

Co-Branding in the Spotlight of Sport and Media - A Case Study Analysis of Schalke 04 TV

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Abstract

Aim of paper

Sport has often been the driving force for technological innovations. While fans bought radios to hear live sport transmissions in the beginning of the 20th century, fans are subscribing to video-on-demand services in the internet nowadays [Ashwell 2007, p. 371-372]. Especially in Germany, football has played a major role in the evolution of the new media [Siegert & Lobigs 2004, p. 168]. Since the range of sport broadcasting has increased constantly during the last years, it is getting more and more difficult to attract customers. Hence, new and innovative brand strategies are important for succeeding in the complex sport and media businesses. In this context, we attach brand alliances, and especially co-branding increasing importance. We speak about co-branding when at least two independent brands co-operate systematically in a strategic marketing context in order to create a win-win-situation and to realise joint synergies. As we consider the cooperation and interaction between sports and the media very essential for both sides we analysed the co-branding strategy between FC Schalke 04 and Maxdome.

Study Background

FC Schalke 04 is one of the top football clubs in the German Bundesliga which has been attracting international attention during the last years. The club was successful in collecting international as well as national titles, e.g. UEFA Championship in 1997 and DFB Cup in 2002. Even besides the sport, the club is forward-looking and managed to build a new all-purpose arena, which belongs to the most modern ones in Europe. Maxdome is a new video-on-demand provider in the internet with a wide range of entertainment contents like TV series and movies, documentations as well as Hollywood blockbusters. Since July 2006 any broad-band users can subscribe on the maxdome.de domain to get access to these pay-per-view contents. This cooperation between both brands led to the new web channel "Schalke 04 TV".

In the 2006/2007 season revenues from media broadcasts represented 32.95 percent of the German Bundesliga revenues [DFL 2008, p. 67]. Plus, media contributes indirectly to the revenue situation of the football clubs as the transmission of matches is very

attractive for advertising companies. In times of new media, competitors from the Telco sector bid for mass attractive sports rights, too. Internet and mobile service providers even consider football contents as killer applications for their new technologies. These new kinds of sportscasts represent relevant alternatives for devoted sports fans. In 2002, the percentage of internet users devoted to football was up to 38 percent in Germany, in 2004, this figure even increased to 52 percent what is equivalent to 26.3 million users. These users visit both websites with special interest in sport news and websites of football clubs [Sportfive 2004, p. 33].

Maxdome has been trying to derive benefit from these devoted fans by establishing the co-brand "Schalke 04 TV" together with FC Schalke 04 since January 2007. The sportscasts of Schalke 04 TV focus especially on re-live matches in full length, highlight reports and exclusive interviews with players and coaches.

Discussion

While newcomer Maxdome has to build up identity and image first, FC Schalke 04 is focused on strengthening its brand [Aaker 1996]. The key aspect of a successful alliance in this constellation is an adequate brand fit. In this case study we will analyse both partners and their potential brand fit [Woratschek, Kunz & Ströbel 2007]. In addition, we will discuss the opportunities and threats deriving from this co-branding strategy and draw some conclusions concerning co-branding between sport and media as one of the main challenges facing sport marketing in the 21st century.

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