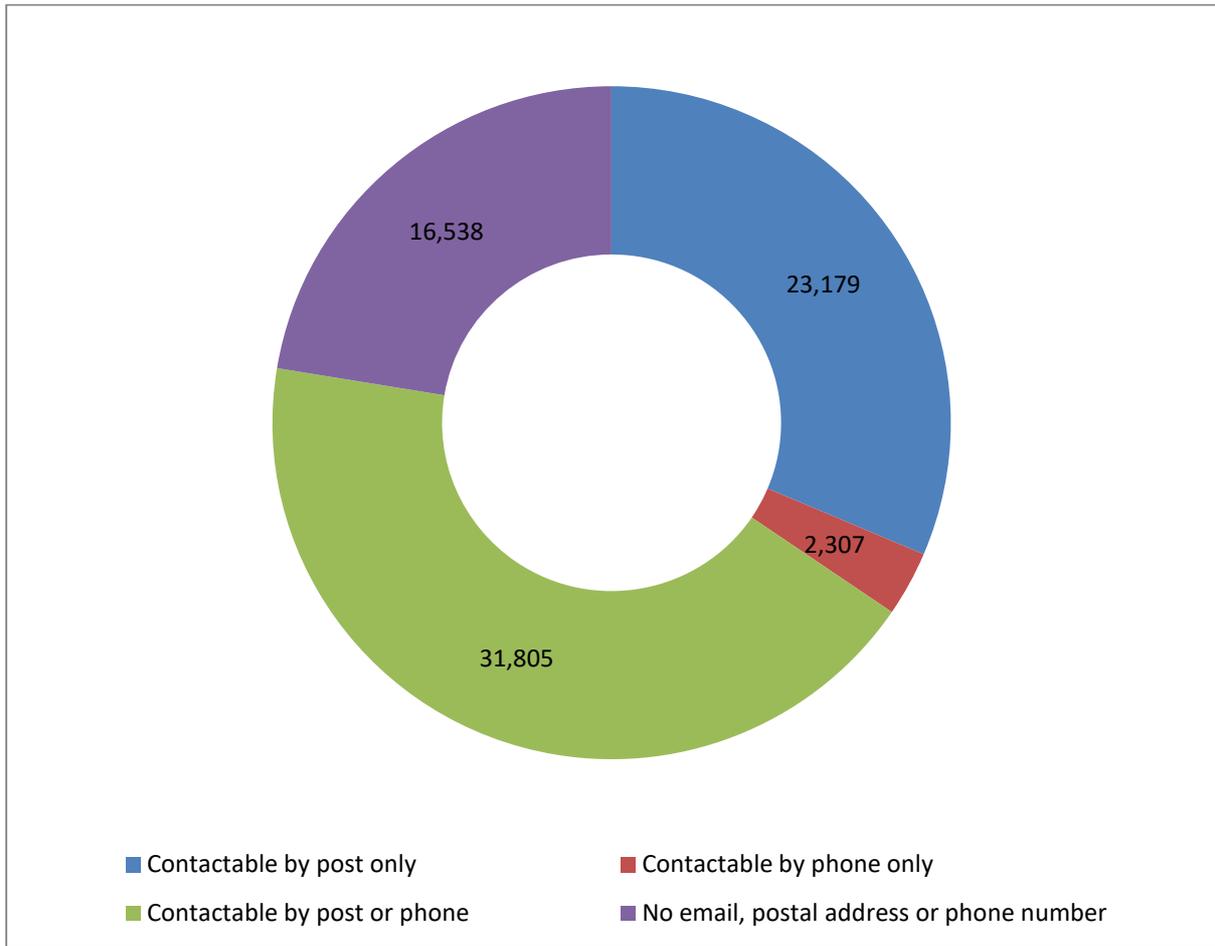
Hogan explains: “We made a big effort to communicate better with our staff to ensure that they understood the value of the wider CRM and data project and how important their role is within it. Data collection methods had been lacking previously, so the ticket office staff were trained to effectively collect data, and we started using fan matchday experience surveys to collect further insight we could aggregate from fans who attended certain games. We also created a new role within our club to manage our CRM project and marketing communications. This role drives the CRM strategy throughout the organisation and is the single point of contact for our third party providers.”

Analysis and insight

Once the data acquisition phase of the project had been completed, Newcastle’s marketing team worked with Green 4’s CRM analysts to assess what they had – but quickly found it was what they *didn’t* have that stood out the most. “Initially, the most basic insight was the lack of quantity and quality of our email addresses,” Hogan reveals. “When we combined the data from our disparate systems, we found that some contacts had two different emails, so we didn’t know which of the emails was the valid one for that contact. We also had duplicate email addresses across a number of contacts, incorrectly-formatted email addresses and we still had email address of contacts who had unsubscribed from receiving marketing communications.”

In total, 73,829 contacts in the club’s database of 129,194 names had no email address listed. Some 23,000 of these had a postal address only, 2,300 just a phone number and almost 32,000 had both, but that still left more than 16,000 with no contact information whatsoever.

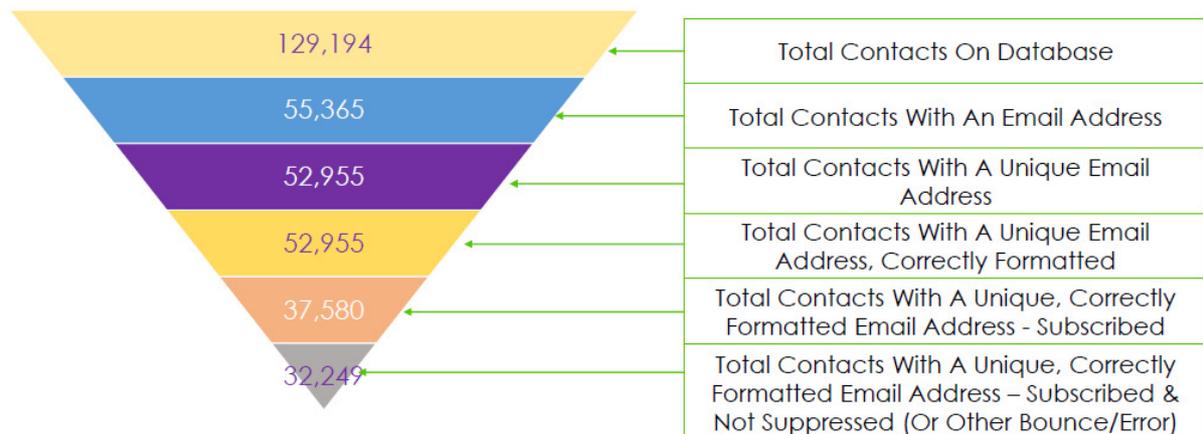
Contact status of registered Newcastle Falcons supporters with no email address listed in club database, 2016



Source: Green 4 Solutions/Newcastle Falcons

Quality issues were just as significant as those of quantity. When the club moved on to examining the 55,000 email addresses they did have, the more layers of accuracy and detail they applied to the scrape the more they reduced the pool of valuable entries. Stripping out duplicates removed nearly 2,500 entries, ignoring those that were not subscribed to official communications knocked off over 15,000, and other errors, bounces etc ruled out 5,000 more.

Quality of Newcastle Falcons' email database, 2016

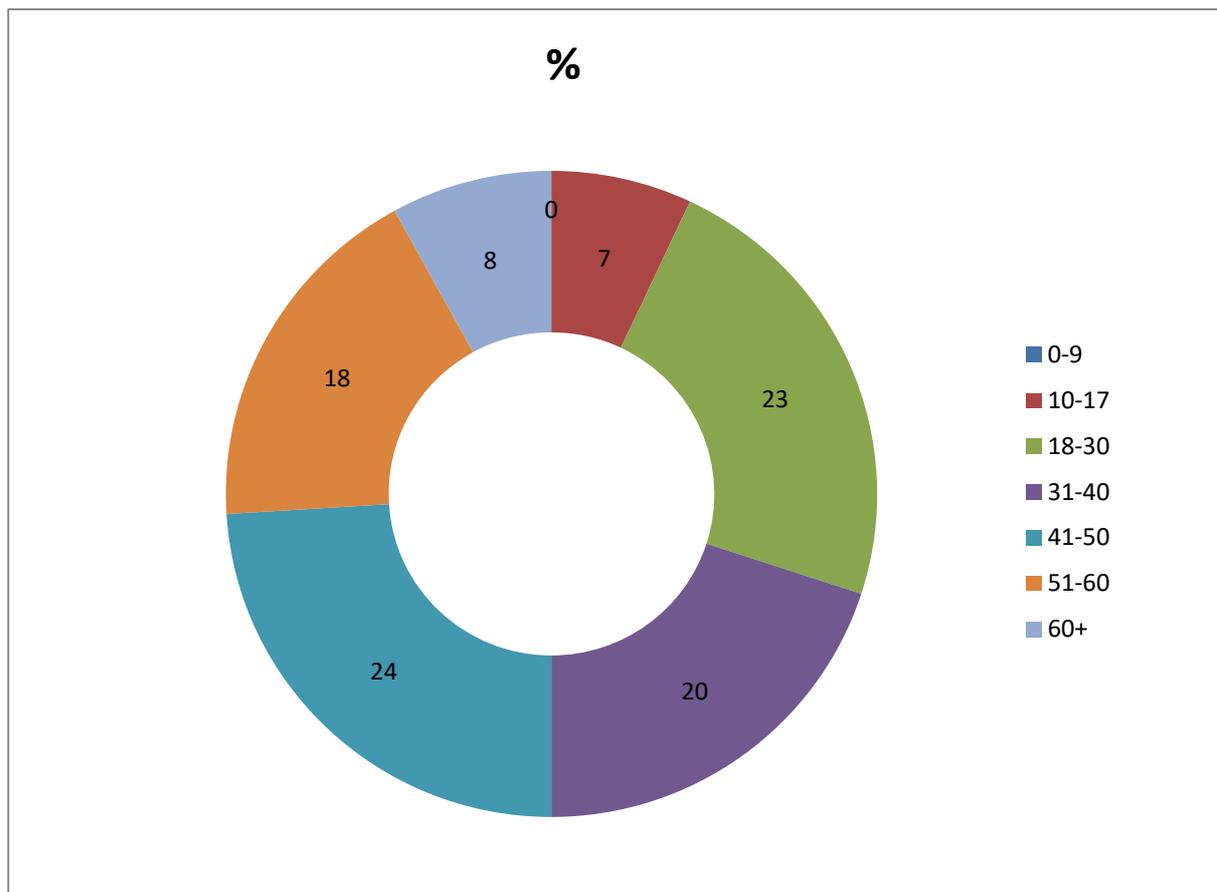


Source: Green 4 Solutions/Newcastle Falcons

The condition of the email list had significant implications for the Falcons' communication strategy – and was also likely contributing to the fan disengagement identified at the outset of the process – but it did not impact so heavily on the demographic and purchasing data required to identify key target groups for future campaigns.

Hogan explains: “We wanted to understand the various different ways that we could segment our audience, so that we could better target the fans with offers and particular campaigns, and the new CRM system enabled us to do that. Once we had the data in place and were happy with the quality, we carried out some basic segmentation and analytical work based on a variety of measures – including location and age profiling – which identified the fan segments for our marketing campaigns. For example, using age profiling, it was found that there is a larger percentage of 18 to 40 year old fans attending Friday fixtures compared to other days of the week.”

Attendance at Newcastle Falcons Friday night home fixtures, 2015/16



Source: Green 4 Solutions/Newcastle Falcons

The matchday fan experience surveys undertaken after specified matches also began adding another important layer of insight to the system: while segmentation analysis identified who to target and which pieces of inventory to sell to them, the survey data provided more valuable direction in terms of identifying the elements of the offer to which they were most likely to respond.

Questions put to supporters included:

- How did you hear about the game?
- Which games are you most likely to attend?
- Were you aware of the following game day extras?
- What was the primary motivating factor to come to our game?
- How easy did you find ticket purchasing? (1 - very difficult, 10 - very easy)
- How easy did you find ticket collection/delivery? (1 - very difficult, 10 - very easy)
- Did you use any of our special ticket offers when purchasing your ticket?

Aggregating responses identified a number of matchday and media elements of the business that could be tweaked to both improve fan experience and create new or enhanced points of appeal to focus on in marketing. Key recommendations emerging from the survey data included:

- Creating longer, more in-depth videos on Falcons TV, such as behind-the-scenes clips
- Reviewing processes and efficiencies at stand bar outlets, where poor service, low stock and slowness were all cited
- Reviewing the PA system's consistency and sound quality across the stadium

The final and most complex piece of data analysis the new CRM system and data capture processes enabled – but potentially the most valuable one – was in determining the communication preferences of supporters in terms of whether they were more likely to respond positively to an email or text message (SMS), or whether both could be used in tandem.

Hogan explains: “We see SMS as a complementary method to reach fans who don't engage with email at all, or who do so very little.

“Our CRM system allows us to be extremely targeted in who we send our SMS campaigns to. In it we can see roll-up figures such as number of tickets purchased, total ticket spend, average spend per event, latest purchases and other useful transactional data for each fan.

“We use this RFM (recency, frequency, monetary) modelling to identify groups of fans to send an SMS to. Therefore SMS campaigns can be targeted at fans who have for example, a total ticket spend above £500, have bought tickets for two or more home games, who have attended a match on a Friday night in the last three seasons. This enables us to be very targeted in both who we are sending the message to and the content of the message that we are sending – so our marketing can be very personalised.”

Actions and outcomes

Analysing and segmenting the data drawn together in the Green 4 Go system, supplemented by insights from the fan experience surveys, enabled Newcastle to identify a range of actions designed to achieve their original objectives of improving communication with fans as a means of raising levels of engagement with the team and ultimately selling more match tickets.

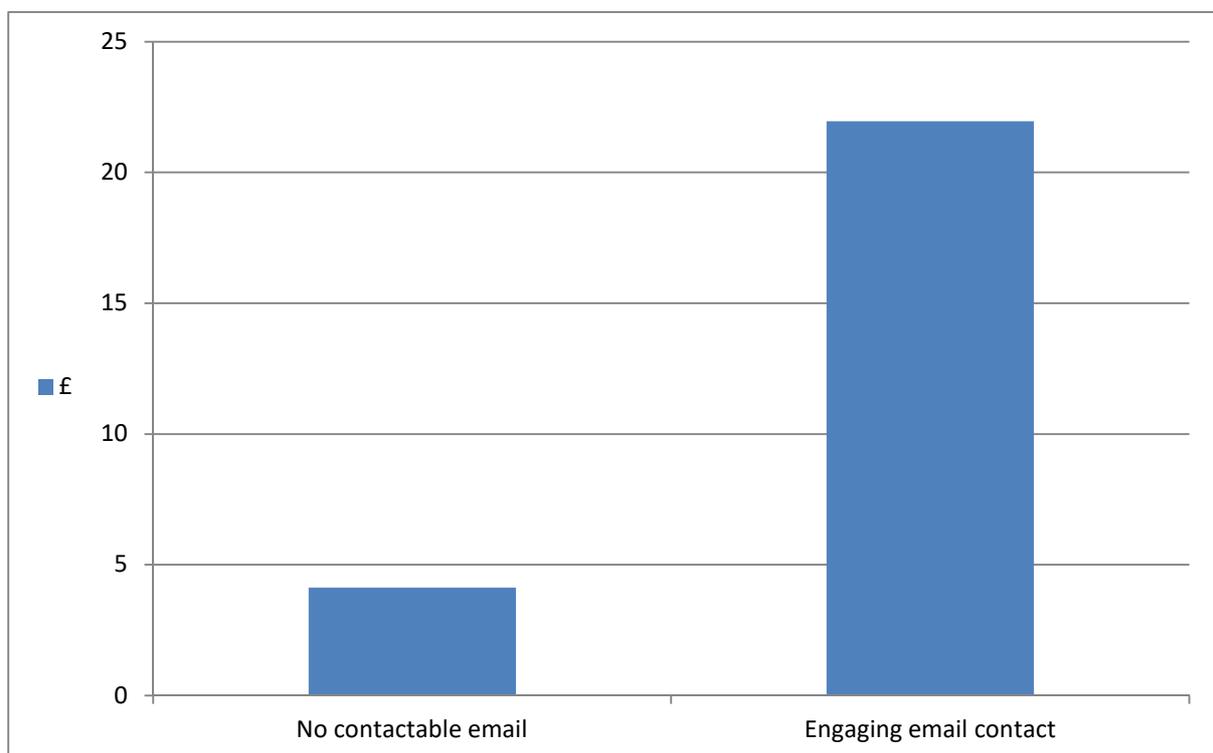
These were primarily focused on three key areas:

- Higher-quality email lists
- Targeted marketing within key audience segments
- Email v SMS

Obtaining cleaner and more detailed contact information – primarily around email addresses – was not just a pre-requisite for making progress on the other communications objectives by maximising their reach and efficiency, but had a direct financial value in itself. CRM analysis by the club identified that the average spend of a fan with a contactable email address who engages with email marketing communications is £17.84 more than a fan who doesn't have an email address within the database.

Mick Hogan says: “As email had been identified as our key direct communication channel, we had a priority to quickly improve this through various initiatives such as an ‘update your details’ email campaign to help re-engage fans and a new sign-up portal on our website and social media channels.”

Average spend per fan, by detail of contact information, September 2017



Source: Green 4 Solutions/Newcastle Falcons

The club therefore focused heavily on incentivising fans to provide their current email address (and other information), using competitions to win match tickets or offering access to premium team content, for example – something it continues to do as an ongoing means of promoting data hygiene. Hogan says: “We update our content and campaigns to make sure that our fans remained engaged with our email marketing. For example, we send exclusive news to our email subscribers before it is shared on our website – such as team news for the upcoming match. These emails perform well in terms of their click-through rate, which is currently running at 4.4%”.

Newcastle Falcons 'update your details' email competition, September 2017



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WIN TICKETS BY UPDATING YOUR DETAILS

Hi

We have a fantastic competition available for you to enter!

Update your details with us* for a chance to win a pair of tickets to our **American-themed event at Kingston Park Stadium on Saturday 16 September 2017.**

We'll have a big-screen showing Falcons Aviva Premiership match against Saracens live from Philadelphia, USA. The evening also includes free food and an exclusive 'meet the players' event.

To enter the competition, **click here to update your details.** Once you have clicked the link, log into your account and click on your name in the top right-hand corner of the screen, then click on the 'update details' tab down the right-hand side of the page.

Updating your details ensures you continue to receive the very latest news, updates, offers, exclusive video content and be the first to know the Newcastle Falcons line-up before each match from our freshly designed Team's Up email.



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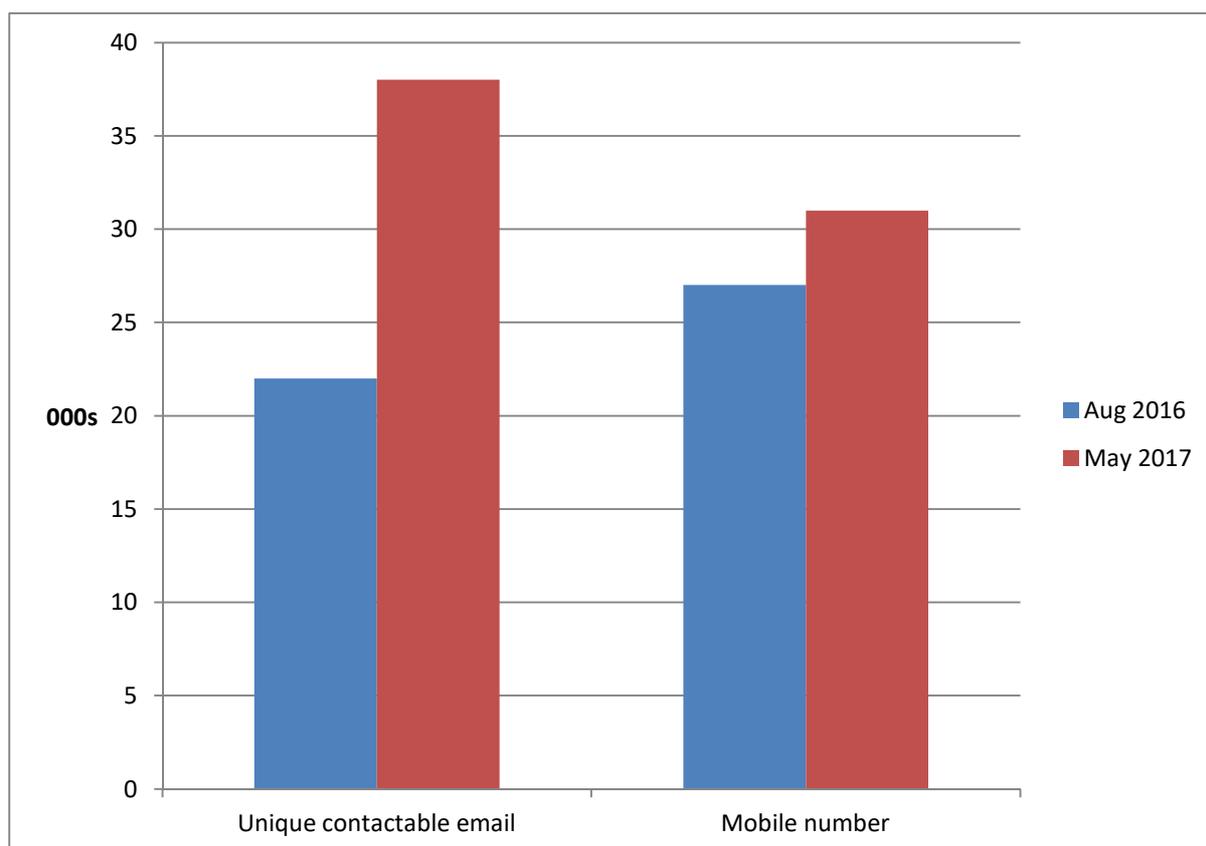
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Terms & Conditions: *All entries submitted by 23.59 on Tuesday 12 September will be considered. The winner will be contacted by the club via email.

Source: Newcastle Falcons

The success of the campaign can be seen in the growth of its email database during 2016/17, which increased by 16,000, or 73%, over the season. There is also plenty of headroom for further acquisition, as the proportion of database members with a unique contactable email address still stood at only 29% of the overall total in May 2017, with mobile phone numbers also attached to only 24% of records, making this information another potential target for acquisition.

Newcastle Falcons email and SMS database volumes, August 2016-May 2017



Source: Green 4 Solutions/Newcastle Falcons

While the club was building a larger and more reliable database of fans to reach, it was also segmenting the customer base into key target groups for particular offers to which they were considered most likely to be receptive. Hogan says: “The new CRM system meant we were better able to segment and target specific groups of fans for more targeted marketing to increase fan engagement. For example, promotions and offers can go to fans based on their data and their profile – for example, their age, how close they live to the stadium etc.”

So, for example, the higher propensity identified among 18-40-year-olds to attend matches on Fridays over other days of the week enabled Newcastle to target promotions for these games at that group. Other key segments were identified around residence, enabling the club to build focused campaigns with highly specific aims. Hogan says: “We undertook location analysis to find out how close fans lived to the ground and then used this information to send fans that lived close to the ground an offer of a free ticket for a friendly match to re-engage them in attending. We found that this re-engagement was a great success: of the fans who claimed the free ticket offer for the 2016/17 friendly against Doncaster, 212 then purchased tickets for that season, and their total spend across the season was £18,707.”

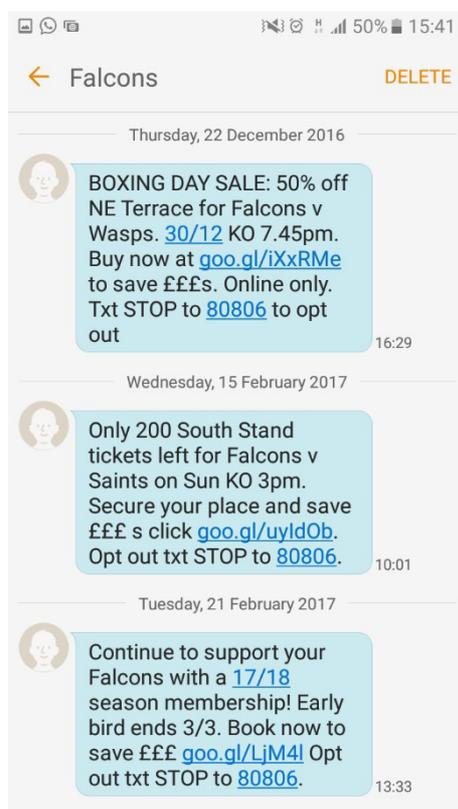
Campaigns are also refined by medium, with data analysis again determining whether a recipient is more likely to respond to an email or text message, based on their previous engagement habits and/or the typical behaviours of the particular fan segments to which they belong. The club has consequently found that SMS marketing is particularly

effective as a follow-up to initial email activity, working well as a reminder service that can create a sense of urgency through direct calls to action.

Hogan says of the complementary role of SMS: “We monitor, for example, the level of ticket sales we are achieving via our email campaigns. We analyse which areas of the stadium are not selling well for a particular fixture. We will then use our CRM system to find out who has bought a ticket in this area of the stadium for a previous fixture. Once we know the number of fans this includes, excluding those who have already bought a ticket for the current fixture, we undertake a cost-benefit analysis to decide if we should send a targeted SMS campaign. If we go ahead, the SMS is sent to the targeted group of fans with a specific ticket offer for the fixture.”

Evidence to date suggests this tightly-defined, data-driven approach to strategy is paying off: “We have seen a 400% return from our targeted SMS campaigns,” says Hogan.

Newcastle Falcons SMS marketing campaigns, 2016/17

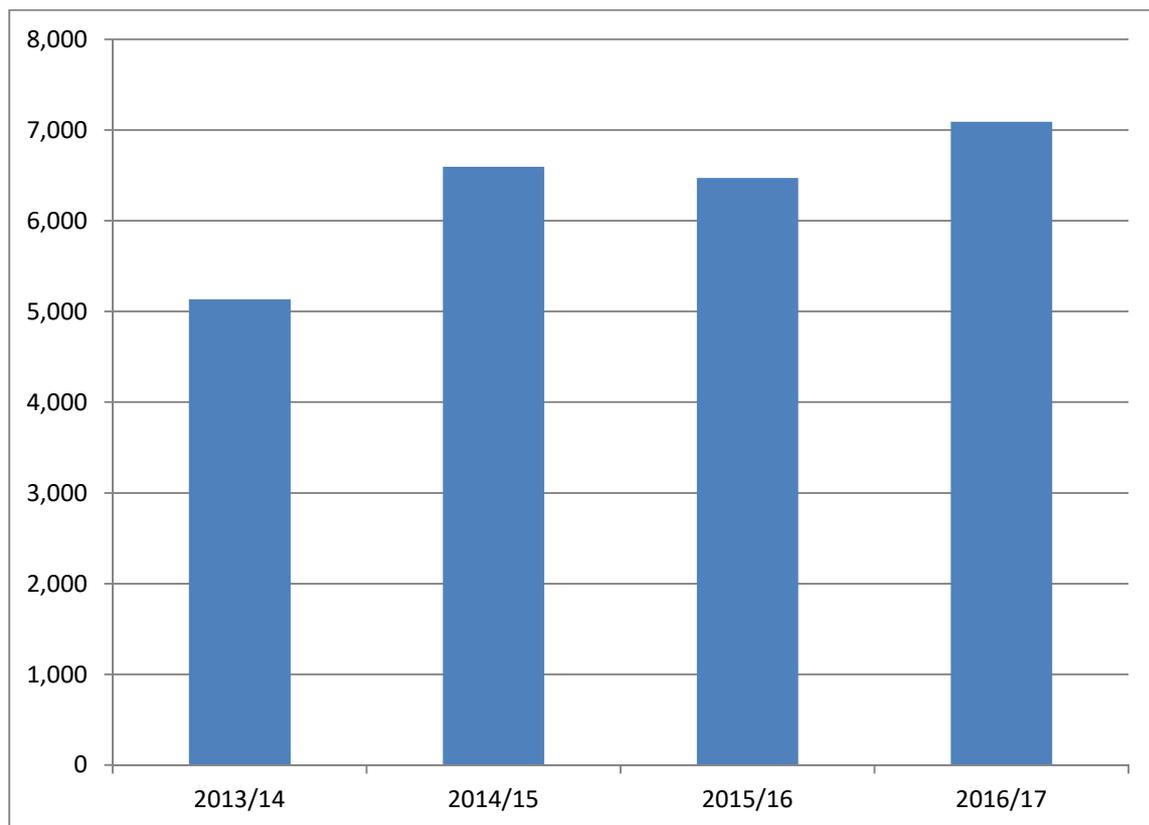


Source: Newcastle Falcons

The combined headline effect of the Falcons’ new approach to CRM and data-driven communications strategy was an important contribution to the 10% increase in matchday attendances the club achieved during 2016/17. But as well as increasing the number of people passing through the turnstiles at Kingston Park, the campaign also had some positive effects on the habits of existing spectators, particularly around frequency of purchasing and, consequently, average ticketing spend, which rose 29% year on year from £68.92 to £88.61.

That increase was helped significantly by the data-based targeting of specific spectator segments with potential to attend (and spend) more often. For example, the club identified 7,375 fans who purchased tickets for three or fewer matches during 2015/16 and used its segmentation and targeting methodologies to incentivise this group to buy more often. During 2016/17, 444 members of this group bought more tickets than they did the previous year, 85 of whom purchased a season ticket (a figure that rose again, to 119, for the current campaign). Although that pool of more frequent visitors represented only 6% of the three-games-or-fewer segment, the change in behaviour achieved translated into more than £46,000 of additional revenue, or around an additional £100 per person.

Newcastle Falcons average Premiership attendance 2013/14-2016/17



Source: Premiership Rugby/Newcastle Falcons

Key learning points

Newcastle Falcons' experience in using data and CRM to grow attendances and matchday revenues by driving up fan engagement through targeted communications has highlighted three important points to consider for other sports organisations with similar ambitions:

- The importance of clean and comprehensive data sets should never be underestimated
- Even relatively simple segmentation can be a powerful tool for creating strongly-defined target groups

- Choosing the right communications channels is essential to ensuring the right messages reach the right people at the right time, in the right way

Alongside these, Hogan's view is that the adoption of data-driven processes and strategy is not guaranteed to get an easy ride in all areas of the organisation but is increasingly a 'must-do' rather than a 'nice to have' in a sports market in which competition for spectators and sponsors is as tough as it has ever been.

He says: "The biggest difficulty we faced in implementing this new strategy was getting the buy-in from staff across the business, so one of the most important things we had to do was train and communicate with staff to ensure they understood the value of the project.

"That is crucial because the other main thing we have learned is how important data is becoming to new and potential partners and how important knowing more about our fans is to providing them with the experience they want. How we measure their reactions to things like our email communications is what is now shaping the way in which we communicate with them."