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A Social Media Plan for the Ultimate Fighting Championship

by

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Part One

Introduction

Social media has revolutionized marketing and communication and has changed the way many organizations do business. In sports, it has facilitated fans getting closer to the action while allowing management to be strategic and more efficient with finite amount of resources. It has allowed sports to get in the business of “relationship marketing” (Gronroos, 2004). That is, when a game ends or a season comes to a close, social media allows for the fostering of long term relationships and continues to build a sense of community. The marriage of social media and relationship marketing cannot be overlooked. Whereas 30 years ago success at relationship marketing took huge amounts of labor, money and time, a well coordinated social media campaign can be launched with the click of a button.

Because of the relative youth of social media, marketers have not fully maximized all the potential that these powerful tools can provide. A better understanding of the social media landscape would allow for both short term and long term strategies to be implemented, ultimately leading to increased brand awareness and consumption of product. This paper will utilize Mixed Martial Arts (MMA) and the Ultimate Fighting Championship (UFC) as a vehicle in which to analyze the effects of social media on a growing sport franchise. The UFC is MMA’s largest organization and promoter and the two have become synonymous, like the National Basketball Association (NBA) and the sport of basketball.

Purpose Statement

The purpose of this professional paper is to analyze the potential of social media on relationship management within the world of sport, especially mixed martial arts and provide an in-depth social media deployment plan for the largest promoter of MMA, the UFC.

Justifications

The ability to grow a sport beyond traditional boundaries gives access to new fans, additional sponsorship opportunities and increased interest from various media outlets. This in turn helps increase revenues and profitability. Being able to cultivate opportunities outside of established markets is essential as there are over 600 professional sports teams and 1,000 collegiate sports programs competing for the consumer's dollar (Kim & Trail, 2011). This does not take into consideration the thousands of amateur operations and promotions that function at a grass roots level as well. Standard marketing campaigns can be very expensive and due to advances in technology have limited reach and scope (Gladden & Sutton, 2009). However, that same technology has in some ways evened the playing field. Never before have organizations been able to reach so many people at one time. For example, with one twitter account a sports team on a shoestring budget can reach all their fans with pertinent messaging in a matter of seconds, without any financial outlay.

Social media poses risks too. Many firms will engage in social media without a long term strategy and attendant goals to reach. That is where the concept of relationship management becomes important. Relationship management in business-to-consumer contexts, "entails a level of acknowledgment by parties that a relationship exists and that there is a degree of emotional involvement by customers" (Harris & Ogbonna, 2008, p. 382). Social media is the perfect way to consistently engage in relationship management and promote involvement with athletes, teams and sports.

Constraints

There are some constraints that need to be recognized. First, much of the research identified looks at social media and relationship management theory independently. There is limited research that implicitly binds the two concepts together. Second, social media is so intertwined with technology that it is possible research can become outdated in a relatively short period. Finally, any recommendations on practice are based solely on my understanding of existing literature and have not been tested individually.

Part Two

Introduction

The business of sports has never been larger. In fact, the sports industry is the 11th largest in the United States contributing over \$414 billion of output to Gross Domestic Product (GDP), or about 3% of total GDP (Plunkett, Plunkett, Steinberg, Faulk & Snider, 2012). At the same time, there have never been more teams, organizations or products trying to get their share of that business. Sports marketing has emerged as a discipline to assist professionals in trying to foster the relationship between their product, service or experience and the consumer with the end goal of trying to become more financially prosperous. Mullin, Hardy and Sutton (2007) state that the sport product is unique and therefore deserves special marketing considerations but sports marketers should not just work within already defined parameters. There are many exciting trends in the marketing field as a whole that have potential within the sports world. The following review will look at the convergence of two of those trends: the relationship marketing paradigm and social media.

Relationship Marketing

Marketing, broadly defined, is the “activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (“New Definition of Marketing”, 2007). Relationship marketing builds off that basic premise by putting a premium on continuous marketing efforts to those who are already engaged with a product. Berry (1983) introduced the idea of relationship management as a way to let marketers know that just as important as attracting new customers was the retention of current ones. In fact, old customers tend to spend more money on a product

or service than first time users (Berry, 2002). According to Smyth & Fitch (2009), the goals of relationship marketing are to:

- Develop closer relationships to improve client and stakeholder understanding.
- Develop services that match expectations – tailoring services to match value expectations.
- Deliver services to engender client and stakeholder satisfaction – promise fulfillment of time, cost and quality by going extra mile.
- Increase long-term maintenance of relationships to induce loyalty, hence repeat business and/or referral business.
- Increase the value of the firm in the market to its owners.

This model has come to prominence at a time where service-oriented approaches to marketing have become increasingly common and that consumers are recognized as active participants in the marketing process (Vargo & Lusch, 2004). Whereas standard marketing efforts display a level of passivity towards consumers, relationship marketing incorporates a number of consumer empowerment mechanisms like social media that enhance interactions (Deighton & Kornfield, 2009). As Mullin et al. (2007) state “The committed (fan) thinks more, feels more, and does more. Nurturing the committed consumer is a key goal” (p. 69). In the model put forth by Gronroos (2004), relationship management treats marketing as an integrative process requiring communication, interaction and value. This multi-faceted approach builds equity not only in the products, services and experiences offered but in the very relationships meant to promote those offerings.

Communication in the relationship management framework is based upon the premise of being a two-way interaction between provider and consumer (Williams & Chinn, 2010). This

allows consumers to express their needs, wants and expectations to an organization and the organization can respond in kind. In traditional marketing strategies, messaging is typically bombarded one way but Gummesson (1999) posited that consumers are knowledgeable partners, and cooperation and collaboration should be encouraged. Consumers have explicit expectations as well as implicit ones. While a basic function for an organization is to meet explicit expectations, sometimes trying to figure out implicit expectations can be difficult (Ojasalo, 2001). By encouraging interaction, it gives organizations exponentially more opportunities to not only figure out those implicit expectations, but to solve them as well.

This brings up the important concept of managing expectations. Organizations that employ relationship management have the ability to try to message and manage expectations through their various communication channels because they stayed engaged with their consumers. Traditional marketing puts out a message and hopes the consumer has the same expectations as those creating the messaging (Ojaslo, 2001). If the consumers' expectations diverge, the organization has no recourse typically and often this will leave the consumer disappointed. Take for example the Kansas City Royals Baseball Club's 2012 marketing campaign of "This is our time." The Royals had multiple losing seasons in a row, and this marketing strategy was to let fans know that this young team was ready to compete among the league's best. For fans, this created high expectations but when the team stumbled out of the gate and was already out of contention half way through the season, fans responded by not attending games. The team later admitted they failed by setting expectations too high and should have just highlighted the chance to see some of baseball's most exciting rookies play (Koepp, 2012).

Relationship Marketing in Sports

Starting about a decade ago, the academic world began taking notice of the value of relationship management in sports. Sports fans were seen as “highly involved consumers with a desire for long-term association with a team sport” (Shani, 1997, p. 9). Relationship management’s bona fides in the sports world was further confirmed when Kim (2008) looked at the impact of seven relationship-quality constructs (trust, commitment, satisfaction, love, intimacy, self-connection and reciprocity) with sport consumption behaviors (media consumption, purchase of licensed merchandise and attendance). He found statistically significant links that showed relationship quality was often a predictor of behavioral outcomes. That is, fans who perceived higher levels of relationship worth tended to consume more through the aforementioned channels of attendance and merchandise. Kim also stated that relationship management should be considered throughout the organization, not just marketing.

Kim, Trail & Ko (2011) theorized that quality of the relationship between organization and consumer is critical as well. They identify trust, commitment, identification, intimacy and reciprocity as metrics which can be used to measure the depth and strength of relationships. Relationship management sounds good on paper but if there are no proper measurement tools in place, an organization cannot determine its program’s effectiveness. Additionally, the quality of a relationship also is a key factor in the idea of customer equity. Customer equity is the concept of lifetime value of customers to an organization and the costs of acquiring and maintaining those customers (Blattberg & Deighton, 1996). Sport managers need to feel comfortable their investments, both in time and money, will eventually lead to a payoff from the consumer and equity is consistently being built.

Research has also presented valuable insights that relationship management in the sports context is not just between the organization and the consumer but also involves the individuals that make up that organization. Kim et al. (2011) highlighted that the sport product is a service and as such, the interactions between athletes and personnel with the consumer play a sizeable role in determining the quality of relationship that consumers feel. This indicates that employees (athletes, marketing staff, front office) need to stay actively engaged with consumers. Staying actively engaged will allow them to maintain relationships and improve the quality of those relationships because the consumer feels like the other parties care for them. It also makes the consumer feel like they are being spoken to individually rather than as a group. Relationship management encompasses all variables of the marketing mix, product, price, distribution and promotion, but proposes to treat them as totally customizable. This tailored service delivery scheme is known as an individual value proposition (Fullerton & Neale, 2010) and represents the ultimate goal for any marketing professional, one to one marketing that is constructed for each individual's needs and wants.

Social Media

Social media has confused both academic researchers and business professionals as to what actually should be included in this definition. Kaplan & Haenlein (2009) suggest that social media is made up of two components, Web 2.0 and User Generated Content. Web 2.0 was a term first coined in 2004 that identified the new trend in which code was open source and allowed end users to contribute and constantly update rather than developers creating and publishing on their own. Products like Microsoft Encarta represented Web 1.0 and were gradually replaced by projects like Wikipedia and Weblogs. Kaplan and Haenlein also suggest

that whereas Web 2.0 represents the ideology behind social media, User Generated Content can be seen “as the sum of all ways in which people make use of social media” (p.61).

User Generated Content has manifested itself with ideas like Facebook and Twitter on the internet. The companies behind these platforms solely administer the infrastructure but allow users to create all the content within their boundaries. The appeal is that communication is unfiltered and instantaneous. As such, both platforms have taken off in popularity with Facebook just recently announcing they registered their 1 billionth user and Twitter growing to over 200 million accounts (Shiels, 2011). These numbers are eye-popping for many managers because most databases cannot match that kind of access. Sports organizations are no different. While many were early adopters to the social media tidal wave, strategies have been wildly inconsistent and there are few models that have clear metrics for successful use of social media (Witkemper, Lim & Waldburger, 2012). They note that current social media literature “has disproportionally addressed impression management, and security without emphasis on sport” (p. 171). Only recently has research investigated the relationship between sport and social media.

Williams and Chinn (2010) introduced the idea of relationship marketing and sport marketing and the possibilities of the two synchronized. Witkemper et al. (2012) built on this research to create a model that quantified the relationship between fans and organizations via social media. Using motivational and constraint factors, the authors saw that a platform like Twitter directly influenced the development of relationships between consumer and team/organization. Relationship marketing theory has suggested that partner selection is a significant element in strategy implementation and that this leads to more significant response and commitment from consumers.

Additionally, Witkemper et al. (2012) suggested that social media platforms are the ideal instrument for initial contact with sports fans especially those that are younger and more technologically savvy. Social media motivates these consumers or fans via a means to get information, as a form of entertainment, a way to pass time and to enhance their fan experience. An example of this would be a team perhaps providing video content of preparation before a big game. They could distribute this through Twitter and it could potentially hit all of the aforementioned motivators. Furthermore, it also is the perfect complement to relationship management development by giving fans a peek into what is normally off limits, thus strengthening the idea that bonds are forming.

Social Media in Sports

Sports are a unique type of business. In some areas, they have built in advantages over other industries but they also can have huge disadvantages. In seminal research, Wann (1995) identified that sports fans use their teams as a means to be affiliated with an exclusive group and they begin to share cultural connections as well. This means that fans will identify with an organization even if they lose or make decisions that the consumer does not agree with like trading a star player. The sum of its parts is greater to the fan than any individual component. Imagine a traditional industry like hospitality. If a consumer has a bad experience at a hotel, they have a high likelihood of never returning. Whereas, there are fans of the Chicago Cubs Baseball Club who are just as diehard year after year despite the Cubs not making the World Series since 1945 and not winning a championship since 1908! The disadvantages however, are that sports are not a typical business open 365 days a year. They have certain dates or seasons where they are active and then significant downtime. Social media potentially addresses this gap by providing active two-way communication channels that are open anytime and anyplace

(Williams & Chinn, 2010). Fans often want to discuss their favorite team or athlete's performance with other fans and in the past did this through radio talk shows or going to a bar. But there are barriers inherent in those forms of communication. When sports were in an off-season or a fan is not in a local market, communication can become next to impossible. User Generated Platforms aided by the internet allow fans to circumvent these issues and stay as involved as they would like within these fan communities. Relevancy is also an important benefit, as social media can make sure an organization or athlete stays relevant during fallow times.

Holmlund & Törnroos (1997) introduced the theory that social media allows consumers to interact on multiple levels. It can facilitate interactions from consumer to consumer and from consumer to organization. They stated that interactions start at a limited level; with social media this could be considered an invitation to join a network or follow a profile. Then these interactions are grouped into episodes, episodes then become sequences and sequences finally merge to become a relationship. Witkemper et al (2012) suggest that social media represents those initial interactions with hope of eventually transforming into a relationship. Recognizing these individual touch points is critical in the synthesis of social media and relationship management. Sports professionals can configure each of these interactions so they are consistently building and improving the relationship they have with their fans.

The Ultimate Fighting Championship

The Ultimate Fighting Championship is one of the fastest growing sports properties in the world. Industry insiders estimate the UFC pulls in over 400 million dollars a year in revenues and has a total worth in excess of 1.5 billion in US Dollars, although as a privately held company they do not release the actual figures (McCarthy, 2011). The story of the UFC's climb is fairly

remarkable considering that 20 years ago the sport of mixed martial arts did not even exist. The UFC and MMA have grown up together since both emerged from the initial tournament staged in 1993. The promoters at the time found that there was a huge appetite for combat sports and the initial batch of shows the UFC put together drew an impressive audience to their pay-per-view model. With anything new however, there were growing pains. The idea of “no rules” turned off many people who viewed the UFC as nothing more than a blood sport. In fact, Sen. John McCain tried to ban the UFC in the United States, labeling it as “human cockfighting” (Plotz, 1999). The UFC began to hemorrhage money and fans as all this negative press was shaping many people’s initial impressions of this new sport. Long term prospects for the organization did not look good.

Stations Casino owners Frank and Lorenzo Fertitta, along with friend and associate Dana White, realized that while there were a lot of obstacles holding back the UFC and MMA, it had one critical advantage, strong identification with males in the 18-34 age demographic. They purchased the struggling organization for just over \$2 million in 2001 (Gold, 2007) and went about trying to bring MMA to the mainstream. They worked with various state athletic commissions to create a set of rules that made MMA as safe as possible which helped shed the image of MMA as barbaric and a freak show. This in turn allowed them to begin promoting their athletes and turning them into superstars and brands themselves. Eventually, the UFC signed a deal in 2005 with Spike TV to broadcast a reality show and select fights on the network. The Spike deal introduced the UFC to an entire new audience and finally put the company, and the sport, on firm ground financially (Gold, 2007).

Another trend was coming of age at the same time as the UFC and that was social media. Facebook had blasted onto the scene in 2004 and Twitter followed in 2006. Dana White quickly

saw that these platforms offered the UFC an opportunity and immediately embraced them. Sports Illustrated named White one of the 100 most influential Twitter users in sports and he had over 2.3 million followers on the platform. White relayed his thoughts about Twitter in an interview with ESPN. "Before [social media], if I was going to make an appearance somewhere, I would have to buy radio, online, newspaper, whatever, and you still wouldn't know if you were reaching the people that really care," White said. "But 1.4 million people on Twitter opt in to follow me. They go out of their way to say, 'I want to follow this guy. I want to know what's happening.' That's huge!" ("Dana White Social Realm", 2011, para.) Additionally, social media usage trends to the very demographic that makes up the UFC core. 41.5% of Twitter users are in the 18-29 age demographic and 54% of Facebook users are between 18 and 34 years old (Ping, 2012). For a growing sports organization, the ability to have such a direct channel to their most prized consumers was invaluable.

White also encouraged all the fighters under contract with the UFC to embrace social media. In 2011, the company "made headlines when it unveiled a \$240,000 social media incentive program that will reward fighters for growing their presence on Twitter and putting out the most creative content. Less publicized was the half-day social media training for fighters that was a cornerstone of the event" ("Dana White Social Realm", 2011, para. 10). The idea is that social media usage can be mutually beneficial for all parties if done correctly. The UFC has also begun putting certain fights exclusively on Facebook, becoming the first professional sports entity to broadcast live events on that platform. White ("Dana White Social Realm", 2011) explained the overarching idea to embrace these technologies "Everything is for tomorrow, our Facebook page has grown unbelievably since we started putting up fights on it. And what happens is you end up turning more fans onto it, and you continue to grow your fan base and

build your brand. You educate people about the sport and get more people talking about it, which is vital" (para. 14).

Summary

Relationship management is just beginning to be explored as a possible model for implementation in sports. Researchers have begun to see the benefits of developing loyal fans and catering to them in the same way the airline or hotel industries have for years. These consumers spend the most money and stay the most engaged with the product. Furthermore, every dollar spent on this segment goes further than a dollar spent trying to gain new fans. The emergence of social media has provided a wide array of tools for sports marketers to reach their desired demographics. One of the most powerful features of social media is the ability to keep consumers engaged and to use those interactions in building a relationship between the organization and the fan.

The UFC has an advantage over other sports properties in that its core demographic is the exact population that is the core demographic of social media. Implementing social media strategies makes sense in that the education process is limited and the reach is comprehensive. The idea of using social media as a major instrument in facilitating a wide ranging relationship management scheme for the UFC is one that is worth exploring. With so many sports properties chasing consumers' finite discretionary income, organizations that are early adapters in the marriage of relationship management and social media have the ability to cultivate a connection with their fans that transcends the typical sports marketing model.

Part Three

One of the major issues facing sports organizations and their use of social media is many do not use these tools smartly. Simply opening a Twitter account will not move the needle in terms of fan engagement or identifying who their best customers are. What organizations need to do is build a comprehensive plan that integrates social media and relationship management through all levels of their hierarchy. Long the domain of customer outreach and marketing departments, social media must not be confined to traditional boundaries. Utilizing a framework developed by a number of social media experts and presented by Sprinklr Media, we have developed a full integration strategy that will impact every stakeholder from top to bottom. This social media deployment guide has been customized with the UFC in mind. The plan will first map a strategy by defining business objectives that can be expected with full implementation. These objectives have been identified based on the research drafted by other scholars and sports professionals. To meet those objectives, this deployment plan will focus on five factors that are linear, measurable and ultimately, attainable.

Map the Strategy

The UFC has seen tremendous growth as its meteoric rise has coincided with the development of mixed martial arts. A relatively large, young and diverse fan base was cultivated and the UFC expertly promoted to this group. Like any product however, growth is not an inherently continuous phenomenon and the UFC must now look for ways to keep the growth momentum. From a revenue standpoint, this can be accomplished two ways: by widening the tent and bringing in more fans or by extracting more revenue out of existing fans. This comprehensive social media deployment actually addresses both options. It allows engagement

and outreach with current non-fans while at the same time helping the organization identify who their best and most dedicated fans are.

The strategy for social media at the UFC should be about three ideas:

- (1) investment,
- (2) having a product people care about and
- (3) personalize everything.

Investment is essential because while many tools and platforms might be inexpensive, support and research require dedicated funds. Additionally, instead of pouring money at exposure, the UFC should identify "brand ambassadors" on social media platforms and spend money there. It is easier for a fan to identify with a person than a slogan or other campaign. For the UFC this might mean creating partnerships with celebrities who have identified themselves as fans like Anthony Bourdain, Mandy Moore, Charlize Theron or Justin Bieber. Celebrities can also expose the sport to potential fans who know their work in other media. This strategy can also mean utilizing the small but cherished army of retired fighters that fans connected with during their days in the cage. The web of people that these brand ambassadors can reach through Twitter or Facebook is complex. Messages can be individually crafted to specialized demographics. For instance, if the UFC wanted to reach women, Charlize Theron might be the perfect conduit as she is known for her ability to play both glamorous and gritty women on the screen. Social media consultant Thomas Baekdal makes the point that a Super Bowl commercial might cost \$3 million for 30 seconds for a one-time spot whereas for that same money an organization can hire 50 people to influence others over social media. He suggests that because social media is based on relationship building, sales conversion rates are likely to be higher. For an organization like the UFC, this would be a return on investment.

The next component to this proposed social media strategy is having a product people care about. Sprinklr Media mentions that most enterprises are based on hundreds of products. Each individual product has limited appeal in the social media world. Sports are different. Fans develop a unique passion that in some ways is unrivaled by any other product. The UFC has worked hard in recent years to try and foster a lifestyle that makes fans not only identify with the sport, but also with the brand. The aforementioned ambassadors provide a critical link in allowing fans to feel connected to that lifestyle because people tend to emulate those that they admire. Communicating those messages through Twitter, Facebook and YouTube reinforces why fans care about the UFC so much.

Lastly, and critical to social media implementation, the mantra should be “personalize everything.” Success in social media is being personal, direct and specific. In using "brand ambassadors," the idea should be to give them the proper tools and workflows while scaling them to efficiently focus on engaging with the consumer. Personalizing messaging to fans makes them feel like they are having an individual conversation much more than traditional forms of advertising. Personalizing social media also encourages fans to interact and can allow the UFC to see what their fans are thinking and feeling in real time. Brand ambassadors become a conduit making fans feel comfortable, passionate and engaged.

Staffing

The UFC is a global enterprise and any social media campaign should reflect that. Right now the UFC has offices in Las Vegas, Toronto, London and Beijing. Because tastes can be so geo-specific, a good staffing plan will not try and do everything centrally. An employee in Beijing will know the pulse of Asia better than someone in Las Vegas. Therefore it is suggested that needed staffing be broken into global, regional and local levels.

Global. Global positions will focus on the overall strategy of social media and its alignment through all offices in the corporation. These positions will concern themselves with the voice of the UFC. That is, making sure the UFC provides a consistent message so when fans communicate with the organization, they feel like they are talking to same entity time and time again.

- **social media executive** – this position would be at the executive level based in Las Vegas and would have direct communication channels with all policy and decision makers, including President Dana White and Chairman Lorenzo Fertitta. This person would then integrate business decisions into social media strategy and be responsible for direction of the social media program.
- **social media trainer** – the social media trainer would be responsible for creating all best practices as well as training all UFC staff and all UFC fighters. They would work closely with the HR Department and the Fighter Relations Department.

Regional. Positions at the regional level will serve as liaisons between fans and the executives of the UFC. They will tailor messages from the organization to the populations they serve while at the same time creating and promoting trends that will help grow the business. They will help interpret the information gathered from the local social media efforts.

- **social media directors (4)** – These positions would be based in the four UFC offices around the globe and would be directly responsible for implementation of strategy initiatives with their team and would serve as the conduit of information to the global executive.

- **analysts (4)** – The analyst is a critical position because they will be responsible for judging initiatives against set metrics and determining performance. Additionally, analysts will help in the relationship management area of social media by identifying committed or engaged fans, or conversely areas where social media might be underperforming. Analysts would work closely with the Accounting Department and the Affiliate Marketing Department.

Local. Local positions are the grass-roots staff that really drives the social media efforts of the company. These staff members, amongst their other duties, will really get to know the fans and take their pulse to relay that information to various departments of the UFC.

- **community manager** – The community manager will be responsible for actual activation, content and daily upkeep of any and all social media platforms. The number of people hired for this position will be dependent on what core markets the UFC wants to focus on. For example, the Beijing office might have a community manager for China and one for Japan. Community Managers would work closely with the Public Relations and Marketing Departments to create appropriate content.
- **community coordinator** – Community coordinators will be responsible for monitoring of social media channels and can flag customer complaints, assist in content generation and program standard messaging across all platforms as needed. Additionally, they will assist the community managers in their daily tasks.

A staff that is dedicated and focused on social media is important for the UFC. For years, the UFC was trying to catch up with its sensational growth, and often time's employees wore many

hats. The UFC should not be seduced to cut corners when it comes to staffing and have someone from marketing handle social media just because some social media delves into marketing. Social media should be treated as a fully functional department and given the same resources as any other department. Staffing is the major expense of any social media deployment and what is proposed represents anywhere between \$600,000 - \$700,000 in additional salaries to the UFC (SimplyHired, 2012).

Daily Operations

Operations amongst all employees at the UFC engaged in social media should be consistent and in line with overall policy. Comprehensive rules of conduct should be developed and enforced with the help of the proposed social media trainer. Edelman Digital Consulting suggests that all sports organizations should be mindful of four items when drafting their policy.

They are

- athletes should consider social media to be a live microphone;
- employees should use the headline test before posting;
- be cognizant of all external stakeholders;
- fully disclose association with the organization

The UFC has been in the news often because of its fighters behaving badly on Twitter. This has brought a significant amount of bad press. Currently, there is no social media policy on what should or should not be posted. A code of conduct should be one of the first items implemented by any new social media staff.

Best Practices

While the UFC is certainly a trailblazer amongst sports organizations in their understanding of the importance of social media, they would be well advised to adhere to some

of the social media best practices developed by other companies. Author and Twitter personality Mike Lewis (2012) suggests five critical takeaways a sports organization should always adhere to. First, an organization should know their audience. The UFC has spent countless dollars and time identifying where their core support comes from and saw that it is mainly males age 18-34. While specific campaigns can target outliers, most social media should be constructed with this demographic in mind.

Second, a sports organization should tell their brand story via visual media. Fans can easily identify with pictures and video whereas articles and text tend to be monotonous and overlooked. The UFC has a fully integrated new media department that is consistently producing content and they should make it a priority to work closely with any social media department that is formed. We suggest that quarterly calendars be constructed with release dates for all visual media so that the content can strategically support any campaign that may be ongoing.

Third, a sports organization must create a constant brand identity. ESPN, for example, requires all their employees to signify on their Twitter that they are ESPN writers or contributors. This helps foster continuity and a professional approach to social media because everyone is aware they are brand ambassadors. At the same time, it is important that UFC athletes create their own personal brands so they can become more marketable. Twitter can be a vital component in that process. By branding themselves as UFC athletes however, they can be expected to maintain a certain level of professionalism in their Twitter use and be held accountable when certain standards are not maintained. We suggest that a full code of conduct be constructed on "do's and don'ts" with social media. While everyone is encouraged to be free thinkers and use social media at their discretion, all users should be mindful of those guidelines.

Fourth, social media should be used as an extension of customer service. UFC President Dana White has become renowned for answering fans complaints directly but the proposed social media department should be empowered to react and resolve complaints in real time. In the hospitality world there is a maxim that a happy customer will tell three people about their experience where an unhappy one will tell ten people. A simple Tweet response from an engaged UFC representative might turn a negative experience into a positive one without the organization spending a single dollar.

Lastly, the UFC should listen to their fans. Social media is a great way to take the pulse of what fans think and provides an opportunity to respond in real time. For example, imagine a campaign where the fans are asked to be the matchmaker for the next light-heavyweight title fight. On Twitter and Facebook, the UFC can provide a handful of fighters to vote on to face the current champion. Not only would this increase the chatter about the fight, the fans would get to see exactly who they want to fight. Imagine what the pay-per-view numbers would be for a fight like that. Social media gives a unique voice to people and it is essential that the UFC look at these tools as two-way and not just as platforms to blast out messaging.

Best practices are concepts that should be included into every decision that is made and the aforementioned ones provide a valuable starting point for the UFC social media program. Best practices can and should be updated as an organization matures and sees what works and what does not. The idea is that decisions should not be guided by a strict orthodoxy but rather by a flexible and evolving set of tactics. Best practices should also be an extension of the culture of an organization. While the aforementioned strategies are suggested with social media in mind, they are really not a huge shift from what the UFC already has in place. The idea is that social

media shouldn't be thought of as something separate but rather a fully integrated series of tools that can help the UFC do what it already does even better.

Measure

In 2011 (Souza, 2012), the Adobe Company conducted a survey of 750 marketing professionals of which 73% had social media campaigns but only 15% said they would continue those campaigns in 2012. The biggest reason behind this drop-off was 88% of respondents felt they could not actually measure the effectiveness of those campaigns. The truth is social media is too big to ignore. With over 900 million users on Facebook and 100 million users on Twitter, companies not only need to have robust social media programs but must have quantifiable metrics where they can judge effectiveness. For the UFC, we suggest six micro measures broken into two macro categories: social and business. With social, we feel it is important to know audience engagement and overall reach. On the business side, analysts can look at response times, share of the voice, Net Promoter Score and attributable eCommerce revenue. These metrics will allow the UFC to clearly see how their social media is performing and make adjustments accordingly.

Audience Engagement. While total followers on both Twitter and Facebook give insight on how successful an organization and their social media might be, it does not paint the full picture. To follow the UFC on either platform, all it takes is one click. After that, there is now way to know what messaging those people are seeing. Which of those fans are on Facebook every day, once a week, once a month? It is easy for the UFC to say they have 833,000 followers on Twitter, but how many actually have seen the post they made or know that they have a campaign running currently called “#greatnessis”? For this metric we propose that the UFC track and reward their most active users. There is software called Simply Measured that can perform this task. In any given time period, which can be adjusted as needed, the UFC can see

who is engaging with them, their athletes or their media. Community managers and their coordinators can then personally engage with those users and create a stronger bond.

Conversely, they can also try and coordinate communication for those that appear to be less engaged.

Reach. While we mentioned total followers on Twitter or Facebook does not tell the full story, it certainly tells some of the story. By understanding how many potential people you can reach combined with actual engagement mentioned in the last section, the UFC can develop a conversion rate and use that metric over time to see if their efforts are growing or decreasing. Success on this front would be seen with an increase in overall followers and the overall percentage of engaged users, as defined by Simply Measured and then divided by total followers.

Response Times. An organization's response time to a problem or complaint is a huge factor in the overall resolution of that issue. When it comes to social media, an incredible 81% of all complaints are ignored according to a study by Maritz and Evolve24. As we mentioned before, if the UFC is going to reap rewards from its social media initiative, it must view Twitter and Facebook as two-way forms of communication. That means fans have as much a right to communicate to the UFC as the UFC has to communicate to the fans. Not all communication is going to be positive either. When complaints arise, the UFC should be ready to answer them in as timely a fashion as possible. The same aforementioned Maritz study also suggests that 83% of the complainants who received an answer via social media loved the fact the company simply responded. Irrespective of what the answer was, just an answer improved the psychology of the customer (Baer, 2011).

The UFC understands this is a critical element to the success of their relationship with fans. At a recent UFC event in Calgary, a fan tweeted at President Dana White complaining

about the obstructed view of his seats which he paid \$300. Dana White saw the tweet and immediately put his team into action to rectify the situation. The fan then tweeted the new seats the UFC provided thrilled at how the organization responded (Appendix). It's invaluable from a corporate culture standpoint that the President of an organization buys into a concept because they set the tone from the top down; "Having access to the ongoing conversations that our 2 million-plus fans are having is invaluable," said White. "If the pay-per-view has gone down in Iowa and someone who has paid to see the fights can't, or if there were problems with something else during fight night, I know about it immediately and have people to fix it. In the old days, I wouldn't know about bad stuff like that until Monday morning" (UFC blazing social media trail, para. 17).

The ability for Dana White to respond to each tweet however is limited so therefore there needs to be some method for identifying, tracking and resolving complaints. To accomplish this and any questions in general combined with analyzing response times, we suggest a software suite from Buddy Media that provides customizable tools for the UFC. The analysts we propose that you would hire, would monitor the software and provide the appropriate managers (regional or community) with the information of any user who reached out to the UFC on Facebook or Twitter for them to respond in kind. This will help in the overall pursuit of creating continuously engaged fans.

Share of Voice. In any industry, it is important for an organization to understand where their competitors stand and what efforts they are making to increase their business. The same can be said in social media where it is described as share of voice. Essentially, share of voice is what people are talking about at any given time. For instance, during the Super Bowl, the share of the voice for football is going to far exceed baseball, basketball, mma, or any other activity.

"Share of voice is a fantastic tool for the UFC to understand their place in the sports landscape and whether their efforts are increasing both participation and fan growth on social media and in more traditional formats like pay-per-view buys and ticket sales. The same software suite from Buddy Media we suggested to track response times also has share of the voice tracking capabilities.

Net Promoter Score. Net Promoter Score (NPS) is a customer loyalty metric that was developed by Bain & Company and Fred Reichheld that has shown statistically significant correlation to profitability. The premise is simple, the more satisfied your customers (or fans) are, the more likely the organization will grow both in size and profits. NPS is based upon one question, "on a scale of 1-10, how likely are you to recommend this company, product or service to a friend?" Those that rate the UFC as a 9 or 10 would be considered promoters, or those highly likely to get friends and family engaged with the organization. People who rate it 7 or 8 are considered passives and are satisfied but not likely to recommend to other people. The people that rank the UFC 6 and below are considered detractors and most likely to spread negative recommendations. NPS is then calculated by taking the percentage of promoters and subtracting detractors. Reichheld found that any organization scoring over 15% can expect growth. Not surprisingly, companies famous for customer service scored above 50% like Apple and Harley.

While we are not suggesting 50% to be a realistic goal, NPS can be used to see if the UFC is connecting with their fans and, by extension, possible new fans, through word of mouth. Where social media comes into play is the UFC can deploy these surveys via Twitter and Facebook to see where they stand via NPS. A benefit of social media is that it is relatively inexpensive to reach a broad number of people and engage them to take a survey of this nature.

Additionally, once a score is obtained, social media can be used to target certain people or demographics to try and move the score in a positive way.

Attributable eCommerce Revenue. eCommerce revenue is as basic but as powerful a metric an organization can find in analyzing the success of social media. The eCommerce revenue measurement is about seeing how social media drives sales online. For the UFC, this can mean tickets to events, pay-per-views through UFC.tv, merchandise through the online store or other ancillary business ventures. Right now, the tracking for these opportunities is limited. Merchandise sales are tracked by creating special links that are blasted through different Twitter feeds and the official Facebook page. This method gives a basic idea of conversion rate with those who bought because they went to the online store on their own versus those people that were directed from social media. The same method is employed for ticket sales.

The problem is that these conversion rates do not illustrate how effective social media is or can be. While we have suggested a number of software tracking tools, sometimes it is old-fashioned, raw data analysis by humans that can yield the best data. Real time data analysis can be expensive and time consuming, but its value to understanding the overall effectiveness of social media to an organization is immense. The UFC has just begun to rely on historical and current data to identify patterns that correlate social activity and sales. For example, one of the biggest events for the UFC in 2011 was UFC Rio, the first time UFC would compete in Rio de Janeiro under the company's new ownership. It was a hotly anticipated event, but the UFC wanted to understand whether their social efforts were paying off in terms of increased ticket sales. To do this, they correlated mentions of the #UFCRIO hashtag with pay-per-view orders, both leading up to and right before the event. In this scenario, it's not only raw metric volumes (UFC counted 300,000 mentions of the hashtag), but day-parting (analyzing social activity

throughout the day) and keyword analysis that enabled the UFC to understand what people were doing and saying in those last crucial minutes.

With our suggestion of having a full-time team of analysts, efforts like #UFCRIO can be expanded and measured against each other to identify the financial success of specific social media campaigns. Additionally, trends in consumer behaviors will help the process of measuring eCommerce revenues from social media. Right now, most UFC pay-per-view buys are facilitated through third parties like cable operators or satellite providers. As such, it is difficult to track if social media influenced those purchases. In the future, it is expected most consumers will buy events straight from their computer or other desktop internet connected device, thus eliminating the middle man and allowing the UFC to track purchasing behavior directly.

Scale

Finally, any social media strategy has to include a discussion of scale. Traditional media channels had scale built into them with the idea being get the message into the channel and there was a guarantee of reaching a certain number of people (Stacy, 2012). As Stacy (2012) notes, “social media doesn’t have that guarantee, largely because social media is not a form of media or even a channel. It is better understood as a set of tools or infrastructures.” Scale therefore comes directly from how organizations build and utilize their social media platforms. Facebook became popular because it was a tool that allowed small groups of people who for the most part already knew each other to talk between themselves. Their success came from the fact it became a platform for the masses, while not considered a mass platform per se (Stacy, 2012).

Scale in social media is being able to have multiple conversations going simultaneously that are catered to very specific groups. That means reaching the right people, while engaged about exactly the right thing at exactly the right time. If the UFC can become consistent at this

application of social media, they have an excellent chance of building stronger relationships with their best fans and customers. These hyper-engaged fans then become a local version of the brand ambassador we mentioned earlier and they develop into influencers on behalf of the UFC. Fans influencing fans is an inexpensive way to maintain grass roots enthusiasm and gives fans a feeling of ownership and commitment to the product. Social media therefore, can embody all the elements of the relationship management model if scale is always considered and factored into strategy and implementation.

Conclusion

Whereas the benefits of social media have begun to be explored, very little attention has been paid to the actual deployment of an effective social media strategy within a major sports organization. The UFC, as an early adapter of social media technologies, provides a perfect foundation for an extensive and comprehensive social media roll out that can potentially reap huge rewards for the organization. With marketing and sales moving to a relationship management model, social media provides a direct route to foster individual interactions on a grand scale. Furthermore, the UFC has extensive reach within the 18-34 year old demographic which is ideally aligned with the current prime users of social media, thus giving any extensive social media deployment a good chance of success.

We understand there is cost associated with these proposals, but this deployment represents a best case scenario where the UFC commits entirely to a comprehensive social media program. While there could be benefits from picking and choosing certain elements of this plan, many items are constructed with the idea of total synergy with each other. For example, the Simply Measured software suite typically runs about \$2,500 a month with full support for an organization the size of the UFC. This is the equivalent of paying another employee \$30,000

which is a nominal cost for what it can provide. The big question is can these costs, combined with possible new salaries, justify themselves? A company the size of the UFC who has estimated revenues of over \$400 million (McCarthy, 2011), the percentage of overhead these initiatives incur is small. As social media becomes more mature, many companies are reporting returns on investment (ROI) at over 95 percent (Arthur, 2011). An ROI at that level makes sense for the UFC and represents a path to help continue making the organization a mainstream player in the professional sports world.

The UFC should commit to always maintaining the appropriate resources to social media because once fans have a certain expectation of their individual relationship with the organization, any compromising of that will not be received well. In many ways, the relationships that social media foster begin to take on real person to person characteristics and the need to stay responsive and flexible will be critical to maintaining strong bonds with the fans. Ultimately, success will not be determined by how the UFC uses social media to interact but rather how they respond to the ways fans use social media to interact with them.

Appendix

 **snitz** @Snitz286 1h
@danawhite I was pumped to see UFC 149 but my 300 dollar tickets are obstructed?? pic.twitter.com/RR3MPWJO
Hide photo Reply Retweet Favorite




Powered by  Photobucket

5:04 PM - 21 Jul 12 via Camera on iOS · Details

Flag media

Reply to @Snitz286

 **Dana White** @danawhite 36m
@Snitz286 We're on it
Expand

 **snitz** @Snitz286 3m
@danawhite new view!!! Thx UFC!! This is why you guys are the best out there!!! pic.twitter.com/hJbM18gh
Hide photo Reply Retweet Favorite



Powered by  Photobucket

6:09 PM - 21 Jul 12 via Camera on iOS · Details

Flag media

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