

Loyalty in Sport

STRATEGIC OVERVIEW

This overview at a glance

Who: Sport loyalty professionals

What: Sport loyalty – now and next

Read: 5 minutes

Market dynamics and major trends



Mature market but less sophisticated than some other sectors, with a Collinson maturity score of 3/5



Focus on extending membership beyond the stadium to directly monetise ticket holders and digital fans



Engagement hooks outside of broadcast media and betting are needed (latter franchised out)



Other trends: Brand partnerships, crypto currencies, training and schools programmes, co-branded credit cards, supporters' clubs

The customer landscape

Fans who can attend games physically are looking for more from their investment in tickets / season passes including value outside of the games and ground. Merchandise is highly profitable as are media rights but typically these are already locked into commercial agreements with little opportunity to leverage them for loyalty. So creating high perceived value at lower cost is the core task, creating opportunities for brand engagement, off pitch player involvement and non-traditional merchandise as well as non-licensed digital content.

Remote fans who become members expect deeper association with the team and to get closer to the action, teams, games and individual heroes than non-members. Digital interaction channels means that fans are often double or triple screening for games, watching, betting and interacting / engaging all at once.

The sports team needs to capture and monetise this participation, using value added propositions to drive and sustain direct relationships with fans and at scale, with real-time engagement, omnichannel seamlessness, gamified experiences, AI-powered service & support and lifecycle rewards.

Typical 'personas' include lifetime loyalists, superfans, player followers, armchair commentators and social watchers. There is also a strong opportunity for international supporters following their home town team when living or working abroad as well as engaging with fan clubs around the world to further monetise participation. Understanding different audiences, their needs and pain points, potential revenue uplift and opportunities to change behaviour is key to maximising and monetising their affiliation with the team.

What good looks like

- Success = physical supporters actively and happily renewing their season passes and remote fans directly engaged 'en masse' with a value proposition that can be commercialised directly by the brand as an ancillary revenue stream
- New and emerging martech tools and technologies including AI and Agents, Web3 and tokens plus multi-channel digital platforms can deepen engagement and broaden reach of the brand to the fan base
- Commercialisation of the brand as a value add to supporters, who otherwise see the 'rich club' taking a lot of money out of their hard pressed pockets.



Ten Key business drivers and goals addressed by retail loyalty programmes

	Business goal	How loyalty contributes
1	Increase Customer Lifetime Value (CLV)	Encourages repeat purchase, upsell and cross-sell through rewards and engagement strategies
2	Improve Retention and Reduce Churn	Keeps supporters and fans returning through status recognition, rewards accumulation and emotional connection
3	Grow Share of Wallet	Converts infrequent or remote fans into multi-category, high-value customers via tiered engagement schemes
4	Acquire First-Party Customer Data	Drives opt-ins and behavioural data collection, helping sports brands comply with data privacy regulations and personalise
5	Enable Personalisation at Scale	Uses segmentation and AI to deliver relevant offers, improving campaign performance and supporter satisfaction
6	Enhance Brand Differentiation and Loyalty	Builds emotional and values-based relationships that enhance brand values and builds brand alignment with supporters
7	Drive Operational Efficiency	Helps manage risk, identity, transaction processing and soft launch new products through targeted member campaigns
8	Foster Customer Advocacy and Referrals	Turns loyal supporters into brand ambassadors through referral rewards, social sharing and fan club communities
9	Support Sustainable Rewards mechanic	Reduces reliance on cash back and cash bonus or rate offers and incentives
10	Drive Wider Business Decisions	Loyalty data and insights are used right across the business and can include fan participation in strips, player purchases etc

Average ROI for loyalty programmes across sectors 4.8x with 90% of programmes reporting positive ROI within 12-18 months (Antavo's 2024 Global Loyalty Report).

Also proving the commercial power of loyalty in sport:

- Manchester United Red Rewards had an ROI payback within 6 months of launch
- Paris St. Germain's own Web3 fan token \$PSG had a market cap around USD 97m
- Real Madrid 'Madridista Premium' charges EUR35 / year for 'RM Play' access, 15% store discount and ticket presale access
- Bayern Munich has 293,000 paid up members amongst its fan base



Profitability and measuring success

Setting clear KPIs and measuring commercial and customer success is key in balance with soft metrics around fan satisfaction and engagement.

A commercial metrics dashboard should cover incremental revenue, customer lifetime value, retention and churn rates, basket size/frequency, marketing ROI and redemption cost vs. value.

A customer metrics dashboard should include engagement rate, tier progression, redemption rate, Net Promoter Score (NPS), Customer Effort Score (CES) and Emotional Loyalty.



The digital workforce – transforming loyalty delivery

- AI will take over real-time personalisation at scale – e.g. Formula 1 driving hyper-personalisation across F1 TV, esports, fantasy games and more
- Data-based fan engagement will be accelerated by technology – e.g. LaLiga processes over 3.5m data points per match to enrich match insights
- Fan engagement will be multi-channel and multi-device simultaneously – e.g. San Francisco Giants use AI to humorously change fan’s images on the big screens during a game

Agentic AI is projected to resolve ~80% of routine customer service by 2029, potentially reducing operational costs by ~30%. (Gartner)

The loyalty future lies in human-led strategy powered by machine-driven execution.

Partners driving profitability

Start your journey with Collinson advisory to design optimal programmes, with Salesforce Loyalty - the leading LMS software solution. Augment your platform with other pre-integrated products or connect to third party applications with Salesforce.

Salesforce Solution Enables loyalty for

Salesforce Data Cloud

Data Unification of Customer, Member data across the Enterprise

Marketing Cloud

Personalised Member Engagement across the lifecycle

Agentforce

Autonomous member engagement for Sales, Service & Marketing

Commerce Cloud

Seamless purchase online with embedded Loyalty Offers and Rewards

Service Cloud

Easily service your loyalty members with queries and issue resolution

Mulesoft

Easily integrate your Loyalty Solution with Upstream and Downstream solutions

Probing questions

- Is your scheme future fit, with the right strategy and tech to lead rather than lag?
- Are you ready to use AI, mass personalisation and new models to increase profitability?
- What measurement metrics are you using to measure performance and profitability?

