

Czech University of Life Science Prague
Faculty Economics and Management
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Diploma Thesis

Evaluation of Marketing Communication

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Uladzimir Ananich

Economics and Management

Thesis title

Evaluation of Marketing communication

Objectives of thesis

The aim of the diploma thesis is to evaluate marketing communication of a football club. Data collected based on marketing communication observation are analyzed and the communication is evaluated. Based on the evaluation, relevant conclusions and changes in the marketing communication of football club are proposed.

Methodology

The thesis consists of two parts. First part provides review of theoretical frameworks and their critical evaluation. The fundamental, empirical part of the diploma thesis is focused on the analysis of marketing communication of the football club. Based on the analysis improvements of marketing communication is proposed.

The proposed extent of the thesis

60 – 80 pages

Keywords

Marketing communication, communication mix, promotion, marketing mix, marketing, evaluation, public relations, sales promotion, advertising, football club

Recommended information sources

ARMSTRONG, G. – KOTLER, P. *Principles of marketing*. Harlow: Pearson, 2012. ISBN 978-0-273-75243-1.
CLOW, K E. – BAACK, D. *Integrated advertising, promotion, and marketing communications*. New Jersey: Prentice Hall, 2007. ISBN 978-0-13-607942-2.
JUPPA, T. – KOTLER, P. – KELLER, K L. – MACHEK, M. *Marketing management*. Praha: Grada, 2013. ISBN 978-80-247-4150-5.
KOTLER, P. – KELLER, K L. *Marketing management*. Upper Saddle River, NJ: Pearson Prentice Hall, 2006. ISBN 0-13-145757-8.
RICHARD J. VAREY. *Marketing communication : principles and practice*. London: Routledge, 2002. ISBN 0415230403.

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Declaration

I declare that I have worked on my diploma thesis, entitled "Evaluation of Marketing Communication in", by myself and I have used only the sources mentioned at the end of the thesis.

As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague, 2017

Bc. Uladzimir Ananich

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Evaluation of Marketing Communication

Summary

The Diploma thesis is devoted to the theoretical aspects of the marketing communications and its implementation in the sphere of sport industry on example of the football club “Zenit Saint-Petersburg”. Designed and proposed mobile application would answer the question of possibility of innovations in the sphere. Theoretical part is based on literature review, concerning the marketing communications. There is information about history of marketing communications, it’s development and diversity since the era of technological boom.

The practical part is dedicated to implementation of acquired information in the creation of the mobile application for FC “Zenit”. The application would provide innovative possibility of live broadcasting of the matches of FC “Zenit”, what would satisfy the needs of the foreign supporters of the team. The second part includes description of the existing club’s marketing communications, marketing analysis, market research, possible risks and potential income analysis, allowing to evaluate the profitability of investments.

Keywords

The marketing communications, sport marketing, brand name strength , broadcasting, mobile application, social media marketing.

Vyhodnocení Marketingových Komunikací

Souhrn

Diplomný tezis je věnovány teoretické stránce marketingových komunikací a její realizaci v oblasti sportovním odvětví na příkladu fotbalového klubu “Zenit Saint-Petersburg”. Navržená mobilová aplikace řeší otázku možnosti zavádění inovací v této oblasti. Základnou teoretické části je přezkoumání literatury, pojednávající o marketingových komunikacích. Jsou uvedeny informace o vzniku marketingových komunikací, jejich vyvíjení od éry technologického vzestupu a jejich rozmanitosti.

Praktická část je věnována uplatnění získaných informací při vytvoření mobilové aplikace pro FK Zenit. Aplikace zajistí inovační možnost živého vysílání zápasů FK Zenit, což uspokojí potřeby zahraničních příznivců týmu. Druhá část obsahuje popis již existujících marketingových komunikací klubu, jejich analýza, průzkum trhu, analýza rizik a slabin a analýza potenciálních příjmů, která umožní vyhodnotit rentabilitu investování.

Klíčová slova

Marketingové komunikace, sportovní marketing, pevnostní značka, vysílání, mobilní aplikace, sociální média marketing.

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1. Introduction.

Sport marketing, marketing in sport.

- First thing to use sports marketing – is to realize the error of sports marketing evaluation just in terms of certain teams and sportsmen promotion complex. In reality, sports marketing scheme is wider, much more dynamic and complicated. Sports marketing – is a specific usage of marketing principles and processes regarding sports' product and promotion of various goods due to the sports' industry partnership.

- by Matthew D. Shank Ph.D., Marymounh University President.

Life in the XXI century means life among the industries. Modern human happily values everything – from tangible goods to intangible intellectual property. We are monetarizing works of art, copying them and selling with the price tags; as a consumer society we are transferring everything that is becoming popular into commodities, which could be used for making a profit.

Numerous of new industries and markets appeared in the economy lately: Cultural Industry, Intellectual Industry, Show business Industry etc. Sport became an industry even earlier than a huge number of newly created and nowadays strongly stands among the other industries of entertainment sector.

Webster's Dictionary defines *sport* as a source of entertainment or physical activity for fun. Sport distracts us from the daily routine and provides a better mood. But it differs from other forms of entertainment such as cinema, opera or concert. Sport events are unpredictable – results aren't controlled neither by organizers nor by participants of the sport event. Going to watch a comedy, we are ready to laugh, as if going to a horror movie – fear effect expected. But the emotions that people experience while watching a sport event are difficult or even almost impossible to predict. Joy and satisfaction for the supported team's glory goes in a package with disappointment of the loss. Due to the uncertainty of the result and diverse of spectators' emotions, sports events producers and organizers facing a plethora of problems that other types of entertainment creators do not even take into consideration. With desire of avoiding the unexpectance and reduce the uncertainty of emotions, sport events tend to be turned into

traditional entertainment events (i.e. tennis competitions' organizers had being repainting tennis courts in purple; allowed athletes to get into emotional skirmishes; reduced the number of games in the set from six to four). (V. Savitsky, "*Sport and Marketing. What's in common? Sports Marketing manual*", "New Marketing" journal #5, 2008).

"The boundary between sport and entertainment has almost disappeared" – Alan Brew, a founding partner of BrandingBusiness.

Actual thesis aimed to analyze operating system of marketing communications in Sport Industry. Considering the aspect of wideness of sports sphere, further investigation of the topic would be mostly focused on the football market as a giant representative of the whole sector. Exact investigation would be based on example of FC "Zenit" Saint-Petersburg – the most popular football club in Russia.

2. Objectives and Methodology.

The aim of the thesis is to estimate the existed Marketing Communications in Sport Industry, analyze possible ways of its development and optimization and introduce new marketing opportunity for “FC Zenit Saint-Petersburg”.

In accordance with delivered by aim dare the following problems:

- to notional device is described on subject of the work;
- to reveal open theoretical bases marketing communication;
- to reveal led role marketing communication on sport market;
- to organize analysis of the use marketing communication in the sphere of sport market;
- to design complex marketing communication on moving the new technological opportunity for the football club as a brand name holder.

The Object of given work: marketing communications.

The Subject: mobile application as a new technological facility for marketing communication in sphere of sport.

Methodology: qualitative research, deductive reasoning, comparative analysis, economic reasoning.

On a basis of the formulated aim and subject of the thesis investigation started with use of qualitative research- the most common method used to generate data. As parts of the qualitative research such ways of data generation were used: studies of public and official documents, historical examples and unstructured interview in addition to images, media and literature fields.

Deductive reasoning (works from the more general to the more specific. Sometimes this is informally called a "top-down" approach) method refers to the second part of analysis, allowed to wage an existing net of the marketing communications in a structure of chosen representative of the sport industry, its progress, measure its failures and identify the possible ways to development on a basis of comparative analysis of actual case with different examples of existing schemes of marketing communication in other representatives of the sport industry.

The last step of analysis refers to economic reasoning of the proposed innovation of marketing communication of the sports club including marketing analysis, estimated budget and possible revenues.

Novelty of present Thesis work is concluded on the fact that despite existing of enormous amount of publications on marketing communication problem in general, study of a given problem in sphere of the sport industry is practically absent. In present work all the material on using marketing communications on the sport market are collected and systematized. Also new mobile application for the brand of a football club designed, proposed and evaluated.

3. Literature review.

3.1 Marketing communications. Definition, point of view.

There are enormous amount of definitions of Marketing Communications in the world today. Probably, as many as authors writing about it. Based on the definitions by various authors (American Marketing Association; Chisnall, P. M., 1995 p. 8; Shimp, T. A., 2003, p. 3; Kotler, P. & Keller, K. L., 2009, p. 5) the basic task of marketing can be identified as satisfying the customers' requirements and meeting their needs in the most profitable manner.

Communication can be defined as the process of transmission of thoughts between parts with different social and/or economical needs (Shimp, T. A., 2003, p. 3; Fill, C., 2005, p. 36; Smith, P. R. et al. 1997, p. 21).

Therefore Marketing Communications represents a combination of marketing tools – tools, creating producer's profit and at the same time satisfying the various needs of customer, and marketing channels – coordinated promotional messages through *print, radio, television, direct mail, and personal selling etc.*

A marketing communication tools can be mixed in any amount and order from: *advertising, personal selling, direct marketing, sponsorship, communication, promotion and public relations.*

Marketing Communications are made up of the marketing mix which is made up of the 4P's: Price, Promotion, Place and Product, for a business selling goods, and made up of the 7P's: Price, Promotion, Place, Product, People, Physical evidence and Process, for a service based business (R.D. Kusumawati, T. Oswari, R.B. Utomo, V. Kumar, Procedia Engineering 97, 1765-1771).

Innovative understanding of marketing communications in sports is represented through the prism of analysis of classical marketing concepts and a modern approach to marketing communications with the main focus on the consumer specific demand of sports goods and services in rapidly changing modern realities. Actual thesis propose more holistic and value-oriented approach to marketing communications in sports, with a representation of the expanded range of its elements and processes.

Summarizing the points of view of such researchers as Bagiyev, Moriarty, Barnet, Stanton, Etzel, Walker, Churchill, Peter, Kotler, the concept of marketing can be reduced to defining the organizational management process, with a focus on the needs of clients, their desires and communication. The concept of marketing is disclosed in marketing activities integrated into the

achievement of organizational goals by forming the satisfaction of the needs and desires of target markets (Bagiev, G.L. International marketing. St. Petersburg: “Peter”, 2000. - 512 p.). Such authors refers to the marketing concept in terms of four main elements: the organizational goal, profitability, satisfaction of needs and integrative marketing activities.

Mullin, Hardy, and Sutton (Kotler P., Armstrong G., Saunders J., Wong, V. Principles of marketing, 4th European ed., Upper Saddle River, NJ: Pearson Education, 2005. - 992 p.) argues that sports marketing includes a whole range of activities aimed at meeting the needs of sports consumers, through communication processes. In addition, they believe that sports marketing involves two key aspects. The first is the marketing of sports goods and services, calculated directly on the consumers of sports; The second is the marketing of another group of consumer and industrial goods and services through the use of sporting activities. According to this definition, sports marketing includes marketing services (for example, membership in a sports club), goods (such as sports equipment and clothing); and individuals (for example, sports teams, leagues, or individuals).

Considering the concept of sports marketing, the structure of the sports product and the extended range of elements for the distribution of the sports product, follows the consideration of the promotion of the sports product as a method of positioning the product in the mind of the client, as well as the means by which the marketer communicates data about product, location and price (Moriarty S., Barnett J. Marketing communications. An integrated approach. St. Petersburg: “Peter”, 2001. - 864 p.).

Effective promotion is based on the knowledge of the environment and the needs of the consumer. Sports marketers, therefore, must develop messages that are easier to understand, and choose the most effective methods of promotion and the most suitable means. Goods should demonstrate the correlation of product presentation with consumers, sales promotion with motivation for acquisition, personal sales with interaction with personnel (team / player or stadium), advertising with customers' messages, direct marketing with direct contact with consumers, sponsorship with relevant events, individuals or companies, public relations with the management of information through the media and news sources (Kotler P. From mass marketing to mass communication. Journal of Planning Review. 1989. - 17(5) – P. 10–13).

Lagaye argues that marketing communications can be described as a process of establishing contact with consumers and organizations to influence their knowledge and attitude in a positive direction for marketing policy. Also, the goal of corporate PR is to create a positive relationship

among various consumer groups. Target groups involved in sports projects include politicians, sports fans, press employees, in conjunction with all stakeholders (stakeholders) associated with sports projects (Bagiev, G.L. International marketing. St. Petersburg: "Peter", 2000. - 512 p.).

Sport, as an activity, can significantly support several forms of PR, targeted at different audiences. Examples of this are the media PR used by Special Olympics to create a positive image in the press, presenting Vodafone Group values to the consumer through the sponsorship of football tournaments; Presentation of Adidas values to the consumer through sponsorship of their sports goods with their logo in world-class sports events (Eurocups, world championships, equipment of national teams and individual athletes).

In general, PR methods in sports vary widely and include links to the press, through press releases, press conferences, press briefings; Internal PR, through the publication of annual reports, own journals, brochures, website, and so on; Events, such as social events, annual meetings; Specific advertising, for example, to build and maintain a corporate image (Churchill G.A., Peter J.P. Marketing - Creating value for customers. Homewood, IL: Austen Press Irwin, 1995. - 656 p.).

Sports branding can be unique in making its consumers become loyal at an early age and rarely change their loyalty to support a competitor's team. In addition, the brand can help the manufacturer expand other types of product categories. Many organizations use a brand extension strategy to influence the equality of their existing brand.

Tracking the patterns of consumer activity, preferences, beliefs, attitudes and attachments allowed marketers to adapt their strategies and communication messages and, thus, successfully compete in the business of modern markets.

Understanding consumers and their behavior is the key to business success and a prerequisite for effective marketing communications systems. Consumer behavior is defined as the activities of people to obtain, consume and dispose of products and services (Churchill G.A., Peter J.P. Marketing - Creating value for customers. Homewood, IL: Austen Press Irwin, 1995. - 656 p.). The value of knowledge of consumer behavior base on the foundation of modern marketing philosophy, which views the consumer as the focus of marketing activities, with a continuously growing influence on business activity and solutions (Kotler P. Marketing management: Analysis, planning, implementation and control (8th ed). Englewood Cliffs, NJ: Prentice Hall, 1994. - 816 p.).

In the modern world, multimedia information services predominates, the perception of reality is a more important parameter than an objective reality itself. Realizing this, enterprises spend a significant part of their income to form representations (and, consequently, preferences) with the help of all available varieties of marketing communications. The result is that viewers are constantly absorbing commercial messages and their minds are saturated with information about various proposals. This, in turn, reduces the ability of producers to individually influence consumers without additional strengthening of the qualitative or quantitative intensity of communication with the consumer.

The results of the research in this area form the contours of a new modern model of marketing communications. This model is formed by two main points. The first is associated with changes in the macro- and micro environments that encourage strategic marketing to focus on the reflector style of consumer relations. The second is an increase in consumer needs of an intangible and affective nature, which can be more successfully exposed to marketing communications strategies. The joint action of these two moments in highly technological era defines branding as one of the most effective marketing communications strategies, first of all, by building a personality brand and common anthropomorphic associations with the brand (Moriarty S., Barnett J. Marketing communications. An integrated approach. St. Petersburg: "Peter", 2001. - 864 p.).

Author of actual thesis are strongly believed, that disputing on the definition of the topic regarding implementation to Sports Industry all above mentioned parts complete integrated and solid understanding of what Marketing Communication is. Marketing Communication in Sport's Industry begins earlier than in any other Industry. Child born in Saint-Petersburg observing the people, dressed in FC "Zenit's" fan stuff since the very beginning of his life, listening the stories about club's wins and losses. It is absolutely impossible to miss the information about the club not only due to mass-media effect, but because of people, who are talking about the club, wearing the jerseys of the club, creating and singing songs in club's honour. This is more than just impact of the good or bad marketing company, it is a people's culture and here the main goal for the club (besides good results of the team) is to implement the symbolic to as much places as possible.

Actual thesis takes into consideration not only promotional messages through ads but direct communication process between producer and customer, based not only on commercials and promotion through mass-media – the whole marketing structure with all its parts and steps from organizing a fan stores with a fan atributique and loyalty program to on-stadium catering system

and product placement inside games for PC and consoles as parts of the Marketing Communications of football club.

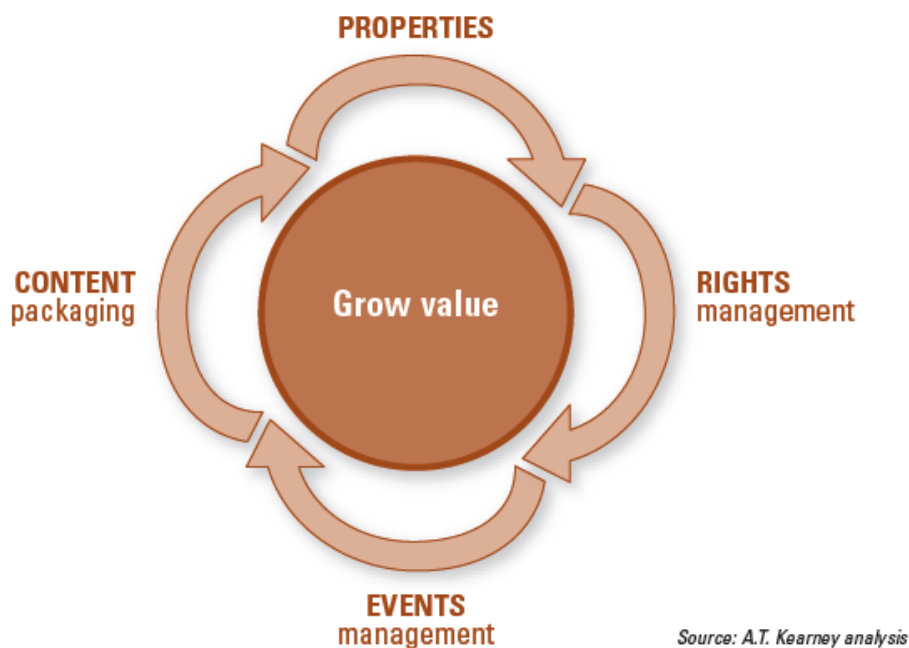
3.2 The Sport's Industry value chain.

The sport industry is a large and fast growing. Today, the sports market is extending its boundaries by encompassing the entertainment industry and becoming a global cultural phenomenon (Gillentine, A., 2012. "Encouraging a paradigm shift in sport management. In *Critical essays in sport management: Exploring and achieving a paradigm shift*". Gillentine, A., Baker, R. E., & Cuneen, J., 2012. Scottsdale, AZ: Holcomb Hathaway). Sport management faces a serious challenge to establish its own identity as an independent academic discipline due to the strong connections between different spheres and aspects of economic and social life i.e. health, salubrious socialization, economic development, community development, and national pride (Chalip, L. (2006). *Toward a distinctive sport management discipline. Journal of Sport Management*, 20, p. 1-21). With sports marketing alone, Shannon identified 18 topical categories in *Sport Marketing Quarterly* (i.e. advertising/promotion, case studies, collegiate sports, consumer behavior, economic impact of sports, event management, facilities/services, international, licensing, market segmentation/target marketing, professional, relationship marketing, research - general, research - spectators, participants and fans, sponsorship, sport marketing education, technology, women in sports, and miscellaneous) (Shannon, J. R. (1999). *Sports marketing: An examination of academic marketing publication. Journal of Services Marketing*, 13, 517-535).

The sport industry today is a huge business, containing a huge system of services: from the catering and memorabilia stands at the stadium to sponsorships, broadcasters, sport agencies and media rights traders. The average amount of money involved in the sector valued approximately to \$620 billion (A. T. Kearney, *Ideas and Insights*, May, 2011) which represent the fact of growth faster than overall GDP.

How do sports create value? Rights owners define the structure of professional sports around the world. They set the rules, organize the events and take responsibility generating revenues from matches, media and marketing rights. The sports value chain is structured around the pillars shown in the figure 1. (A. T. Kearney, *Ideas and Insights*, May, 2011).

Figure 1. The four pillars of the Sports value chain.



Source: A. T. Kearney analysis, Ideas and Insights, May, 2011

3.3 Marketing in football.

Underlining the A.T. Kearney scheme, basic marketing revenue points could be divided into three categories:

- 1). Sport event (football matches) and its organization (stadium catering system and tickets selling).
- 2). Operating with mass-media and marketing rights trading.
- 3). Sponsorship (including properties) and broadcasting rights.

3.3.1 Matches - tickets and stadium catering system.

The marketing aim here is to point out the maximum available tickets and catering prices which would not reflect the decrease of team supporters ability to attend the events and would not cut the attractiveness of attending the stadium.

Ticket price is not only depend on the club's popularity and fans loyalty. Definition of such a *gold price point* is based on the research of a variety of economical, social and sport factors:

- *country's and city's current economic standings: commodity bundle index, inflation rate, current GDP, taxes volume etc. – analysis of such economic factors makes it possible to identify the average citizen's willingness to pay for a single entertainment, or in actual case – for a*

single ticket for a match. Moreover, the aim of sport marketing here is to strongly stick the notion of necessity of club's attributes and matches' tickets to the expenditures' charter of the commodity bundle of the citizens (as well as for the fans all over the world) and even replace expenditures for all the other kinds of entertainments (which are in the actual case stands as for competitors).

- quality of proposed service – club's infrastructure (from the stadium's location to parking system and comfort of the tribune's seats); game quality and team's results (higher standings allows settlement of higher ticket prices); superstars factor (having a world famous players in the squad automatically increases supporters' interest, what immediately reflect the ability of tickets' price growth); participating in the best international competitions. The aim here is to impress the audience, the fans, to give them a dramatic spectacle, provoke emotional empathy get to choose someone's side and follow the further developments (Spelstra J. "Aggressive marketing. How to increase your income, with the cost of disposing of expenditures"/ ed. from English. Ed. A. Bulanov/. - SPb .: Publishing House "Piter", 2005, p. 51);

- outstanding service – disregarding team's performance owners of the club can install the outstanding relations between fans and team and use that as another tool of surplusing the club's budget.

Example: in March of 2011 owners of the small English club “Peterborough United”, which stands in the “League One” (third strongest English Football League) settled the price of a season ticket for 15000 pounds, what is seven times higher than the most expensive season ticket in “Premier League” (the strongest English Football League). The owner of such a season ticket (Figure 2, Appendices) had an access to unlimited meal and drinks during games, opportunity to talk with the players before each game and a seat near the club's owners during away matches. Also “Peterborough Utd.” issued 50 so-called “golden” tickets with 75-years expiration date. During that period owner of such a ticket can attend every Cup and friendly game and in case of death of the owner could be testamentated or sold to third part (<http://www.dailymail.co.uk>).

3.3.2 Media and marketing rights

Historically, monetarization of properties was based on gate "take" (revenues) but now professional sports depend on media and marketing rights for more sources of revenues. Rights owners, or sports agencies acting on their behalf, not only structure the deals but also trade media and marketing rights. The stadiums can only seat a certain number of fans, but packaging

content for broadcasters' and sponsors' need is a vital part of creative revenue in modern sport (A. T. Kearney, Ideas and Insights, May, 2011).

-news occasions creation, not only informing the media, but also by provoking them to take the side of the club or opponents' actions, decisions; involve certain media into dramatic dialogue (Spelstra J. "Aggressive marketing. How to increase your income, with the cost of disposing of expenditures"/ ed. from English. Ed. A. Bulanov/. - SPb .: Publishing House "Piter", 2005, p. 51);

- ascentive interaction with various cultural and social organizations, creating the illusion of "presence effect"(Spelstra J. "Aggressive marketing. How to increase your income, with the cost of disposing of expenditures"/ ed. from English. Ed. A. Bulanov/. - SPb .: Publishing House "Piter", 2005, p. 51);

- mass-media (TV, radio, newspapers, magazines) and front advertisement (billboards, "Gorilla marketing" projects, installations etc.)

Some of the biggest European sport clubs such as "Real Madrid" or "Barcelona" have its own TV-channels with non-stop broadcasting of historical matches, moments of the club's life, etc. (Figure 3, Appendices).

- dealing with substitutes and competitors – other football teams from the same district (city) existence and their level (posing the only team of the certain level in the city ensures freedom in price settlement, while the other team's/teams' existence works as antimonopoly aspect and provides barriers).

- cooperation with complementary sport unions: football club can synergistically operate with a hockey club and allow to sell fan-staff and attributes in each other's fan-shops, set a range of discounts and combine their social activities.

- souvenir production and popularization – besides obvious types of attributes' sales in club's official fan stores and attentive protection of copyrights inside the resale chain, one of the first great examples of sports marketing is connected with collecting – roots in the early 1880s, when baseball cards appears in USA. That times great amount of fans had only possibility to see their idols by collecting such cards with the pictures of favorite baseball players. By the year 1991 sports card industry waged \$1.2 billion, but up till the late 90's that value decreased to \$500 millions. The decrease was caused by the great competition between card producers (i.e. there were 23 lines of different sport cards for each brand issued during the 1995th baseball

season). (Savitsky V. (2008). "Sport and Marketing. What's in common? Sports Marketing manual"). Maximal baseball card price pointed at \$2.1 million – the Honus Wagner card, issued by the American Tobacco Company in the year 1906 (Goldin Auctions; CNN) (figure 4).

Figure 4: Honus Wagner's baseball card.



Source: Goldin Auctions catalog <https://goldinauctions.com/catalog>

On the wave of IT-revolution as well as most of industries, sport cards' industry switched its platform to online basis – worldwide most famous football simulator "EA Sports FIFA" started to issue online cards of football players in the year 2006. First optional, by the year 2016 cards collecting became obligatory for gamers due to the game's popularity (EA Sports FIFA line is placed on the 9th place among the list of most popular PC games ever with more than 65 millions sold copies since the first release in the year 1994). Online auctions and connection of real money to the game's coin system opened new trades. Average price of the worthiest card is \$150-200 which is pretty high mentioning the fact that game is releasing annually and all the gamers are starting from scratch all over again. FIFA cards industry differs from the baseball cards industry by less cards' rareness. With the release of a new game version cards from the previous versions are immediately losing its' worthiness, while regarding the baseball cards the worthiness of already issued is getting higher each year or due to some kind of unexpectance, connected to cards' rareness. Such example is Honus Wagner's card. Card was issued by American Tobacco Company without sportsmen's permission and later he insisted on

withdrawing the whole line from the sale as he didn't want children – the main cards' consumers – to buy cigarettes.

Figure 5: EA Sports FIFA cards 2016.



Source: <http://www.fifaboss.com/wp-content/uploads/2016/05/fut16-winter-upgrades.jpg>

3.3.3 Sponsor partnerships.

Football clubs could stand both for the side of sponsor, investing money for its own brand popularization or sponsored part, signing the contracts with sportswear companies which are popularizing their brand by it.

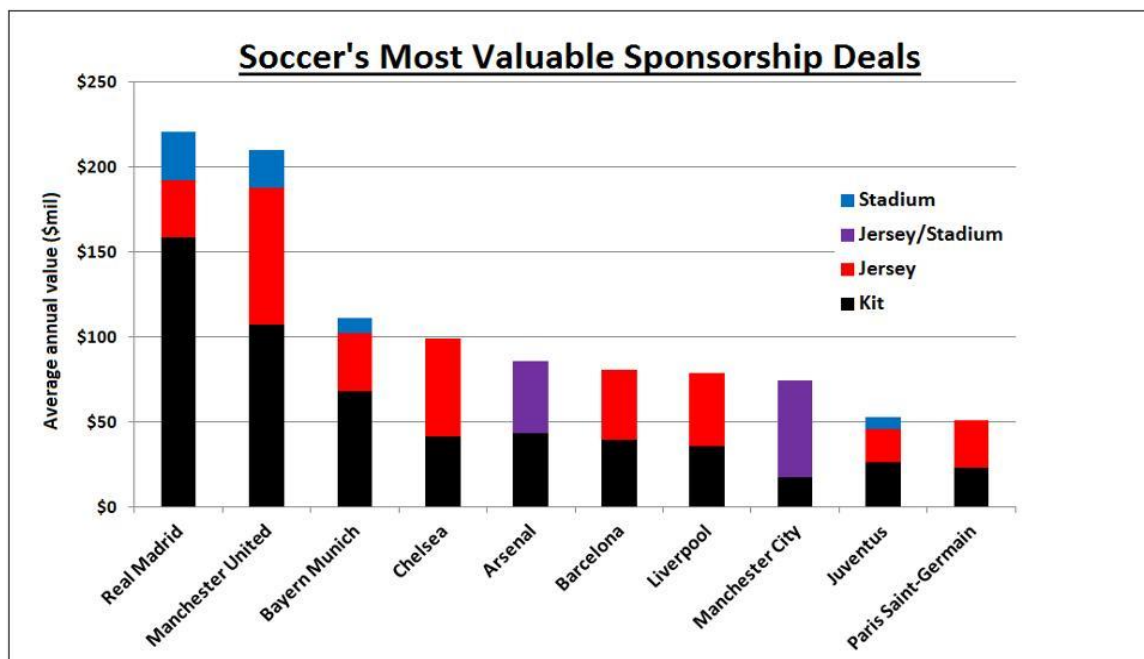
- the main goal of sport marketing is to involve sponsors into the process, to bring them the loyalty, commitment to the club, to show the fans that the sponsor is a good guy and also a team-player; to create an association between the sponsor's brand and the brand of professional club; to make sponsor earn from the sport event as well as the club and to control spectators' experience (Spelstra J. "Aggressive marketing. How to increase your income, with the cost of disposing of expenditures"/ ed. from English. Ed. A. Bulanov/. - SPb .: Publishing House "Piter", 2005, p. 51);

“Soccer's most valuable teams have generated legions of fans around the world, and those supporter armies are more than happy to boast their loyalties with team uniforms. That in turn has made a team's jersey its single biggest sponsorship asset, as players and fans alike have become walking billboards that are up for sale to the highest bidder. Those sponsorship deals fall into two categories - kit manufacturers like Nike and Adidas , and the corporate partners who simply pay for chest-front advertising real estate”.

“Uniform deals jumped to the forefront in 2014 when Manchester United signed its seven-year, \$559 million contract with Chevrolet. That \$80 million-per-year payout more than doubled what the team was getting from its prior jersey sponsorship and blew away the rest of the field. Even two years later the next largest corporate partnership, Chelsea’s \$57 million-per-year deal with Yokohama Rubber, is well behind. Kit manufacturers tend to spend a bit more, given that they directly profit from their investment by selling retail versions of team jerseys, but only two kit partnerships have surpassed Manchester United’s blockbuster Chevy deal”.

“And yet the top spot on our list of the sport’s biggest sponsorship winners belongs to a different team: Real Madrid. Los Blancos had actually lagged behind the leaders as recently as a year ago, but an astounding ten-year, \$1.6 billion deal with Adidas swiftly brought that to an end. The team now makes some \$192 million from its jerseys each year (and that’s despite an Emirates Airways partnership that seemed undervalued when it was signed in 2013). Toss in a new \$28 million-per-year stadium naming rights agreement with the United Arab Emirates, which will rename Santiago Bernabeu once its renovations are completed, and you’ve got the biggest sponsorship haul in the sport”.

Figure 6.



Source: <https://www.forbes.com/sites/chris-smith/2016/05/11/the-most-valuable-sponsorship-deals-in-soccer/2/#5b22d68373f0>

“From the manufacturers' point of view, no kit maker has more invested at the top of the game than Adidas. The German sportswear company is shelling out over \$400 million per year to just five teams on our list (figure 6). By contrast Nike is spending \$80 million per year across three teams (Barcelona, Manchester City and Paris Saint-Germain). Puma and New Balance fill out the final two spots thanks to deals with Arsenal (\$43 million/year) and Liverpool (\$36 million/year), respectively”.*

* New Balance - is a second American company broke in the football market after Under Armour and started to conquering the market of most popular sport in the world, battling the giants - Nike and Adidas. While Under Armour concentrated mostly on the women's football highly popular in USA, New Balance applied new methodology of football boots production - by starting to produce boots of different width.

“As for corporate sponsors, Emirates Airline has the biggest representation thanks to deals with three teams on our list - Real Madrid, Arsenal and PSG - worth a combined \$105 million annually. And those are just half of the brand's club teams - Emirates also has jersey branding with teams in Germany, Greece and Italy. The last of those three, AC Milan, narrowly missed our top ten cut - the Italian club makes \$42 million per season from its jersey deals. Others to just miss the list include Tottenham Hotspur, Inter Milan and Borussia Dortmund”. (by Chris Smith, Forbes analyst, Forbes, May 11, 2016).

- properties management. Properties make huge active for a sports club. Wise management is able to bring on the club one of the main part of the budget.

Sports clubs could either be a owner of the stadium and training base, busses and even jets (or in case of giants of the sphere such as “Real Madrid” could be an owner of an island for its academy and entertaining park) or either be a lessee of the property. Regarding the stadiums football club could rent a field from the municipality or from the club-owner. Lots of companies all over the world are renting or buying the spots on the billboards around the football pitch to promote themselves or their product. In case of football club is a property holder, it signs a rent contract with such companies. Sometimes such contracts are signed by the company sponsoring the whole tournament and the league (or international federation). In such cases football club, participating in the tournament is obliged to place certain advertisement from the general sponsor to own billboards for a certain refund from the league.

Clubs, which has a stadium in a property are sometimes renting out the stadium's name. Such contracts have giant wages and often last from 5 to 25 years.

- cybersport partnership. With the development of new technologies contracts with sponsors in sport today achieved new possibilities such as partnership in electronic games industry.

The most popular football club in the world now – “Real Madrid”, for example, signed a special exclusive contract with previously mentioned electronic games’ producer – “EA Sports”. By the three-years contract best “Real” players would be represented in the game with a special 3D-technology of face modeling, what will definitely increase the popularity of such players by making them more recognizable and memorable for new gamers and clearly automatically increase the popularity of the whole club. (<http://fifaonlinecup.com>), (figure 7, Appendices).

Also “Real Madrid” has variety of other contracts with different electronic platformed sponsors such as KONAMI “PRO Evolution Soccer”, which also increases the popularity of the team. Details of the contracts and amount of money gained by signing it are confidential, but nevertheless, the impact of such activity obviously brings profit.

Another modern project of “Real Madrid” is a game “Real Madrid football manager”, developed by “From the beach Digital Entertainment” in the year 2011 and now with new editions available on Facebook, iPhone and Android. Special projects like this works both ways – to increase popularity of the club by getting gamers a chance to “get inside” of the club’s structure, feel themselves as a part of the team and create “an illusion of involve” in the club’s infrastructure and also to provide charged bonuses in the game to earn money for the club.

Cybersport today is getting more and more popular. First officially recognized as a sport by Russia in the year 2001 now organized on the highest level in many countries of the world. World championships occurs each year and attract huge investments and millions of spectators. The prize fund of only one (most popular) of eighteen disciplines during “International 2016” (analog of the world championship in regular sports) reached over \$20 min. And final match of League of Legends 2016 discipline had been broadcasted via ESPN — and watched by over 36 millions of people. (<https://meduza.io/cards/kibersport-ofitsialnyy-vid-sporta-vy-chto-seriežno>).

Like any other trend in modern world cybersport have spread wide across all the possible spheres of life. In the beginning of 2015 Turkish football club “Besiktas” announced creation of first cyber-football team to participate in international competition in “EA SPORTS FIFA” under cover of a real football club. Right after that another football club and all time opponent of “Besiktas” club “Fenerbahce” have also created its own team to stay competitive in each possible step. Following the Turkey progressive football clubs from all over the world started to

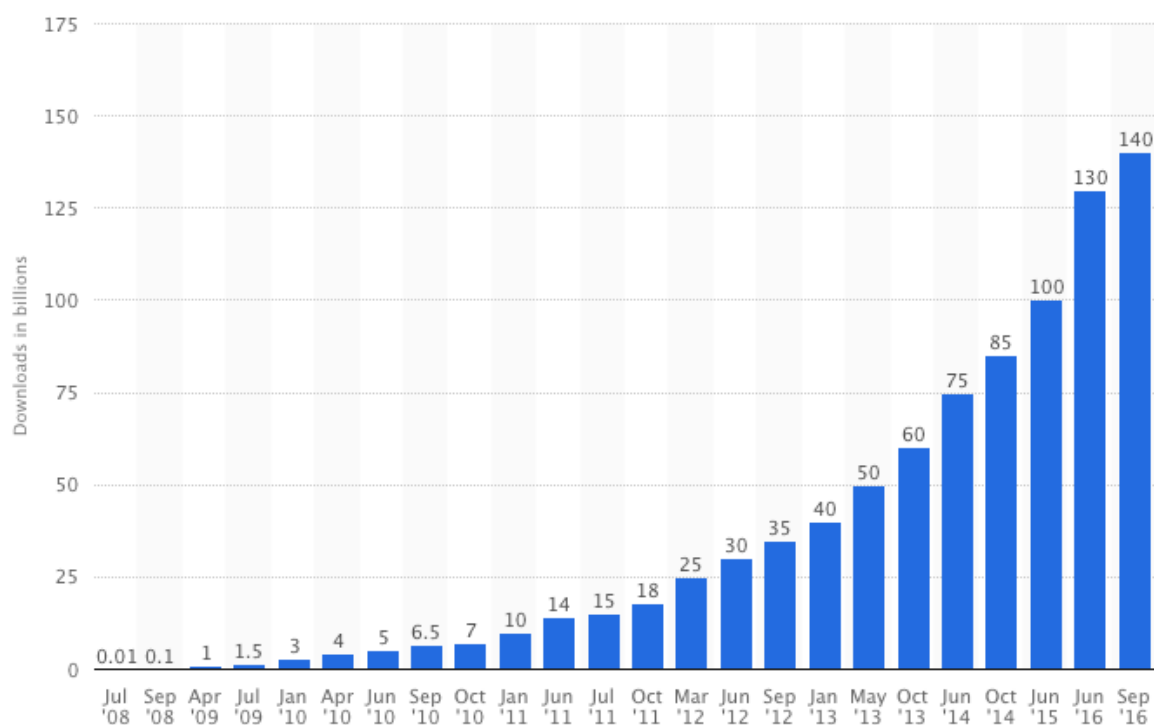
create their own official cyber teams or to sign contracts with a single players

(<https://www.championat.com/cybersport/article-261182-futbolnye-kluby-v-kibersporte.html>).

3.4. Mobile application as new opportunity in MC.

A mobile application software or mobile app is an application software designed to run on mobile devices such as smartphones and tablet computers. Mobile applications are huge part of social life of modern human. Since the beginning of the technological boom and smartphones development the amount of created mobile applications is constantly grow. Such as grow the number of its' downloads from official (and not official) web stores. (figure 8).

Figure 8. Cumulative number of apps downloaded from the Apple App Store from July 2008 to September 2016 (in billions)



Source: <https://www.statista.com/statistics/263794/number-of-downloads-from-the-apple-app-store/>

The tendency of growth is observed practically in each sphere of social life, no matter of which mission or destination it matters. Mobile applications became a normative part of the marketing strategy of sports clubs and events. Each important competition as Olympic Games or World Championship has its own mobile application because for modern human it is an

attractive and easy way to get information (for example with the help of push-up notifications). So do the organizations, shops, clubs etc.

“Taking advantage of the opportunities and growing popularity of mobile communications, Manchester City has joined the ranks of football giants, increasing the number of their fans in USA thanks to modern technology. To achieve this, the Manchester club was able to use Citycademy, a mobile application for iPhones currently used by aspiring football players all over the world, wishing to learn how to beat on goal, like Mario Balotelli, to dribble like Emmanuel Adebayor, and to reflect non-bouncing balls like Joe Hart. We helped Manchester City create a digital school of football skills that attracted a youth audience even in the United States. When a couple of years ago, "Manchester City" went on a tour of the United States, he was already so famous there that New York bloggers gave the English football club an enthusiastic reception.”

“Now this club is going to provide mobile services taking into account the user's location. So, in a new season fans of "Manchester City" will be able to attend his matches, receiving through the geolocation social network “Foursquare” coupons with a discount on entrance tickets. And the membership card "Manchester City" serves as a ticket for any match. On one side of it there is a QR-code with a link to unique content, and on the other — markers of augmented reality. In addition, an RFID chip is embedded in the card, which activates promotional content when visiting stores. Another chip sewn into the card (NFC) is not yet activated, but in principle it can be used as a contactless payment facility.” (by Paul Doleman, general director of the digital marketing agency iCrossing UK, who helped FC Manchester City to develop a mobile application strategy).

Do not fall behind and other football clubs. Another member of the English Premier League - Southampton uses augmented reality applications for smartphones on the Android and iOS platforms. Fans of this team can participate in virtual treasure hunt, working in much the same way as a popular iButterfly application.

And FC Barcelona has recently released an application with which its Facebook fans will be able to receive fresh information and purchase club attributes. *“For football clubs, this is the way to communicate with fans without intermediaries. This is especially important for world-famous clubs: mobile applications provide instant global coverage. The market is growing all the time, more and more people are buying smartphones. Mobile technologies allow clubs to communicate with a huge number of fans, and over time this kind of interaction will become*

even more important.” (by Chris Brown of Clear New Media, who developed the popular Football on the TV application). (http://www.cisco.com/c/ru_ru/about/press/press-releases/2012/071112b.html).

Mobile applications, connected to football could be divided into following categories:

1. International organizations’ apps (FIFA, UEFA, etc.);
2. International competitions’ apps (FIFA World Cup, UEFA Champions League, etc.);
3. Local competitions’ apps (English Premier League, Russian Football Premier League, etc.);
4. Football clubs’ apps;
5. Broadcasting provider’s / TV partner’s app (“Match TV);
6. Football magazine’s app (FourFourTwo, Sports.ru, etc.);
7. Livescores app (statistical and analytical);
8. Transfers analytical apps (transfermarkt);
9. Games (simulators, quizzes, football managers etc.);
10. Fantasy Football apps (games, based on live statistique);
11. Betting apps (365bet, bwin, betfair, ifortuna, etc.);
12. Football radio apps (Zenit FM);
13. Historical apps;
14. Augmented reality apps (FC Southampton);
15. Sponsors application, partially connected to a club.

Although mobile apps could be dedicated either to a whole team or a single player.

The range and variety of applications for football is huge and continuously growing. Company “Corner” launched in the year 2014 an application, allowing to find a nearby pub in the UK that’s showing football matches on TV. Another world’s famous app “Football on the TV” or simply “FOTTV” created in 2015 by “Clear Media Ltd” allows to know when all the live

games are on across all digital and terrestrial TV channels, in standard definition and HD. But the world of live broadcasting and video replays is complicated. There is no (and most probably impossible to be) united system of regulations about rights for distribution of the video signal across the world due to the complex and wide system of contracts between innumerable amount of parts. In such circumstances application like “Fanatix” have found its niche. Using a Vine format, which is not-so-hidden secret for football replays’ world, if a game is being televised somewhere “Fanatix” chances are every goal will have an unlicensed six-second clip on Vine within a couple of minutes. Fanatix offers a slightly different take on football video-sharing though: its clips loop just like Vines do (albeit with a longer eight-second length) but it’s more focused on news, from clips of freshly-transferred players to training-ground snippets. Highlights last for 24 hours at a time (<https://www.theguardian.com/technology/2015/aug/21/10-best-football-apps-games>).

The only possibility for getting a live broadcast through the mobile device is to download special mobile TV application, but the problem here refers to the low variety of sports channels. The best even prepaid mobile applications such as “JustinTV” propose access to a great amount of free TV channels across the world, excluding prepaid channels from satellite television platforms. Thus user cannot be ensured that he will get the required service — live stream of preferred match on time and with a high quality. Regardless participation in such a lottery lots of people use illegal in most of the countries ways to get to the live streams: direct rebroadcasting links; special VPN software to switch the current IP-address from the place (country) in which streaming a certain channel is banned to virtual IP-address of the place where it allowed; peer-2-peer software for indirect rebroadcasting from hidden servers. The problem with the last is that the mobile version of such software is mostly prepaid and indirect links are not always available.

Besides the impressive variety of mobile applications of all kind in football one niche is still not fulfilled. Due to the problematic legislation of the process of establishment such opportunity no one single football club haven’t proposed the service of official live streaming of the matches of the team inside an official app so far. Russian football market here seems attractive. The system of sport television network have just been restructured and remains adaptive to the positive changes; FC “Zenit” Saint-Petersburg is a progressive football club, responding all the highest standards of the modern football world; “Zenit” has a giant support outside the native country and as well policies of the Russian TV network.

In such circumstances creating of a mobile application with possibility to prepay and follow the games of the favorite team directly from the official app can ensure the power of club’s

brand and be profitable at the same time. The idea is not to imply the new possibility to the existing mobile application, but to create a new one. That would allow to better monitor the response of the supporters for new possibility and measure the revenues.

4. FC “Zenit’s” marketing communications.

4.1 “Zenit’s” marketing overview.

FC “Zenit” is a football club based in Saint-Petersburg, the “Northern capital of Russia” - second biggest city in the country, fourth biggest city in Europe with an exceptional strong comparing to other cities of the country economy (second after Moscow). This fact, combining to the highest in the country club’s popularity allows “Zenit” to settle season tickets prices to a rather high level of €135 (fan sector) to €775 (VIP, under the roof, meal, drinks and parking place included). This is third highest price level in Russia after two biggest clubs “Spartak” and “CSKA” from Moscow. For comparison in Europe prices varies from €203 (highest in Germany, “Borussia Dortmund” fan sector) to €4570 (most expensive VIP ticket in Italy, AC “Milan”). (<https://www.championat.com/football/article-208926-skolko-stojat-bilety-i-abonementy-na-futbol.html>).

FC “Zenit” is now playing its home games on “Petrovskiy” stadium with total capacity of 21000 people (<http://www.petrovsky.spb.ru/docs/id57.html>). The average attendance of home matches in season 2015/2016 reached the point of 16750 or 77%, which is second place in the country and quite good result in general (<https://www.championat.com/business/article-242316-populjarnost-matchej-i-klubov-rfpl-v-sezone-201516-na-televidenii-i-stadion.html>). In the year 2017 Saint-Petersburg finally, after 10 years of construction finished the new “Zenit” home stadium “Krestovskiy” (figure 9), with capacity of 67800 people and the question now is whether FC “Zenit” would be able to fill the arena with the same average percentage of people’s attendance every game and what would be the new ticket price.

Modern history of FC “Zenit” starts from the year 2005, when giant of Russian business “Gazprom” company bought the club. Since that time club had won 12 out of 17 total club’s trophies/titles, including the “UEFA Cup 2008” and “UEFA Supercup 2008”. Modern “Zenit” stands inside the top 20 of European football clubs with regular participation in the most prestigious European football tournaments such as UEFA Champions League and UEFA Europa League. Each season “Zenit” is fighting for the champion title in the local championship. Such

impressive results were gained due to the outstanding football players, signed by the club. Superstar factor based on such players as Hulk (world known star), Garay (World Cup silver medalist) and others.

Figure 9. “Krestovskiy” stadium, 2017.



Source: [https://ru.wikipedia.org/wiki/Крестовский_\(стадион\)](https://ru.wikipedia.org/wiki/Крестовский_(стадион))

Before the year 2008 there were a lot of separate unregistered retail shops of fans atributique. After complete transition under “Gazprom” direction “Zenit” overtook this profitable niche of business under its control, settled a special quality control department and started its own retail chain of club stores for selling fan stuff, souvenirs, jerseys and replica kits and even tickets for the matches. By the year 2012 there were over 30 stores operating in the city. The number of sold items grew exponentially and reached the number of 1000 items with “Zenit” club’s symbolic: from the license plate for €1 to Swiss watches “CORUM Admiral’s Cup FC Zenit” for €10 000. Loyalty program started. Customers from the number of fans were proposed to have a special club card, which allows to have a different kinds of discount (from special offers for sold items to lower ticket and season ticket prices).

But from the year 2011-2012 club have met the new era of legislation in football. So called “Financial Fair Play” era.

“Financial fair play was approved in 2010 and the first assessments kicked off in 2011. Since then clubs that have qualified for UEFA competitions have to prove they do not have overdue payables towards other clubs, their players and social/tax authorities throughout the season. In other words, they have to prove they have paid their bills.”

(<http://www.uefa.com/community/news/newsid=2064391.html>).

FC “Zenit” found it necessary to cut its expenditures to fulfill the new requirements. The easiest way to do that was, of course, to sell some of the expensive players with high salaries but this would affect the results of the team so the club started to seek for internal reserves. CJSC “Zenit-trade” (company that deals with club’s merchandising) decided to reorganize the whole trade system. By the year 2012 “Zenit” signed a contract with “Nike” of trading of club’s accessories in the special stands in “Nike” stores all across Russia. Flagman store “Zenit-Arena” where all the club’s trophies are presented, moved closer to the Palace Square, one of the main tourist destinations in the city, while the rent is much lower than at the previous place - huge two-storied shop right at the middle of Nevskiy prospect. On average there are around 10000 people passing Nevskiy prospect every hour. Closer to the Palace Square this number reaches its maximum point. Now the Flagman store placed right across the prospect from the main store of Saint-Petersburg ice hockey club “SKA”, but “Zenit” owners decided that there would be no conflict in there. Vice versa, this would lead to a synergetic effect, attracting even more tourists, for example some ice hockey fans, who would by an item desired hockey club could possible cross the prospect to buy at least a souvenir from “Zenit” club store. (by Pavel Ginev, “Kommersant” business guide #93, 29.05.2015, page 25).

At the same time “Zenit” cut the whole number of its stores from more than 30 to only 3, placed in the historical centre and variety of sold items had been also shorted a lot. Least demand products were cut down and the trade concentrated on the highest demand products. The range of sold items had been shortened from 1000 to 700. Using the famous traditional Russian principle “better less but better” CJSC “Zenit-trade” decided to focus on web-based trading with the main attention paid on trading outside Saint-Petersburg and its region. There are around 7 million people live in the agglomerated area of the city of Saint-Petersburg and its region. And there is only one big football club on this area what is really unusual. Local people love “Zenit”, adore it. They do not have any other option of who to support. So the club’s management can be quite in

the way of local support and see no need in fighting for the customers. They have absolute monopoly on the local market. This allows to focus on the internet-trading system.

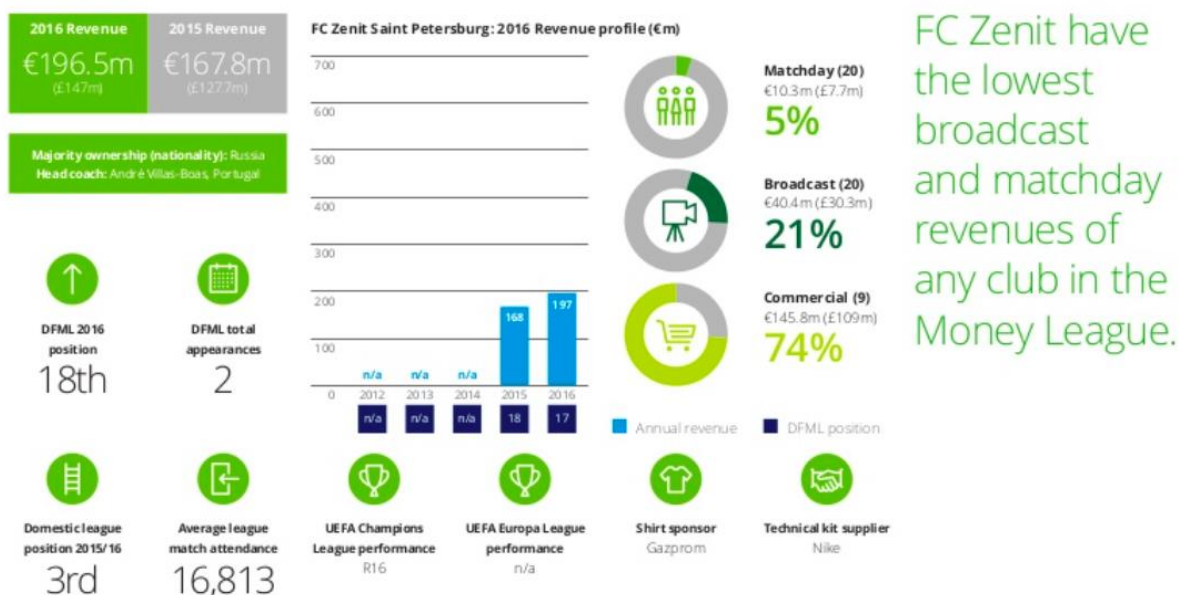
“Gazprom” have bought FC “Zenit” in the year 2005 and obviously became a main sponsor for the club among other things using the chest-front real estate with own logo. But UEFA has recognized “Zenit’s” incomes from contracts with “Gazprom” relevant, equal to the regular market contracts. Money, coming to “Zenit” from “Gazprom” - cannot be considered as dotation but as mutually beneficial cooperation. UEFA very scrupulously investigates all the contracts to the tiniest details. In addition through the last years’ revenues from “non-Gazprom” contracts have been increased a lot. Here are contracts with avia company “Rossiya”, telecommunication operator “Megafon”, Nike, OBI and Nissan. Not from “Gazprom” “Zenit” gains around €60-80 mln annually. This amount of money consists of money from sponsors contracts, money, that club earns from participating in different tournaments, TV-broadcasting and from Russian Football Premier League. “Gazprom” partnership brings the club around 50% of the whole revenues. Total club’s budget during last years was stable and stood near the point of €165 mln. Also total budget is effected by transfer campaign. (by Maxim Mitrofanov, CEO, from the interview for gazeta.ru, 14.03.2016).

Lately International Auditing Company Deloitte Money League have published the research about the football clubs’ revenues of the season 2015-16. Annual report contains data from the revenues gained by TV-broadcasting and commercials, matchday revenues, regardless the transfer campaign. For the first time for the last twenty years Russian club appears in the top-20 of annual report (figure 10).

“Zenit” gained €196,5 mln last year, but such result caused mostly by lately grew sponsors contracts and commercial (74%), while matchday revenue and broadcast indicators are worst in the top-20 list (€10 mln). For the contrast the unexpected champion of England “Leicester City” without participating in the most valuable European tournaments gained over €126 mln for broadcasting. And that is only 13th place in the top-20.

Figure 10.

17. FC Zenit Saint Petersburg



Source: <https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/deloitte-football-money-league.html>

Russian system of football (and sport in general) broadcasting had been objectively weak over time and was restructured in 2015, when by the initiation of Russian president Vladimir Putin with assistance of the editorial office of “Gazprom-Media Holding” new high quality television network with HD broadcasting named “Match TV” have been established. Today it contains the basic free federal channel “Match TV”, covering the most important sport events broadcasting, mostly focused on Russian representatives but also covering world’s most popular sport event’s play-offs; and prepaid channels “Match TV Football 1”, “Match TV Football 2”, “Match TV Football 3”, “Match TV Arena”, “Match TV Fighter”, “Match TV Game”, “Match TV Our sport” and “Match Our Football”. Prepaid channels are accessible on four of the main Russian digital satellite television platforms. The overall “Match TV” budget remains confidential, but from the information available follows that “Match TV” have spent around €103 mln for the broadcasting rights in 2016, what is relatively small comparing to the average spending of European TV companies. Russian Football Premier League’s broadcasting rights worth around €80 min for a three-year contract, which is also incomparable to European leagues. In Britain Sky and BT companies pays €6,5 bln for a three-year contract of broadcasting English Premier League. Such difference caused by the different popularity of British and Russian football. Besides Russia RFPL is broadcasted in over 100 of countries of the world but exclusive

rights to provide broadcasting and sign contracts with local TV companies belongs to IMG Media company and were sold for only \$15 mln for standard three-year contract (<http://www.sport-express.ru/football/rfpl/reviews/812960>).

4.2 History of marketing communications at FC “Zenit”.

Through the history of its marketing communications “Zenit” used a various methods of settling the dialog with the fans and supporters.

“Zenit” is supporting a variety of social organizations from fan clubs in the 14 city’s universities to international associations of fans all around the world (more than 14 countries) (<http://en.fc-zenit.ru/fans/org/>).

Since 1980s “Zenit” has its own fan organization named “Landskrona”. Traditions of support of the team appeared with the culture of interconnection between people from the side of supporters and “Zenit” establishment. Leaders of the fan movement have always been in touch with responsible people from the side of the club and through such communication fans got access to the special offers for the tickets, organization and money support of the trips for important international away games and agreement about fan performances (not always legal, using fireworks and other things), (figure 11, Appendices).

Club is all-the time paying penalties for the fans’ attitude (fights, yelling, affronts and offences against fans of “Zenit’s” opponents - all that is a part of so called “near-football” - big part of “British football hooligans” style attitude, appeared in Great Britain in late 1950s.

Nowadays “Landskrona” has its own web site with big amount of fan stories, videos, photos and further interesting information about “Zenit” and people around the team. Also greetings for the foreign fans provided, including the basic information about the city, stadium and how-to-get-where (<http://landskrona.ru/engl/>).

Besides “Landskrona” “Zenit” has another supporting organization called “Nevsky Front”. It has a status of Regional Non-Profit Social Organization. Founded in 1999, “Nevsky Front” aimed itself to provide a dialog between fans-club-police during the complicated disorganized times in the history of Russia. After success in the first goal, organization continued to work on the field of improvement supporting movement in the city and by the year 2017 achieved impressive results: after organizing of fair and intelligent fan system around “Zenit”,

organization created a special tournament for football fans from different cities of the country, founded a football academy where over 1000 children are playing today (<http://www.nf-school.ru>).

4.2.1 “Zenit” in Mass-media.

Since 1999 “Zenit” had its own newspaper “Nash Zenit” (eng. “Our Zenit”). In 2008 it had been reorganized and divided into two sections: the newspaper became shorter and started to be published as a part of a bigger newspaper “Sport-express”, which has one of the biggest edition in the country, while on the territory of Saint-Petersburg “Nash Zenit” transformed into a monthly published high quality magazine (figure 12, Appendices).

Such restructuration occurred to happen due to the technological boom and reducing interest to soft newspaper among the people. What cannot be said about the radio station “Radio Zenit 89.7 FM”, which was founded in 2007 and now is one of the most popular radio stations of the city. Being on-air 24/7 “Radio Zenit” broadcasting live comments of each game of the team, provides breaking news from the world of football and interviews team’s managers and fans. Radio is available online, has its own mobile app and even its own instagram, facebook, twitter and vk accounts (<http://www.radiozenit.ru>).

“Zenit” appears on TV only in an author’s program “Futbolnaya Stolitsa” (eng. “Football Capital”), (<http://fc-zenit.ru/tv/footcap/>), which is produced and directed by a single person - ex-player and the most famous “Zenit’s” local commentator Gennadiy Orlov, who’s also making a radio airs about “Zenit” on radio station “Moscow’s Echo”.

4.2.2 Digitalization, SMM and Cybersport.

FC “Zenit” Saint-Petersburg has its own website since the year 1999.

<http://fc-zenit.ru>

First looked much alike wikipedia page site was poorly and simply designed and served only as informative page with club’s address and a squad. All the mails those times went through the regular post office and paper mail.

With developing of IT-technologies website have been several times renewed, updated and modernized.

Last modernization of web page occurred in January, 2015.

"Firstly, the club has changed its brand style. The new site reflects the principles that formed the basis of the new style - in particular, the simplicity and the focus on big emotional photos. Secondly, more than five years have passed since the development of the previous version of the site. During this time, a lot of new technologies appeared on the Internet, the size and resolution of the screens changed, the cost and speed of connecting to the network, tablets and smartphones became almost the main way of access to the Internet, almost everyone now has an account in social networks".

"There are about five thousand news on the official website annually, tens of thousands of photos, about 400 published videos, the players are daily telling about their lives in Twitter and Instagram, and the new statistics in real time allows you to track all aspects of the football match. The old site was no longer able to reflect all this information in an adequate form".

"The club site now has three versions - for devices with different screen sizes. The pictures are output in a different capacity, the video player has become larger, the quality of the video is now higher. In the days of matches a multimedia match center is now displayed on the first page, in which not only the text comments of editors appears, but also opinions from social networks, selfies from stadiums, statistics, photos of club photographers".

"The site has become much more analytical with statistics, which is displayed both in a tabular form and in the form of graphs - so you can monitor the dynamics of players. In addition, the new site is designed in such a way that it is easy to add new features - own and in cooperation with the partners of the club. In the near future on the site there will be special projects prepared jointly with the sponsors of Zenit". - Zenit's press service writes (<https://www.championat.com/business/news-2042002-zenit-zapustil-novyj-oficialnyj-sajt.html>).

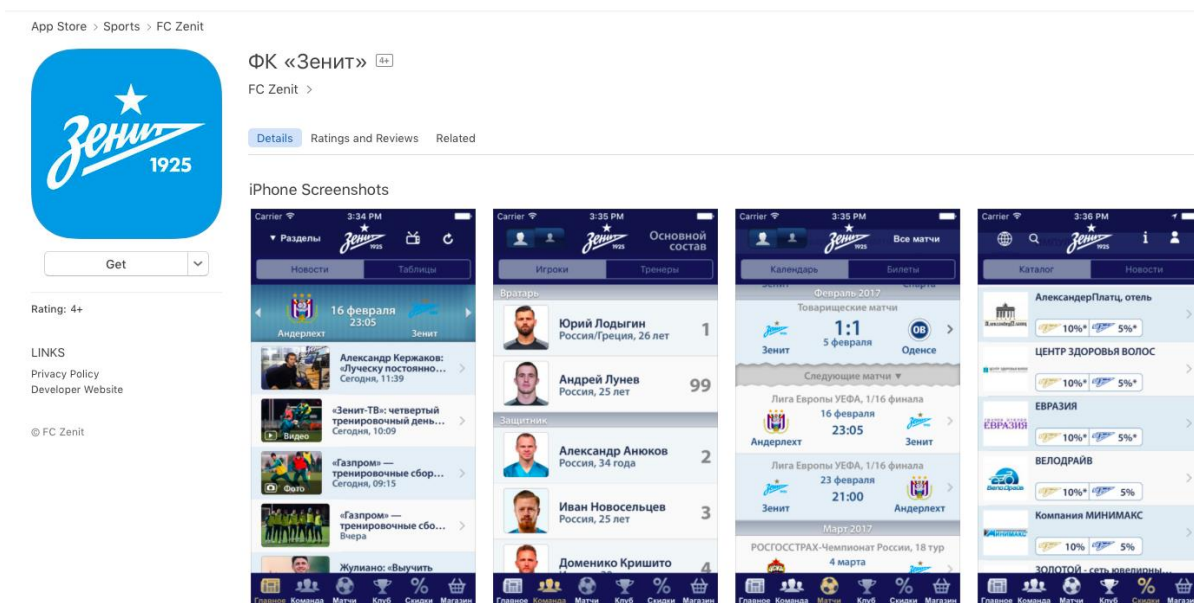
Redesign has so far only touched the Russian-speaking and English-speaking football sites, also the children's site (kids.fc-zenit.ru), basketball site (basket.fc-zenit.ru), online ticket office (tickets.fc-zenit.ru) and online store (shop.fc-zenit.ru).

Lately new project of <http://museum.fc-zenit.ru> has started to work - virtual museum with all the team's trophies, hall of fame, and virtual tour (now available only in Russian language), (figure 13, Appendices).

Besides mobile version of the official web site "Zenit" has two free independent mobile and tablet apps. One - basic, containing all the relevant club's and team's news, video highlights of

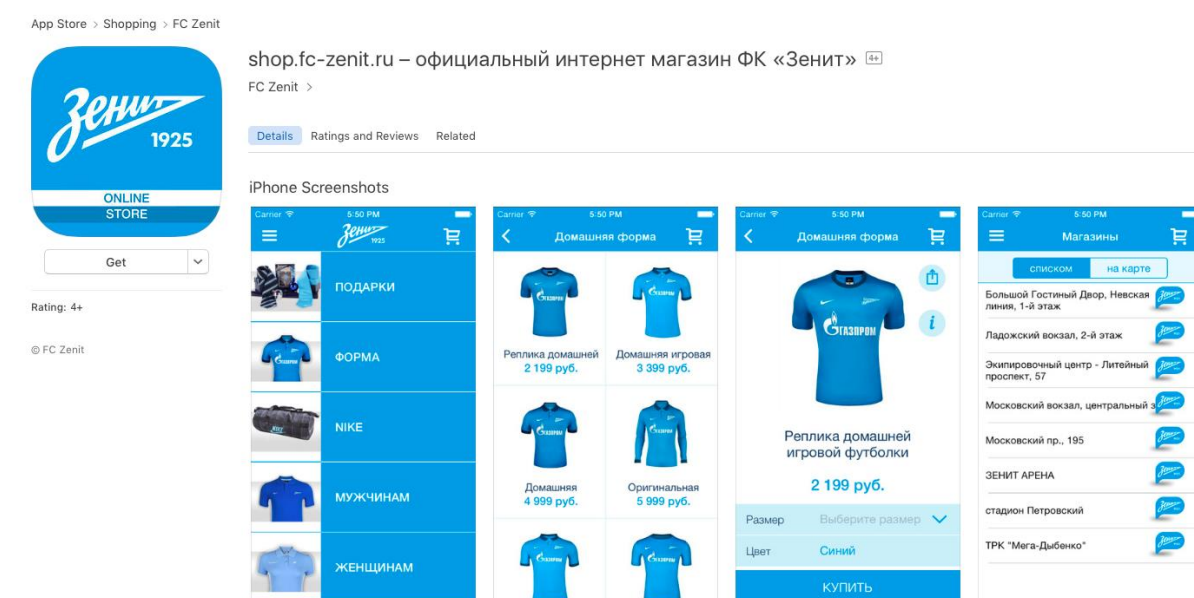
games and press-conferences, fixtures and results of “Zenit” and other Russian Premier League teams, players’ profiles and status, minute-by-minute text onlines and photos, and another - on-line shop application (figures 14 and 15).

Figure 14.



Source: iTunes

Figure 15.



Source: iTunes

“Zenit” has brilliant system of online shopping with a special mobile application (separate from the general app) and delivery system in cooperation with “DHL” service works fast and

well. It takes from 1 to 6 days to deliver purchased item to any place on the planet Earth. Shipping price is also quite reasonable comparing to the European football clubs. For example to get a fan scarf to Australia would cost around €80 (figure 16, Appendices).

Nowadays “Zenit” is trying to increase the number of people in the loyalty program. During summer 2016 “Zenit” have signed an agreement with the company “SAP CIS” about three-year cooperation on the project of creation new system of communication with supporters and fans of the club.

"The contract implies first of all the creation of an orderly system of work with fans," said Mitrofanov, "the Army of fans of Zenit is 15 million people, each of them must be heard, and we need to know what each fan wants." Progressive IT-mechanisms are aimed to create proper conditions for a comfortable stay in the stadium. Each of our fans will be maximally contributed to our system, we will open a large number of services and individual offers."

"In the end, we expect that in the next two years the number of fans in the loyalty system will double. Now there are 300 thousand of them, but we expect to bring this number to 600-700 thousand." We hope that the fans will respond. We also hope that the launch of the stadium, which will be held someday, will contribute to the development of this system." (the interview of general director of “Zenit” were held before official grand opening of the new stadium).

"The club will organize a contact center for effective management of incoming and outgoing phone calls. In a single system, it will be possible to conduct a history of relationships with all target audiences, analyzing and managing the further development of relations. Fans will be able to receive individual offers from the club, which will include various promotions, profitable offers for the purchase of tickets and season tickets to attend matches, the joint press release of the parties informs."

"Also, thanks to the collection and analysis of data on fans and their interaction with the club, it will be possible to create personalized offers that most fully meet their needs. Every football fan will receive only what is important to him and communicate with the club via the most convenient channels: SMS , E-mail, club projects. Thus, Zenit will get closer to their fans, and their interaction will be more effective and will reach a new level" (by Maxim Mitrofanov, FC “Zenit” general director. <http://tass.ru/sport/3480037>).

SMM:

Social networks first appeared in 2004-2006 and immediately became extremely popular. In today's world it is impossible to imagine any social organization (which football club is

definitely represent), that is permanently non-stop not participating in social media world. Since 2010 “Zenit” had run the official public in Facebook and Vk (the most popular European social network with the headquarters in Saint-Petersburg).

Today “Zenit” has:

- Facebook: over 1 mln subscribers;
- Vk: 825 000 subscribers;
- Twitter: 809 000 subscribers;
- Google+: 300 000 subscribers;
- Instagram: 261 000 subscribers;
- YouTube (Zenit TV channel): 209 000 subscribers.
- Ok (second most popular social network in Russia): 66 000 subscribers;
- Foursquare: 12 000 subscribers;

In February 2017 “Zenit” introduced a pack of club’s stickers for the Viber - online messenger. There are over 800 mln active users of Viber, 76 mln from which are Russians. “Zenit’s” stickers pack price is \$2,5 (<http://fc-zenit.ru/news/2017-02-23-zenit-predstavlyayet-nabor-stikerov-dlya-messendzhera-viber.htm>).

In 2014 “Zenit” has already proposed a pack of stickers for Vk (<http://www.vesti.ru/doc.html?id=1976997>).

Cybersport:

First Russian club, signed a contract with a player was “Spartak Moscow” and in 2017 right before the start of the first Russian Cyber Football Premier League “Zenit” have also signed a player - Ruslan Yaminov, who’d got to the top-10 on the last Russian Cyber Championship. (<https://cyber.sports.ru/games/1048095794.html>). When the first Russian Cyber Football Premier League have been announced “Play Station” company immediately created a special edition of consoles coloured with the official Russian teams’ colors and logos (figure 17, Appendices).

Cybersport today - is the most fast-growing sport industry with great flow of investments. World’s celebrities are participating in the development of the sphere, they are financing into the structure, support it in media. Most serious and powerful betting agencies provides possibility of betting on cybersport, that’s why it is impossible not to pay attention on it and it is very important to follow the world’s trend, supporting it on the level of real football club because it

will definitely payback with more fans. Simple social marketing chain says that if the people would support a special cyber football player, who would support “Zenit”, this people would also be a potential customers of “Zenit’s” fan shop, buying jerseys and other atributique.

4.2.3 Social activity and Cooperation.

“Zenit” is already participating in the range of social actions and establishing an interesting programs of communication with foreign fans. There is a special link on the official website of the club, where a special rubric for articles about foreign team’s supporters exists. “Zenit” is often sending own correspondent to interview, make pictures or videos about the supporter from a different country (<http://fc-zenit.ru/news/bolelshchiki/>).

In association with Rusfond “Zenit” is participating in the charity project “Davai, Davai!”. Under this program once in a couple of month one of the team’s players via mass-media promises to try himself working in a very unusual job (from serviceman at the petrol station to barber or museum guide). (Figure 18, Appendices). The promise would be complete if by a certain time people sent enough money for the charity - regularly some special case chosen by the club (figure 19).

Figure 19. “Davai Davai!” project 2.

"Davai Davai!" Radimov is next to take on the charity challenge

Zenit and Rusfond are delighted to announce our next, joint, **amazing charity project** (use google translate to see the story.) Vladislav Radimov, Zenit-2 manager has agreed to have a go at a very unusual job, if together we can raise 781,000 rubles (\$13,500) for the medical treatment of young Ivan Ganichev



Photo: Анна Мейер / ФК «Зенит»

Source:<http://en.fc-zenit.ru/news/2017-03-07-davay-davay-vladislav-radimov-prinimaet-vyzov-proekta-chtoby-pomoch-ivanu-ganichevu.htm>

Cooperation:

There were dozens of attempts of creating another football club in Saint-Petersburg. Actually “Zenit” wasn’t the first football club in the city. “Dynamo SPb” were created several years earlier, but through the history neither “Dynamo”, nor other clubs never reached a serious level and strong standings. Moreover, after the year 2005 when “Zenit” was bought by “Gazprom” and got very well financed, club made a lot of steps to prevent all the attempts of other clubs to get into elite of Russian football. “Zenit” created a lot of barriers for other clubs by buying the most talented players from other clubs and sending them to own academy, giving the opportunity of playing on the higher level and also for much higher salary. In the year 2013 “Zenit” have bought a smaller club from Saint-Petersburg, which have been playing in the lower league of Russia and turned it into a farm-club named “Zenit-2”, with the squad completed from the list of young players from “Zenit’s” academy. By such steps “Zenit” eliminated all the competitors on the football market in the city and got access to monopolistic view on the market including price settlement and solid auditory of the whole city.

Such a synergetic cooperation have been established by “Zenit” and ice hockey club “SKA Saint-Petersburg”. “SKA” has of the most popular and successful ice hockey team in Europe and could easily compete “Zenit” with total popularity, but both clubs belongs to “Gazprom” company (“SKA” since 2009) and doesn't stands as for competitors. Season calendars are different so the matchdays are not so often happens on the same day. As a part of social activity in the year 2015 after so called “Saint-Petersburg double”, when “SKA” had won the “Gagarin’s cup” - the main European trophy and “Zenit” had won the Russian championship teams agreed to participate in a special charity event called “Champions battle” (Figure 20), when three players of each team were taking part in the culinary battle in the famous city’s restaurant where all the money had been collected for charity.

Figure 20. “Champions battle”.



Source: <https://www.ska.ru/news/view/blaghotvoritel-naia-aktsiia-bitva-chiempionov-ska-vs-zienit/>

In July 2014, “Zenit” announced the purchase of basketball club “Triumph Lyubertsy Moscow Region” and its relocating from Lyubertsy to Saint Petersburg, with changing its name to “BC Zenit Saint Petersburg” (figure 21, Appendices). The club retained the history and rights of “BC Triumph Lyubertsy”, and also its place in both the “VTB United League” and the “EuroCup”. By that “Zenit” have widen its sport horizons and fulfilled another niche in city’s Sport Industry (besides “BC Zenit” today there is only one professional basketball club in Saint-Petersburg, performing weak results in the third strongest division in a country).

4.3 Mistakes and marketing failures of FC “Zenit”.

In the year 2014 “Zenit” and 20 Century Fox company announced agreement following which famous cartoon character Bart Simpson would “play” for “Zenit”. Such marketing move supposed to be able to attract young generation to “Zenit” and 20 Century Fox wanted to empower their role in Russian market by 25th anniversary of their cartoon. By the end of summer transfer campaign Bart “came” to Saint-Petersburg, “passed” the medical tests and “signed” a personal contract (figure 22). But fans were not excited with the joke. Experienced fans started to worry about the traditional official mascot’s destiny (Blue Lion), while youngsters didn’t show as much interest to an action as it was expected and after few weeks the contract with 20 Century Fox was canceled. “Zenit’s” press-attache was ought to explain to fans that it was a irony presentation of “one day of a new player” and the only possible club’s mascot is

official is Blue Lion and nothing in the Earth can change it
(<http://www.ntv.ru/novosti/1206765/>).

Figure 22. Bart Simpson and “Zenit”.

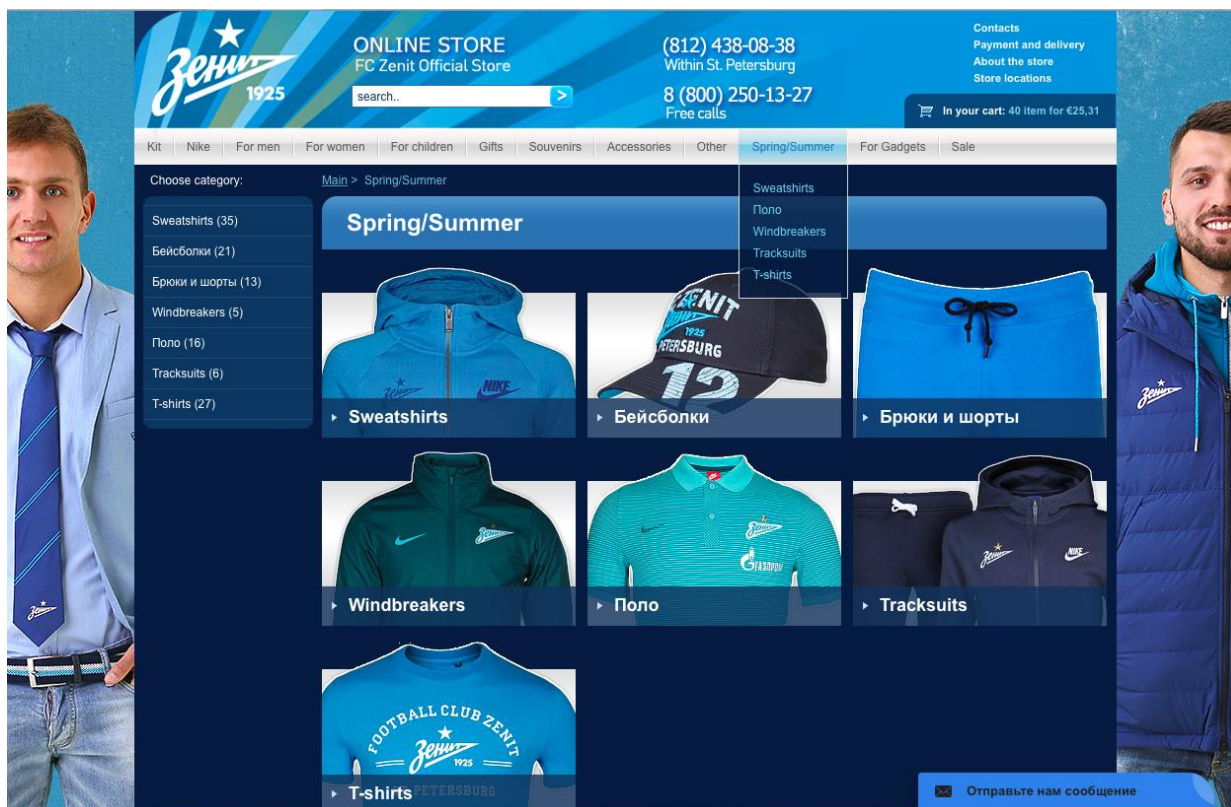


Source:http://www.rbc.ru/spb_sz/01/09/2014/5592ad489a794719538d364d

The modern version of the club’s online store website is available only in Russian and English languages and there are lots of mistakes on the English version both in the context and medial menus. Translation is not complete and proper (figure 23) and seems inaccurate, what looks like unreasonable carelessness of the worldwide fans.

Also both existing official mobile applications that “Zenit” has are fully operating only in Russian language, what in many ways makes them nonsense, concerning the fact of main “foreign” focus of “Zenit’s” modern marketing campaign.

Figure 23. Mistakes.



Source: <http://en.shop.fc-zenit.ru/catalog/8130/>

4.4 Suggestions for improvement.

“You will be surprised, but “Zenit” doesn’t have any Marketing department in the club’s structure. There are certain people who are responsible for updating the content in social networks, on the website, apps and youtube channel. All these people are freelancers, not employed to the official club’s structure” — (from conversation with Denis Denisov - head of the “Zenit TV” youtube channel).

To avoid marketing mistakes and improve marketing communications “Zenit” should create a special marketing department on a club’s basis. Such structure would positively affect the revenues, bring the systematic and organized view of the club’s strategy of development, let the club better monitor the activities in different social media and, identify most popular ways of communications, compare them and select the methods for further activities on the field.

4.5 “Zenit TVapp”.

Executive summary:

The army of fans of FC “Zenit” Saint-Petersburg consists of 15 mln people all over the world and with all of the club’s marketing plans and existing strategy this number will only raise. “Zenit” is becoming more and more popular regarding to the first team’s performances on the international area and transfer strategy, which focused on the attraction to the team of world’s best football players. Brazilian superstar Hulk brought to the club’s budget over \$2,5 mln for four years only by the amount of sold jerseys with his name on the back. The finalist of the World Cup 2014 Argentinian defender Garay, Belgian star Axel Witsel, Serbian superback Branislav Ivanovic - the winner of the UEFA Champions League - all these players complete just a top of the list of the world famous players, which are on focus in their own countries, who have thousands of personal supporters and thus — potential supporters of “Zenit”.

With such wide geography of supporters it is impossible to rely on the unstable and complicated system of worldwide broadcasting to be sure that all the fans and supporters would be satisfied with the access to the live streaming of the matches of their favourite team.

“Zenit TVapp” should solve the problem.

The most popular appliance modern human uses each day is a smartphone. That is why the main focus of the “Zenit TVapp” is based on this category of gadgets.

“Zenit TVapp”— is a multifunctional mobile (and tablet) application for live-streaming all of the games of FC “Zenit”. “Zenit” already has two mobile apps: general one and special online-shop application, that’s why “Zenit TVapp” would be concentrated mostly on videos. Besides the live-streaming of the matches user would be provided with stats and tables. Also free videos from youtube channel “Zenit TV” would be accessible (figures 24-29, Appendices).

Starting from the front page app would propose user to sign in or log in with the help of social networks accounts. Than user would be provided with the information about the prices for broadcasting for a single game, for three ar five games and a subscribe for a whole season, and possibility of choosing the type of payments (PayPal or credit card). After purchasing user would see his payment status and quantity of prepaid streams left, have access to the video reviews of the previous games, interviews, briefings and stats. The application would be the first of three official “Zenit’s” apps with English as a main language. Russian edition would appear after the

first update pack after a month from the release. Such move inspired by the idea of showing the audience that main focus this time is concentrated among the international fans of “Zenit”.

Mission and vision:

“Zenit TVapp” aims to satisfy the needs of a huge group of people — foreign supporters of the most popular Russian football club. No other application or service was able to do it with such high level of accessibility and quality.

As smart phones become more prevalent and WiFi and mobile coverage now standard even in places far off the beaten track, it makes sense for people not to stick around the specialized places broadcasting football but be free with easy access to the game of favorite team anyway anytime.

Objectives:

To become the most popular football application among supporters of FC “Zenit”.

To become the first mobile application allowing live stream of the matches.

To build up strong brand awareness in the world by providing an outstanding service in the sphere of football.

4.6 Marketing analysis.

Target customer: is a middle and young age both genders people from middle and upper income category, highly interested in modern technologies, having access to the internet, fond of football and supporting of FC “Zenit”. Mainly English or Russian speakers.

4.6.1 PEST analysis.

Political factors: mobile application market is hardly affected with political factors in general. From the legislative point of view there are no barriers or restrictions for implementation of new apps for the market. Even in the world where international economic sanctions for Russia would not be eliminated but empowered it is almost impossible to imagine that it would affect the IT-market and for apps, developed by and for Russian community.

Economic factors: lots of experts claim football unfairly boosted with money market. To slow down such tendency international football organizations such as FIFA and UEFA proposed a set of rules and requirements to the clubs and their budgets to make them be profit oriented. In

such circumstances football clubs have started to cut down its expenditures and spend its money much more accurate. Extra expenditures for the new project such as “Zenit TVapp” today is less possible for the club with an average budget than five years ago. Fortunately “Zenit” — is a big club with relatively high budget and such expenditures as for new application implementation couldn’t be considered as problematic. Furthermore such mobile app as “Zenit TVapp” would be profit oriented itself and by brief forecast pay off in short terms.

Social factors: mobile applications made a part of our lives, number of created and download apps grows year to year. Modern society is greedy for everything new. Comparing to the world twenty years ago when people were still able to dream about some absolute fantastic technologies without natural belief in a day when their awkward dreams comes true today’s human have already seen everything in the science-fiction movies and now are just waiting for the technologies to appear in reality.

Technological factors: concerning external factors, influencing the proposed application, main focus should be pointed on T — standing for technological factors. Technological development is a base of a modern world. And the process of digitalization is endless. Being in the list of leaders of the organizations which are implying innovations is very important on the way to success. In such circumstances “Zenit TVapp” — is a right choice of strategic marketing, that would definitely attract audience and ensure the position of the club on the field.

4.6.2 SWOT analysis.

Strength:

- worldwide accessibility — only internet connection needed (WiFi or LTE/4G/3G);
- simple concept and user-friendly interface, no need of special knowledge to use;
- uniqueness;
- guaranteed amount of potential customers from the number of supporters of “Zenit”;
- impossibility of substitution;
- first application of “Zenit” in English.

Weaknesses:

legislation — broadcasting in the application would be redirected from one of the official channels because it would be impossible for the project to independently pay itself to broadcasting right's owners, thus would be needed to get for example undercover of "Match TV" system, what would bring huge external costs;

limited amount of users — application would be able only to attract existing "Zenit" supporters without real possibility of creating them by itself;

Opportunities:

mostly oriented on foreign supporters of "Zenit", people who live outside the territory of "Match TV" coverage, rebroadcasting of the signal on the prepaid base "Zenit TVapp" would not be a direct competitor of "Match TV".

special agreements with mobile operators and mobile internet providers about special tariffs or discounts for "Zenit TVapp" users;

settling a special relationships with the broadcasting right owners and being the pioneer of such deals negotiate about exclusive rights for rebroadcasting the matches via club's application.

Threats:

refuse of support by FC "Zenit";

refuse of cooperation by "Match TV" or Russian Football Premier League;

high tariffs for mobile internet in some of the countries.

4.6.3 Porter's five forces.

Threat of new entrants: zero (low)

There would be absolutely no need in other application like this on the market. Such application will be only possible to establish by support of FC "Zenit", what automatically would make it official application.

Threat of substitutes: medium

Besides legal possibility of access to broadcasts many people today are using so called “pirate” services. There are hundreds of websites, illegally broadcasting sports for free in the world wide net. There are two types of possibility to follow such broadcasts:

- direct stream links;
- Special software services such as SopCast, AceStream and others.

Direct streams are the most common and unstable among them. The direct links to rebroadcasting from direct server were the first of the pirates methods to avoid payments for real official broadcasts. Today right owners pays a lot of attention for such method and such direct online links are blocked regularly and fast.

Services like SopCast or AceStream are much more complicated. Such programs are working on p2p (peer-to-peer) technology and that is why it is harder to right owners to identify the basic server and to block it. Also such technology allows to use medium speed internet connection to stream without loss in a quality.

Such services could be recognized as substitutes, but the main advantage of “Zenit TVapp” would be its official status. Some of the people do not use free “pirate” possibilities just from the moral and ethical point of view, some of them — inspired by the thought that the money they pay for the streams in the official app goes as a donations for their favorite team’s support. Moreover special “Zenit TVapp” would be way more user-friendly than usage of direct links through web browser or mobile versions of SopCast or AceStream which are prepaid.

Bargaining power of customers: low

No matter how but supporters of FC “Zenit” would anyway watch their favorite team’s matches. The power of customers here only is only refers to the channel through which people would do that. Life in our world is getting faster and in such circumstances “Zenit TVapp” would be a perfect option for people, giving them a chance to follow the broadcasts of their favorite team whatever the place they appear.

Prices of the subscription for season broadcast or for a single match stream in “Zenit TVapp” would be relatively small, put on a level of average subscription for musical or other entertaining applications, instead of forming on a basis of football channels TV rights contracts.

Bargaining power of suppliers: medium

By developing the new marketing channel through “Zenit TVapp” club would satisfy the needs of a main part of its supporters — foreign part, which represent 86% of the total “Zenit” supporters.

In the wider point of view the suppliers with higher bargaining power here are broadcasting right owners such as “Match TV” network. Negotiations about the costs and share in total revenue from the application should be held in a three-round table with both representatives of FC “Zenit”, “Match TV” channel and authors of application.

Industry rivalry: zero (low)

Without legal competitors “Zenit TVapp” is highly protected from any possible threats of substitution with different application. Passing the entrance barriers by establishing the application “Zenit TVapp” automatically creates an impossible to step over barrier for substitutes.

4.6.4 Budget.

App creation (prices per category):

Initial costs:	
accessibility for Android and iOS	\$16000
login with social media	\$8000
creation of personal profiles	\$6000
in-app purchases	\$6000
review system	\$6000
perfect “app-layout”	\$30800
app icon creation	\$11900
sub-total	\$84700
Maintenance of the app:	
20% of initial costs / year	\$16940
Marketing costs:	
advertising costs / first year	\$50000
Total costs	\$151640

Source: own research and design.

5. Results and Discussion.

As main result of actual thesis mobile application “Zenit TVapp” has been discovered and developed. “Zenit TVapp” — is an innovative and prospective way of marketing communications. For the moment of its development no other application is able to satisfy similar needs. “Zenit TVapp” was developed by author of actual thesis with the idea of its further implementation to the marketing campaign of certain football club in Saint-Petersburg. Such had been covered through the communication with “Zenit’s” press-attache Denis Denisov. The communication were established through the social network Vk and via Skype. The message of disputes was clear: to measure the possibility of realization of actual project and the club’s need in restructuration of its system of marketing communication. On the level of prognosis and presentation press-attache of “Zenit” showed a real interest and promised to discuss the preposition with the decision making department of the club.

Marketing analysis of the proposed application proves its value and expected perspective prosperity.

PEST analysis shows favorable atmosphere for implementation of the app. Especially Social and Technological factors of the modern world are completing a conductive environment.

SWOT analysis represents power of opportunities. Main threats of the project stands on a basic level of implementation of the app. If “Zenit” would refuse the idea of cooperation and would not support the application be making it official, further promotion of the application would be endangered. Implementation of such application without support of the club would still be possible on a basis of negotiation of a contract with representatives of the TV operator “Match TV” or other, as a last resort — foreign operator.

From the main strength of “Zenit TVapp” on the market uniqueness and impossibility of substitution should be pointed especially. In case “Zenit TVapp” would achieve the target market and become an official application of FC “Zenit” there would be no chance for any other similar application to get to the market because there would be absolutely no need in it. Uniqueness is represented by ability of live broadcasting of all the games of European football club and there is no such a thing in the world for the moment.

Concluding the results of Porter's five forces analysis threats of new entrants is low, bargaining power of customers is low, bargaining power of suppliers as well as threat of substitutes is medium — affected with the main threat of the project, industry rivalry is low.

Budget of the application has been developed. The total cost of the project is \$151640, including \$16940 what is maintenance of the app yearly costs. Such amount of expenditures is relatively small for a football club. The income forecast is based on the information about the active internet followers of FC "Zenit".

Income:

Number of "Zenit" supporters all over the world: 15 mln (13 mln from which - outside the country).

Overall online auditorium of "Zenit": 3,1 mln of people
(<http://www.fontanka.ru/2016/07/20/091/>).

Number of Android official app (in Russian language only) downloads: around 500 000
(<https://play.google.com/store/apps/details?id=ru.infoshell.android>).

Number of iOS official app (in Russian language only) downloads: around 500 000
(<https://sensortower.com/ios/us/fc-zenit/app/fk-zienit/437799033/>), 26 000 during the first year
(<https://www.championat.com/business/news-1180864-zenit-zapustil-prilozhenie-dlja-android.html>).

The average number of followers of regular matchday briefing on youtube: 15 000 of people.

The average number of followers of training game broadcasting for free on youtube: 41 000 of people.

The price settled for one stream in "Zenit TVapp" is \$1,99; for three - \$4.99; for five - \$6.99.

Season subscribe costs \$99.

Thus for complete total costs pay off would be necessary for 76 202 people to download "Zenit TVapp" and pay at least for one stream ($\$151640 / \$1,99$); or

for 1532 people once to buy a season subscribe.

Taking into consideration the overall number of “Zenit” online auditorium, factor of growing number of active internet and smartphone users and growing number of downloads of apps profitability of the project seems clear and certain even without deep economic forecasting.

Today’s “Zenit” doesn’t have a marketing department and that’s why when author of actual thesis met the need of start the communication with the club problem detected itself. Club has its own modern website official publics in different social networks but when it comes to direct communication between not just regular fan with famous asked question but between software developer with economic proposition and responsible for decision making people it comes to barriers. For improvement of such situation organization of special marketing department was proposed in the chapter 4.3.

Actual thesis contains “Zenit’s” whole and detailed marketing analysis starting from deep history to modern days. Besides described giant problem of disorganization of different tools of marketing communications total evaluation of the present situation is undoubtedly positive. Club stands among the most progressive and developed sports organizations in the world facing no problems in covering the different aspects of the complete development on the market. “Zenit” is operating with mass-media using TV, magazines, radio and internet. Club is participating in social life of the city and team’s supporters by different public actions. Club is developing its infrastructure, support the new trends and ideas of the modern world such as cybersport or separate mobile app for online-shop.

6. Conclusion.

Marketing communications — is a giant sphere of economy. Including all the aspects of Marketing mix, communications between producer or seller and a customer could be established through variety of channels such as mass-media, direct marketing, SMM etc.

In modern fast developing and globalized world technologies have been overcome all the other parts of life and have the strongest power, ruling the markets. Being on top of the business mountain with clear and well-structured marketing system is now not enough to forecast the future. Only via implementation the new-appeared technologies it is possible to count on the successful development.

Concerning FC “Zenit”, which is now stands among the leaders of progressive sport organizations, it is necessary to be in a right place on the right time, as it is for the good football striker. Appearing in the Russian football world and existing under Russian legislation “Zenit” should continue to use possible innovations, the most clear from which for the moment — is introduction of the revolutionary method of communication with the fans and supporters from all over the world by introducing the mobile application of absolute new format — with live broadcasting of all the matches of the team for a very reasonable price.

Accessible, cheap, user-friendly mobile application “Zenit TVapp” would share new horizons for the fans and unite them around their favorite club on the new level of participation.

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Appendices

Figure 2: Peterborough Utd. Season ticket.



Source: Peterborough Utd. official web-page.

Figure 3.

INICIO FÚTBOL BALONCESTO EL CLUB SOCIOS AFICIÓN RMTV ENTRADAS ÁREA VIP TOUR TIENDA MADRIDISTAS

Realmadrid TV en directo

Inicio RMTV Realmadrid TV en directo

REAL MADRID TV EN DIRECTO

Una nueva televisión para vivir la emoción del Real Madrid en abierto y en HD

RECUERDA!
La programación en español y en inglés es diferente. Puedes consultar dicha programación en esta misma página. Y cambiar el canal a la derecha.

PROGRAMACIÓN EN:
ENGLISH

Source: <http://www.realmadrid.com/real-madrid-tv>

Figure 7. Supporters.



Source: <https://www.sports.ru/tribuna/blogs/loftyvillage/754522.html>

Figure 11. “Nash Zenit” magazine.



Source: <http://fc-zenit.ru>

Figure 12. Online museum.



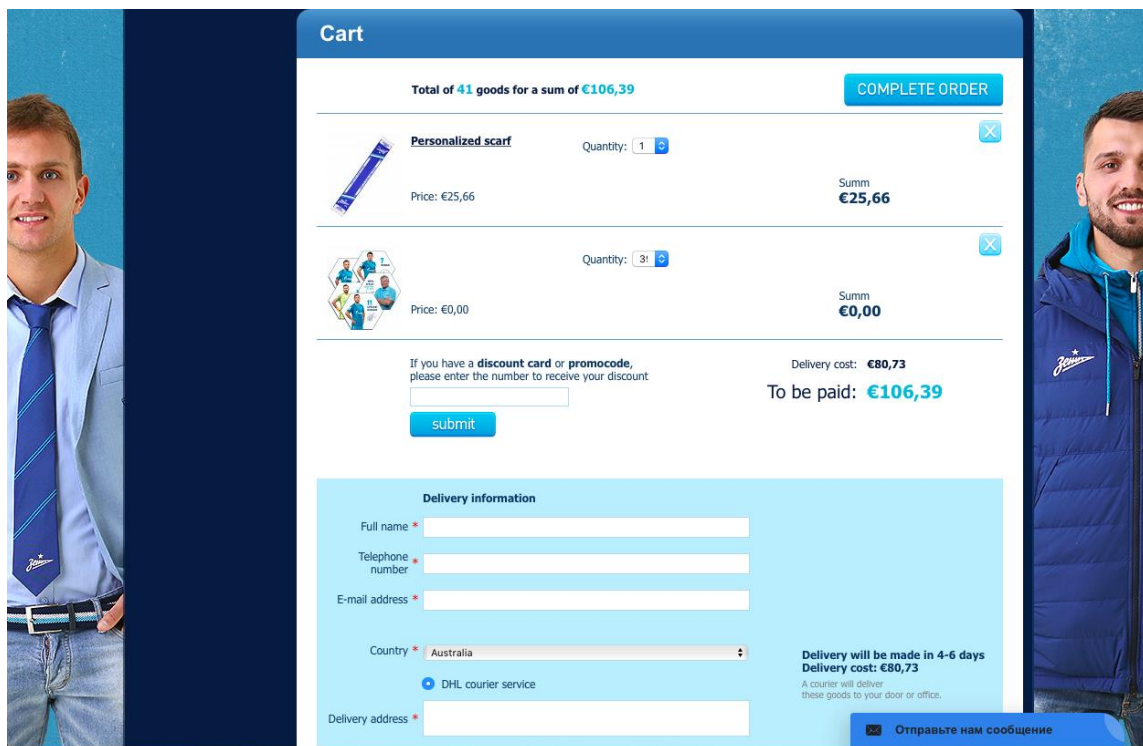
Source: <http://museum.fc-zenit.ru>

Figure 13. EA Sports FIFA special face-modelling technology application.



Source: <https://www.easports.com/uk/fifa/real-madrid>

Figure 16. "Zenit" online shop.



Source: <http://en.shop.fc-zenit.ru/>

Figure 17. Sony PS4 console, "Zenit" special edition.



Source: https://geek-tv.ru/games/20170310/sony_vipustila_ps4_v_cvetah_zenit_csk_spartak

Figure 18. “Davai Davai!” project 1.



Source:<http://fc-zenit.ru/club/inits/davai/>

Figure 21. BC “Zenit”.



Source:<http://ianews.ru/articles/68615/>

Figure 24.

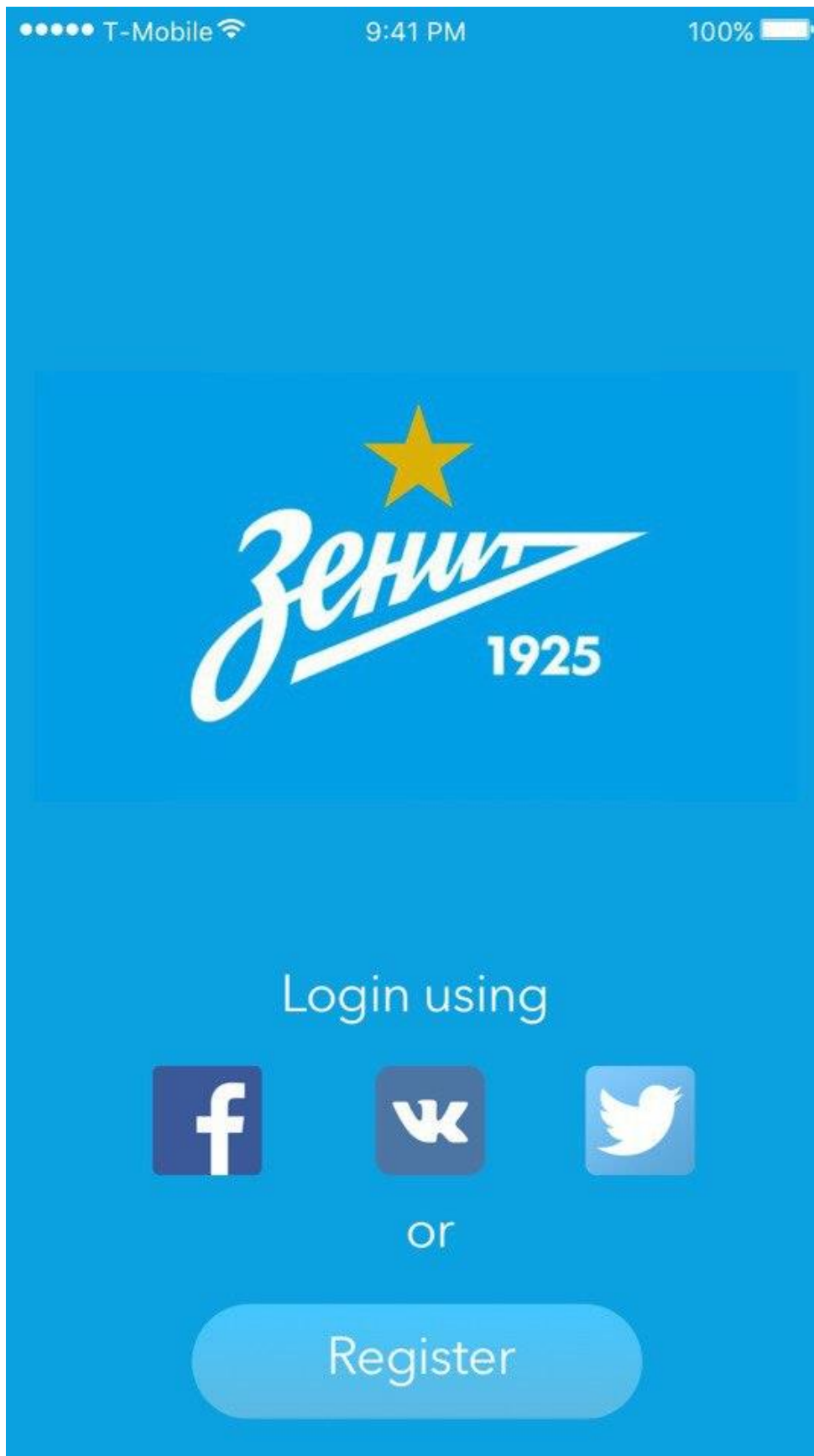


Figure 25.

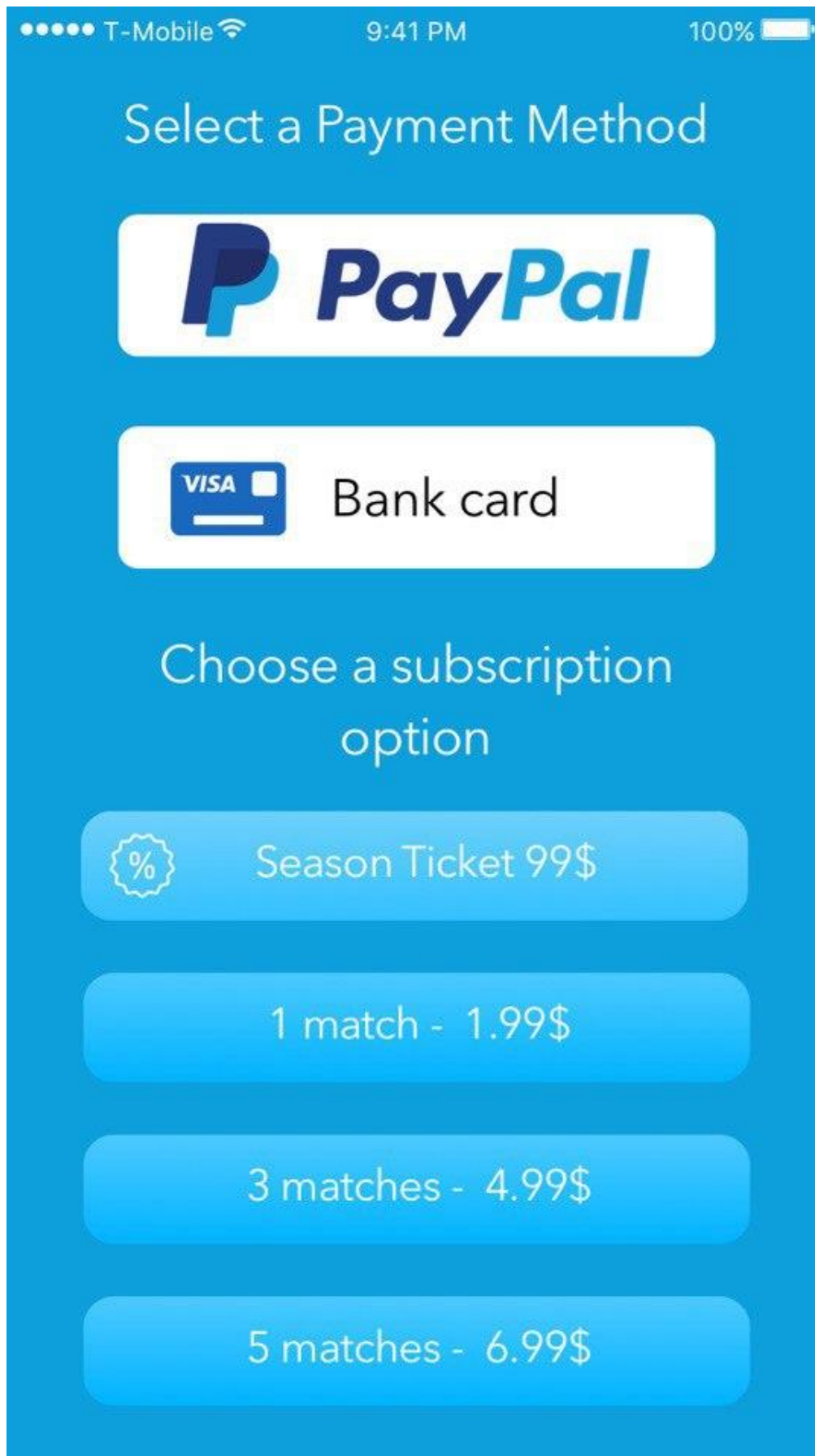


Figure 26.

T-Mobile 9:41 AM 100%

Actual:



Zenit 0 : 2 Sparta

Future games:


- 05/02 Zenit - Odense 21:00
- 16/02 Anderlecht - Zenit 23:05
- 23/02 Zenit - Anderlecht 21:00
- 04/03 CSKA - Zenit 16:30
- 12/03 Amkar - Zenit 11:30
- 19/03 Zenit - Arsenal Tula 19:30

● Live
Broadcasts Reviews Statistics More

Figure 27.


T-Mobile 9:41 AM 100%

Rewievs:




AZ - Zenit
3:2
08/12/16

5:43




Rostov - Zenit
0:0
03/12/16

8:22



Zenit - Ufa
2:0
30/11/16

7:27



Krasnodar - Zenit
2:1
27/11/16

4:16

● Live
Broadcasts

📺 Rewievs

📊 Statistics

⋮ More

Figure 28.



Figure 29.

