

# A FIVE YEAR STRATEGIC PLAN AND AN EVER IMPROVING KNOWLEDGE OF RUGBY'S BRAND AND CUSTOMERS HAS CREATED A PLATFORM THAT HAS NO BOUNDARIES

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The Marketing and Strategy Division is responsible for driving the development and articulation of an integrated strategy for Australian Rugby and for the formulation and dissemination of a comprehensive marketing approach, consistent with that agreed strategy.

The Marketing Division's specific responsibilities relate to all facets of the business, and to both the mass entertainment and the participation components of the game. They include market analysis and research; brand management; product and segment management; customer relationship management, including responsibility for customer databases and the development of direct marketing channels; advertising and other promotions; and an integrated Internet presence.

## FIVE YEAR PLAN FOR AUSTRALIAN RUGBY

The ARU's strategic planning in 2003 has been driven by the pursuit of a fully integrated Five Year Plan for the whole of Australian Rugby by the end of the first quarter of 2004. Maintaining the organisation's momentum on the plan through the course of staging the largest sports event in the world this year was a priority for the business, which was successfully achieved.

The creation of a rolling, integrated Five Year Plan has been a long term aspiration of Australian Rugby. It provides the mechanism to consolidate, prioritise and program strategic priorities and planning initiatives developed across the ARU and the Member Unions over recent years.

Significant progress has been made in the key areas of High Performance Rugby (where for the first time a nationally integrated Elite Player Development Program has been designed and is being implemented), Community Rugby (where national consensus on objectives, priorities and future emphasis has been reached) and Marketing (where a far-reaching "Blueprint" for our Customer Relationship Management programs has evolved into what is effectively a roadmap for the activation of Australian Rugby's strategic priorities).

The Commercial Operations division's planning of Australian Rugby's ongoing sponsorship inventory and other new and existing revenue streams, together with the early stages of planning for the renegotiation of Australian Rugby's broadcast rights, underpin the financial framework for the Plan.

<b>2003 HIGHLIGHTS</b>
<b>FIVE YEAR PLAN FOR AUSTRALIAN RUGBY</b>
<b>LEVERAGING OF RWC FOR UNDERLYING BUSINESS</b>
<b>SUCCESSFUL DIRECT MARKETING CAMPAIGN</b>
<b>CONTINUED ENHANCEMENT OF CRM PROJECT</b>
<b>LAUNCH OF NEW RUGBY.COM.AU</b>
<b>DEVELOPMENT OF MyRugbyAdmin</b>
<b>DEVELOPMENT OF THE "LOOK OF RUGBY"</b>

Broadcast-related planning also goes hand-in-hand with devising the ideal inventory of future mass entertainment competitions and matches with an appropriate eye to our commercial, development and cultural objectives. The Five Year Plan has been agreed as the appropriate mechanism for programming any investments of the Rugby World Cup surplus, and its finalisation therefore, has been scheduled to coincide with the finalisation of the RWC 2003 accounts – in April 2004.

Marketing's key performance indicators are essentially measures of Australian Rugby's brand health, particularly in terms of continuing growth in our Rugby-playing and consuming audiences and related – primarily business to consumer-based – revenue streams. These have been met and exceeded in 2003.

## MARKETING THE GAME

### "Brand Rugby"

Marketing's pursuit of audience and revenue was progressed through several significant and innovative programs in 2003, under the very capable and highly committed direction of Beverley Seers.

Strong emphasis continued to be placed on driving "Brand Australian Rugby", through programs built on the platform created by the Australian Rugby brand assessment completed in 2002.

The "Rugby. Show Your True Colours" theme was pursued throughout all our communications – both at ARU and State level – and indeed was adopted by broadcasters, sponsors and licensees too.

It was very important that our high profile elite players understood the Australian Rugby brand of which they are very important custodians. They were provided with this knowledge as part of their personal development and education programs.

The National Education Program (EdRugby) and a relaunched Junior Membership Program (Club Wallaby) are just two more initiatives founded on Australian Rugby's distinctive values of Australian pride, teamwork and camaraderie, love of the game, and heritage.

### The "Look of Rugby"

The "Look of Rugby", an extension of our imagery designed to reinforce the core values of Rugby while adding another dimension and much-needed consistency to our visual presentation, was rolled out in scores of applications – from match tickets to street banners.

### 2003 Bundaberg Rum Rugby Series

A critical strategic objective for Australian Rugby Marketing in 2003, was to ensure that the Rugby World Cup and regular annual Rugby product (the Vodafone Rugby Super 12 competition and the Bundaberg Rum Rugby Series) remained as closely connected as possible.

It was essential that "Brand Rugby" glued the two properties tightly together in the eyes of Australian consumers. In 2002 we had deliberately run "Rugby True Colours" advertisements for the domestic Test matches themed very similarly to the RWC campaigns that had preceded them.

In 2003, the challenge was to emphasise the connection while creating a distinctive position for the Tests relative to RWC. The strategy that was progressed involved positioning the 2003 domestic Test matches as the vital lead in for the Vodafone Wallabies to their Rugby World Cup campaign, and encouraging the Australian public to come and "Show Their True Colours" to give the team the perfect platform.

## THE DIRECT MARKETING CHALLENGE

This strategy was activated through the first really tangible initiative in the ARU's drive into Customer Relation Management and direct marketing for Tests. An audio CD featuring skipper George Gregan was conceived by our agency, George Patterson Partners, encouraging fans to support the Wallabies at the Tests as the team prepares for RWC.

It was mailed direct to every member of the "Rugby Community", and all purchasers to date of RWC tickets (from the 2002 RWC ticketing campaigns), Rugby Super 12 Season Passes and 2002 Test tickets.

### An Outstanding Success

The total distribution was approximately 140,000, and the cost approximately \$150,000. The campaign sold 36,856 tickets for the four "non-Bledisloe" Tests, driving approximately \$2 million of revenue and was nominated for an Australian Marketing Industry Award.

Compare this to the previous year when several hundred thousand dollars was spent on marketing the Wallabies vs South Africa Test which eventually sold out at the 40,000 capacity Gabba in Brisbane.

The direct marketing campaign for the same match in 2003 underpinned a 52,000 seat sell-out at Suncorp Stadium, for an investment of less than \$100,000. It was a remarkably strong indication of the future value of our Customer Relationship Management program for the future marketing of the game – an opportunity being nurtured in the capable hands of Shane Harmon, who headed up both the ARU CRM programs and RWC Marketing in 2003.

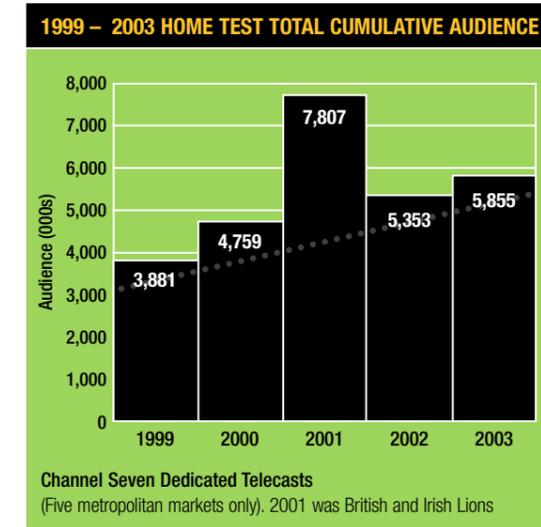
Obviously, direct marketing remains only one component of the marketing mix, and successful supporting advertising campaigns were created by George Patterson and run in Sydney, Melbourne and Perth. Very effective promotional programs were developed market by market, and implemented nationally with the capable local support of ESP (Melbourne), Major League Corporate Marketing (Brisbane) and Lisa Cotton Consulting (Perth).

## ADVERTISING AND PROMOTIONS

Our advertising for the Test matches in the Bundaberg Rum Rugby Series was strongly retail-focused, with a series of 15-second advertisements being run in Sydney, Melbourne and Perth, highlighting the international rivalry in which fans were being invited to participate. The promotional program for the Tests was underpinned by another year of strong support from national newspaper partners News Ltd, and radio partnerships in each market.

A number of new, and very successful local tactical initiatives were implemented for the first time in 2003, including a "Wallaby Fan Day" – supported by about 5,000 (mainly young people) at North Sydney Oval in June, and a pre-Test family barbeque outside Subiaco Oval in Perth on the day of the Ireland Test there. Both will be retained and developed in 2004.

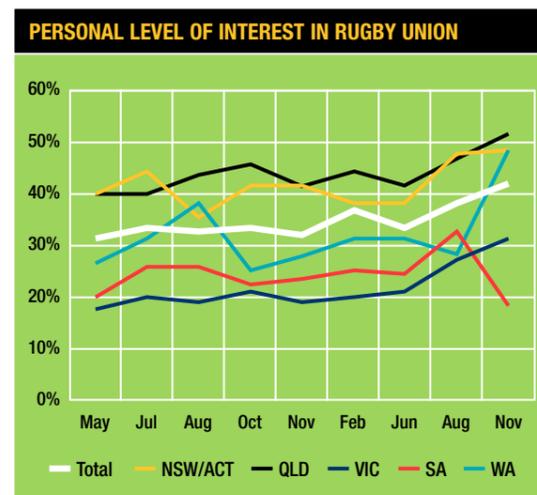
The success of the marketing program supporting the Tests in the 2003 Bundaberg Rum Rugby Series is highlighted by effective



sell-out results for four of the five events, and tickets sales for the Wallabies vs Wales at Telstra Stadium of more than 66,000 – outstripping sales for the comparable match the previous year against the then Rugby World Cup 1999 runners up, France. Gate revenue exceeded budget by close to \$750,000, with any concerns for the Test program competing with RWC proving unfounded. Broadcast audiences for the Tests live on Seven also continue to demonstrate strong growth year on year (see chart on previous page), with the Wallabies vs England in Melbourne in June returning a national metro audience in excess of 1.87 million – that number only to be dwarfed by the 4.3 million who watched the “re-match” in November!

### Growing Support for the Game

The success of the strategy of driving a tight connection between RWC and the underlying regular annual Rugby product can be seen in the steady growth throughout 2002 and 2003 in the proportion of the Australian population at large expressing an “interest” in the game of Rugby. The growth is graphically illustrated in the following chart, which demonstrates a increase of 11 points (or more than 30%) nationally in 18 months.



The Vodafone Rugby Super 12 competition was once again strongly supported in 2003. The strong live spectator audiences generated in 2002 were maintained, and the broadcast audiences for the matches live on FoxSport continue to grow healthily year on year. The dramatic growth in season pass sales for the HSBC NSW Waratahs (more than 320%) – a pattern which was mirrored in Queensland – is a clear measure of the level of support this year. The challenge of course will be to maintain this level of support into 2004 and beyond.

### CUSTOMER RELATIONSHIP MANAGEMENT

Crucial to the maintenance of this momentum is the ongoing emphasis being placed in developing a strong, data-based, Customer Relationship Management (CRM) capability. That

requires the integration of customer databases; movement to a consistent, unified management of the mechanisms used to interact with our customers; and active, ongoing analysis of customer and interaction data to build an increasingly refined understanding of Australian Rugby's customers and their needs.

Significant progress has been made in this process during 2003. The success of the direct marketing campaign for the 2003 Tests is a good illustration of the potential of Australian Rugby's customer data, but this initiative was just one of many undertaken this year as Australian Rugby's CRM platform takes shape.

The improvement and integration of Rugby participant data along with Rugby customer data will provide us with a “single view of our customers” early in 2004.

The implementation (for the ARU, and now NSWRU and QRU) of a standard content management system will increasingly allow much more efficient creation, management, sharing and distribution across the whole of Australian Rugby of relevantly tailored information to our various customer groups. Access to that information and other useful online tools will be available, via the new “MyRugby” section in rugby.com.au. The type of access will be determined by the customers' relationship with Rugby. Club and competition administrators, for example, will now be able to access the new player registration, club website and competition management tools – fully upgraded by the end of 2003 – via “MyRugbyAdmin”.

The ARU website was relaunched in August, in line with the new look and feel of Australian Rugby. Working within a new content management system, the result for rugby.com.au was better navigation, better online branding and overall, improved usability. Comprehensive Community Rugby online content was also included for the first time and was very important for supporting the grass-roots of the game.

Throughout RWC 2003, rugby.com.au was the home of Wallaby team announcements, exclusive Wallaby news and an e-newsletter from Wallabies Coach, Eddie Jones. During that time, the website experienced over 2,395,000 hits with 481,000 hits in the week prior to the Wallabies playing in the Final. These were excellent statistics, considering that rugby.com.au focussed mainly on Wallabies information and ran in parallel with the official IRB website rugbyworldcup.com and the ARU's Host Union website rugby2003.com.au, both of which provided more broad information about all teams competing in RWC 2003.

Going forward, we now have the platform to be able to build on the existing layout and content of rugby.com.au, to include special “members only” sections, online registration for courses and memberships and further develop the e-newsletter to include even more engaging content.

### MARKETING COMMUNITY RUGBY

2003 saw perhaps the greatest-ever level of marketing support applied to the Community Rugby or participation area of the Game. The National Education Program (EdRugby), the Rugby True Colours Tour and a relaunched Junior Membership Program (Club Wallaby) laid the groundwork for the first-ever national marketing

campaign in support of club recruitment. Preparations are well-advanced, with this major initiative due to launch in early 2004.

EdRugby and the Rugby True Colours Tour were the two major Rugby World Cup “legacy projects” rolled out by Community Rugby with significant Marketing and Strategy support, in 2003. Both were designed not as stand-alone exercises, but as mechanisms to enable the weight and momentum of RWC 2003 to be brought to bear on existing Community Rugby programs.

EdRugby, comprising an affinity program for schools and a leading edge cross-curricular online teaching and learning resource for teachers and students, was embraced by schools Australia-wide in a manner which exceeded all our expectations.

The Rugby True Colours Tour – a large scale national Rugby roadshow, spanning 100 days, 20,000 km and more than 50 communities – offered a further significant opportunity to bring Rugby to Australians. More than 100,000 people passed through the Rugby True Colours Tour experience around the country, with 6,000 school children participating in scheduled TryRugby sessions, and 450 teachers being “inserviced” for EdRugby.

Both programs were driven strongly by Australian Rugby's Community Rugby Marketing Manager, Kate Thorburn, and extensively supported by strong media partnerships nationally, with News Ltd, Channel Seven and radio partners, and these relationships will continue to assist the ongoing EdRugby program in 2004.

### STRONG SUPPORT

Two key support functions have also made significant contributions in 2003 – namely Australian Rugby's Research and Analysis area, under Rob van den Honert, and our Online Services Group in the IT area, headed up by Greg West and Craig Miles.

The level of sophistication in our strategic and campaign planning and analysis continues to develop strongly through the increasingly extensive output of Research and Analysis. Dozens of projects related to Marketing and Community Rugby's Blueprint

for Growth, or involving analysis to support State Rugby Unions, strategic data collection, and analysis and support for HPU continue to enable us to better exploit information available to ARU from internal and externally sourced data. We are now building high quality knowledge about our various markets and customers (including players at participant and elite level) and about how to optimise our position in those markets.

In Online Services, the team has delivered substantial and significant support – particularly in the rapidly evolving technical environment related to the management of our relationships with Rugby's hundreds of thousands of “customers” (and the related information), despite the challenges involved in marrying complex long-term systems requirements and architectural issues with the short-term expedient needs of a business operating under the pressure of massive opportunities and immovable (RWC-related) deadlines. The fact that challenge was met was in no small part down to the team's level of commitment. We look forward to the luxury of operating in a more forgiving environment with longer horizons in 2004!

### A SOLID OUTCOME FOR 2003

For the Marketing and Strategy division, the challenge and the opportunity in 2003 lay in maximising the legacies including, but not only the financial legacy, available to the game in Australia through hosting RWC. Pursuit of that goal required us to balance long-term strategic aspirations with the immediacy of ensuring flawless delivery of the largest sports event in the world in 2003. Essentially, that balance was created – thanks largely to a very committed effort from the entire team – an effort which is gratefully acknowledged. A substantial platform for the future has been built in 2003. And this has been achieved while concurrently making significant contribution to the sale of over \$210 million worth of RWC and domestic Test match tickets, and the engineering and delivery of the ARU's two major legacy programs for RWC 2003. All in all, that represents a very solid outcome for the Marketing and Strategy division in the “Year of Rugby” – 2003 – and a great foundation for 2004.