

Digital transformation and sports marketing: a case study of the Turkish Airlines Euroleague Basketball Final Four 2021

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Abstract

Digital transformation is a phenomenon that is affecting a wide variety of industries, including sports. The COVID-19 pandemic has disrupted sports activities forcing organizations to adopt new technologies in order to continue executing sports events. This paper presents the Turkish Airlines Euroleague Final Four 2021 case study aiming to explore how the disrupted 2021 Final Four event affected wider digital transformation process in Euroleague Basketball as an organization. Euroleague executives and managers were interviewed in 2018 and again in 2021 to explore the evolution of the digital transformation process applied to marketing strategies in the organization. The authors identified five main strategies executed at the Final Four: virtual reality, 'Final 4 Fans', fan wall, augmented reality, and remote access to media. Findings reveal that the technologies adopted in the execution of these strategies were key to accelerating the digital transformation process in the organization.

Keywords: Digital transformation, marketing strategy, sports marketing.

Track: Marketing Strategy & Theory

1. Introduction

Digital transformation has pushed organizations in different industries to keep up with technology advances, re-design business models and processes (Verhoef et al., 2019), and the sports industry is no exception. The authors have followed Euroleague Basketball's digital transformation process since 2018 as part of ongoing longitudinal case study research. In this paper, the authors will focus on the accelerated decisions the organization had to take due to the COVID-19 pandemic to deliver the Final Four event to the fans through digital technologies only, as it was held behind closed doors for the first time in its history. The wider impact of adopting new technologies in event organization process on Euroleague Basketball are also revealed.

Euroleague Basketball has been organizing the European top-tier professional basketball competitions since its creation in 2001. Eighteen teams compete during the regular season with the aim of reaching the 'Final Four' end of season finale weekend, where the semi-finals and championship games are held. Each year the Final Four is celebrated in a different host city. The 2020 Cologne edition was cancelled because of the COVID-19 pandemic and Euroleague Basketball took the decision to host them in the same city in 2021 but due to health regulations these were celebrated behind closed doors.

For the first time, Euroleague Basketball was facing the challenge of providing their flagship competition to the fans through digital channels only and with no fans in the arena. Experiencing the Final Four in situ is the culmination of the season and fans travel across Europe in their thousands with games tickets selling out within days each year. Ticketing and broadcasting rights are Euroleague Basketball main sources of revenue at the Final Four event. Without the possibility to sell tickets, Euroleague Basketball executives were aware that keeping health protocols at the arena to ensure the players safety, finding different ways to give sponsors visibility, and broadcasting or streaming live the games were not the only challenges, but to keep the fans engaged through digital and interactive marketing strategies.

The main question stated in this study is: how did the disrupted 2021 Final Four event affect wider digital transformation processes in Euroleague Basketball as an organization? To answer the question, Euroleague Basketball executives and managers were interviewed in two periods: in 2018 and again in 2021.

2. Literature review

2.1 Digital transformation

Digital transformation is an emerging phenomenon and several definitions exist to date. A broad definition in business management terms is given by Hanelt et al. (2021) after reviewing 279 articles which define digital transformation as ‘organizational change that is triggered and shaped by the wide-spread diffusion of digital technologies’ (p. 1160). After conducting a systematic literature review on digital transformation, Vial (2019) presented a framework describing digital transformation as ‘a process wherein organizations respond to changes taking place in their environment by using digital technologies to alter their value creation processes’ (p. 119). Verhoef et al. (2019) state that digital transformation comprises three different stages: digitization, digitalization, and digital transformation concluding that achieving a digital transformation stage implies ‘a change in how a firm employs digital technologies, to develop a new digital business model that helps to create and appropriate more value for the firm’ (p. 889).

In agreement with Hanelt et al. (2021) it can be said that the digital transformation is resulting in organizational evolution at a continuous pace triggered by global or local insights generating changes in the organizations processes, products, and stakeholder relations building opportunities for value creation (Lanzolla et al., 2020).

2.2 Digital transformation in marketing

Digital transformation is multidisciplinary (Verhoef et al., 2019). Hausberg et al., (2019) agree and found three dominant areas in digital transformation research: Innovation management, finance, and marketing.

Within marketing and digital transformation research, Hausberg et al. (2019) found three main clusters: the use of virtual reality (VR), user-generated content (UGC), and customer relationship management (CRM); summarizing that digital transformation has been highly influential on marketing activities in recent times. Dash and Chakraborty (2021) analyze digital transformation of marketing practices during the COVID-19 pandemic, concluding that the increased need to adopt digital marketing activities forced organizations to change rapidly and that CRM and SEM/SEO were key to increase customers satisfaction and purchase intention. Graesch et al., (2021)

present a digital transformation framework in marketing where the authors enlist a wide variety of enabling technologies and marketing tools showing the chronological evolution of digital transformation in marketing. Insights are also provided on emerging marketing tools, such as 3D printing, augmented intelligence, 6G connectivity, or new predictive models that have the potential to improve search engine activities.

2.3 Sports industry context

Containment measures such as social distancing and lockdowns during the COVID-19 pandemic have forced sports events to be cancelled, rescheduled, or played behind closed doors (Ludvigsen & Hayton, 2020). Unique circumstances such as the recently lived have created opportunities to observe how organizations use digital technologies to adapt to this new environment (Lanzolla et al., 2020). The sports industry has adopted different digital tools and platforms for deploying marketing strategies digitally such as the use of immersive technologies, augmented reality, or blockchain to continue engaging fans (GSIC, 2021).

Euroleague Basketball embraced the challenge of accelerating their digital transformation process, adopt new technologies and celebrate the Turkish Airlines Euroleague Final Four 2021 behind closed doors for the first time. This provided fans with an opportunity to experience a fully digital championship weekend, incorporating augmented reality technologies, virtual reality streaming, and a hi-tech video ‘fan wall’ without any precedents in the history of the organization.

3. Methodology and data collection

Euroleague basketball executives and managers involved in the planning and execution of the 2021 Turkish Airlines Euroleague Final Four were interviewed from May to October 2021 with the objective of knowing the decisions taken regarding the digital technologies used and adopted to engage fans in the Final Four weekend and how it affected the digital transformation process in the organization. Information from semi-structured interviews carried out in 2018 as part of ongoing longitudinal case study research processes will also be used to understand the evolution of the digital transformation process. The interviewees were selected using a snowball approach and theoretical sampling (Glaser & Strauss, 1967):

- Chief Business Development Officer [CBDO]

- Senior Director, Marketing and Communication [M&C]
- Director, Communication [COM]
- Director, Corporate Partnerships and Licensing [CP&L]
- Senior Manager, Business Intelligence and Analytics [BI&A]
- Senior Manager, New Events and Entertainment [NE&E]
- Digital Lead [DL]
- Innovation Manager [INN]
- Former Chief Operations Officer [COO]

4. Results and discussion

4.1 Euroleague Basketball digital transformation background

‘What we are trying to do at the Euroleague is to be innovative, therefore we have always pushed for technology and for innovative projects’ [CBDO].

Sports properties such as Euroleague Basketball are facing the challenges of audience fragmentation through different platforms, changes in consumer behavior, and engaging younger audiences. For Euroleague Basketball executives the digital transformation phenomenon is seen as an opportunity to better engage with fans but at the same time it is a ‘complex and ongoing process that never stops’ in words of the M&C senior director. Digital transformation requires a change in the culture of the organization, which for the executives has been a challenge. In 2018 Euroleague executives shared that regardless the need to make changes, the ‘old’ business model was still working and the organization continued to generate revenue from traditional sources. Finding a balance between the current way of working and getting prepared for what digital technologies were about to bring was key for Euroleague Basketball executives on their digital transformation process.

In order to achieve digital transformation in the organization, the CBDO shared a couple of strategies they were following: (1) be aware of the interests of the youth and new technologies evolution and (2) ‘identify opportunities, be quick, and adapt to the new reality’, not only to get closer to the fans, but to change the structure in the organization if necessary.

Several actions have been taken in the organization: the creation of content tailored for different digital platforms and cultures; the launch of HEED – a platform to

increase fan engagement through social media, internet of things, and data analytics; the execution of digital technology-challenging activations with sponsors; the creation of a CRM to manage the increasing volume of fan's and stakeholder's data. Besides, changes have been made in an organizational level to achieve digital transformation: the digital department grew a 500% between 2016 and 2018 with a continuous growth up to date. In March 2020 the Business Intelligence and Analytics department was created in order to centralize the organization's data and bring knowledge for a better decision-making process at all the organizational levels, by 2021 the department has grown in a 300% in terms of in terms of working personnel.

4.2 Turkish Airlines Euroleague 2021 Final Four innovative marketing strategies

As the 2020 games were cancelled and the particular circumstances in which the 2021 were held, the NE&E senior manager, the COM director, and the INN manager agree in two main objectives: (1) to be able to celebrate the Final Four matches and (2) bring the Final Four experience to the homes of all Euroleague fans. Different scenarios were planned: to celebrate de games with full capacity at the arena, 75%, 50%, or 25%. During the first months of 2021, Euroleague Basketball executives took the decision to play the games behind closed doors due to German health regulations. This decision affected the parallel events as well such as the Fan Zone, the awards ceremony, or the press conferences which were cancelled or changed formats.

With the decision of having a Final Four celebrated behind closed doors taken, the heads of the different departments established their own objectives. For example, the New Events and Entertainment senior manager shared that planning human resources and developing a COVID-19 safety measures and protocol were key to ensure a healthy environment on-site for the clubs and staff. The main challenge for the Partnerships director was to deliver value to Euroleague sponsors through different platforms and solutions such as digital activations with fans, and increase brand visibility and exposure. The Communication Director shared a goal for two targets, develop digital initiatives for the fans and for the media. In the same line, the Digital Lead's objective was to engage fans at home though digital technologies to offer them a full show experience.

In order to accomplish the different goals, Euroleague Basketball adopted immersive technologies for the first time, developed an augmented reality show, and

produce continuous content to feed their social media platforms. Table 1 summarizes the main five digital initiatives that were implemented at the 2021 Euroleague Final Four games.

Innovative marketing strategies at the 2021 Final Four	Characteristics
<p style="text-align: center;">Virtual reality</p> <p><i>In collaboration with the 2019 Euroleague Tech Challenge finalist YBVR.</i></p>	<p>Four 180-degree cameras on the backboards and the courtside seats.</p> <p>12 live feeds with the option of real-time camera switch.</p>
<p style="text-align: center;">Final 4 Fans</p> <p><i>In collaboration with the 2018 Euroleague Tech Challenge finalist Watchity.</i></p>	<p>Digital show that broadcasted Final Four content during 8 hours from Thursday to Sunday.</p> <p>Available on Facebook and YouTube.</p>
<p style="text-align: center;">Virtual seats Fan Wall</p>	<p>136 Selected fans were remotely broadcasted at the arena connected simultaneously.</p> <p>Virtual stands were displayed across a 46 x 3.5m screen setup at the court sideline.</p>
<p style="text-align: center;">Augmented reality pre-game show</p> <p><i>Created by the agency Filmmaster</i></p>	<p>Immersive experience designed for the fans at home.</p>
<p style="text-align: center;">On-site and remote media</p>	<p>250 journalists attended the event to cover it on-site. Over 200 remotely.</p> <p>Press conferences, mixed zones, open to media practices, interviews, and all standard media availabilities were available for both on-site and remote journalists.</p>

Table 1. Innovative marketing strategies implemented at the 2021 Final Four.

The virtual reality project was carried out by the Innovation manager who shared it was a challenging project as few sports, for example the NBA, have used it previously but it gave an opportunity to play with different cameras and points of view which are not visible on a regular television broadcast. The fan was able to see statistics and act as a camera director by choosing the image they want to watch. The VR ticket went out for sale two weeks before the Final Four, limited to the number of seats available at the arena.

According to the Digital Lead, the biggest project was ‘Final for Fans’, a digital show that broadcasted content during 8 hours a day in social media, created for fan engagement generating content such as behind the scenes interviews, historic games, press conferences, media availabilities, round tables, or the arena tour in order to

bring the whole experience to the fans. Having continuous content on social media was a ‘game changer in terms of the difference from between last seasons and this Final Four because we've never done this before, and it was a success’. The Digital Lead shared that part of the success was that Euroleague Basketball brought a reporter specifically for social media to the Final Four event, which helped engage younger audiences by creating content and being ‘the face of the recordings’.

‘Having no fans at the arena is a really weird feeling’ was a common quote from the executives and senior managers. The ‘Fan Wall’ was a solution to bring the fans closer and a window to cheer for their teams and at the same time fill the arena’s emptiness with fans streaming live. The augmented reality pre-show was designed for the television viewers in order to bring them an innovative and immersive experience resulting in being selected by the BEA Italia 2021 awards short list for pre-game shows.

Enabling media partners and journalists to access the Final Four event is key for communication purposes. Each year between 500 and 600 journalists attend to the arena to cover the games. In 2021 only 250 were able to attend on-site which created an opportunity to find a digital solution to enable remote journalists to cover entirely the event, which according to the Communication director was a challenge but it is in consideration for keeping the option in future editions.

4.3 Final Four 2021 outcomes

COVID-19 has impacted sports events pushing the organizations to make decisions and change strategies in order to continue offering their product and engaging fans. ‘There are many things that two years ago seemed impossible, and now it is not that they seem possible, but they seem like a very good option to integrate into your event or your strategy’ [COM]. The 2021 Final Four pushed Euroleague executives to make decisions and bet for innovative solutions. Shared numbers by the COM director show the implemented strategies were a success: there has been a 75% growth average in television audience compared to the 2018-2019 season; at the 2021 Final Four there was a 68% jump in live television followers as compared to the previous Final Four in 2019; and regarding the digital platforms activity in social media the engagement per post grew in a 112%, the total engagement in a 82%, the views per video in a 99%, and the total views grew an 84% compared to the 2019 Final Four.

Executing the proposed technological projects at the 2021 Final Four for the first time encouraged Euroleague Basketball managers to continue searching for innovative solutions to engage fans and stakeholders. For example, from the communications department it is clear that giving remote access to the media is a service that must continue for further editions, from the digital department it is expected to replicate the digital show even if there is a full arena attendance, or as the innovation manager shared, more strategies should be explored such as gamification and the increase of second screens interactions.

Euroleague Basketball executives and managers shared they have been challenged because of the circumstances that have made them accelerate digital strategies and processes in the organization ‘for us doing anything different was new’ [INN] and shed light on the need to continue the digital transformation process at the organization.

5. Conclusion

Marketing strategies were undertaken to achieve the established goals for the Turkish Airlines Euroleague Final Four 2021. The five innovative marketing strategies: virtual reality streaming, ‘Final 4 Fans’ show, the fan wall, the augmented reality pre-game show, and the remote media access contributed to increase fan interaction, gather data, and increase connectivity. Even though they were successful, achieving the digital transformation of the organization requires a continued effort but the decisions made at the 2021 Final Four were key to accelerate the digital transformation process as it contributed to a change in the mentality of Euroleague employees and stakeholders besides demonstrating that the use of new technologies help engage fans and makes the organization processes and services more efficient.

With a fan-centric mindset, Euroleague Basketball’s strategy moves towards becoming a data-driven organization opened to adopt and embrace new technologies to continue generating value to their fans and stakeholders.

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