

## Chapter 2

# Digital Marketing: Relationship Between Real Madrid's Actions and Brand Promotion and Customer Loyalty

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### ABSTRACT

*Despite the fact that the branding of football is not a new phenomenon, the emergence of new media has provided the means and the opportunity for the widespread promotion of football club's brands. At the same time, the growing popularity of social media among football fan has empowered them to express their opinions and has granted them unlimited resources for information search and exchange. This chapter aims to examine the relationship that exists between Real Madrid's digital marketing actions and its promotion as a brand and the loyalty of its supporters. An online questionnaire was distributed among sports and football fans in order to identify their profile, their preferred communication channels, their use of social media and their knowledge about Real Madrid.*

### INTRODUCTION

Football is the most loved sport worldwide, with millions of fans of various ages, ethnicities and social classes. It is experiencing a phase of new management, in which it is presented as a large company, with a sizeable investment in marketing, especially digital marketing, to allow the inclusion and satisfaction of both fans and customers. Real Madrid Football Club's management model stands out for its business strategy, which has transformed the club into a sports-media organisation and has caused interest from other teams and sectors of the economy. It has over 100 years of history and it has been considered by the International Federation of Association Football (FIFA), the best club of the 20th century.

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## **Digital Marketing**

Supporters have become more involved and active in their use of the new media, which has empowered them to voice their opinions namely on forums (Cleland, 2011). Platforms like Twitter allow fans to comment on live events as they happen. While these new forms of media represent an opportunity for fans, their potential is also being maximised by football clubs to engage in direct dialogue with their fans and for commercial reasons (Dixon, 2016).

This study intends to address the following question: “What is the relationship between Real Madrid’s digital marketing actions and brand promotion and customer loyalty?” The relevance of this question pertains to the importance of building a close relationship between the team and its supporters, in order to maintain their loyalty. Real Madrid’s team invests in digital marketing because it knows that the team does not exist without its supporters just as it does not exist without its players. This chapter begins by providing a brief overview of relevant literature about digital marketing, football branding, fan engagement and Real Madrid. It then describes the empirical research and presents and discusses the results in the final sections.

## **MARKETING FOOTBALL**

Marketing has always been affected by technological changes, from the printing press to the emergence of the internet. Technology has been providing marketing with innovative means to engage consumers. As consumers become more active in the digital world and require more engagement and interaction, traditional marketing is being overtaken by digital marketing (Ryan, 2016).

### **Brand Promotion and the Fans**

Digital marketing entails the “management and execution of marketing using electronic media such as the web, e-mail, interactive TV and wireless media in conjunction with digital data about customers’ characteristics and behaviour” (Chaffey, Ellis-Chadwick, Mayer & Johnston, 2009, p. 10). A fundamental aspect of marketing is knowing the customer. Organisations need to know their customers, their profiles and their preferred digital channels so they can reach them (Chaffey & Smith, 2008). Society is becoming increasingly digital. The percentage of EU28 individuals that use the internet on a daily basis has risen from 53% in 2010 to 71% in 2016 (Eurostat, 2017). Also, there is a growing tendency for people to engage with social media for a variety of reasons, namely to assert their role as consumers (Stephen, 2016). In 2016 Facebook had 1.609 billion monthly active users, while YouTube had over 1 billion, Google+ had 440 million, Instagram had 430 million, Twitter had 325 million and Pinterest had 110 million (Calcutt, 2016).

Kaufman and Horton (2015) postulate that there are five core steps to incorporate digital marketing in an organisation: mindset, the need to incorporate a digital culture with the existing culture; model, which concerns the integration of the principles of digital marketing within the organisation’s marketing actions; strategy, the formulation of digital marketing techniques; implementation, which refers to the execution of the digital marketing tactics that were formulated; and sustainability, a alignment between the organisation’s digital marketing values and actions. With regards to sports marketing itself, it isn’t merely limited to attracting more fans to events. It entails both the use of marketing to promote sports products and the use of sports to promote other products and services (Fullerton & Merz, 2008). The

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