

**MARKETING STRATEGY AND BRAND EQUITY OF FOOTBALL OF
MALAYSIAN PROFESSIONAL FOOTBALL CLUB THE CASE OF JOHOR
DARUL TAKZIM (JDT)**

AHMAD ZAID BIN AHMAD AFFENDI

Faculty of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

SUPERVISOR AND PANEL APPROVAL

‘I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technology Management (High-Tech Marketing)

SIGNATURE :

NAME OF SUPERVISOR : EN.ALBERT FIESAL BIN ISMAIL

DATE :

SIGNATURE :

NAME OF PANEL : DR MOHD FAZLI BIN MOHD SAM

DATE :

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AHMAD ZAID BIN AHMAD AFFENDI

**The thesis is submitted in partial fulfillment of the requirements for the award
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DECLARATION OF ORIGINAL WORK

“I hereby declare that this project paper is the result of my independent work except certain part that involve specifically acknowledgement

Signature :

Name : AHMAD ZAID BIN AHMAD AFFENDI

Date :

DEDICATION

Special thanks to:

ALLAH S.W.T

My beloved parents

Siblings

Friends

Supervisor:

En. Albert Feisal Bin Ismail

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ABSTRACT

This study main objective is to study the impact of marketing strategy in and brand loyalty towards the football club. This research will look into two main element which is brand equity and marketing strategy on its impact towards professional football club in the case of Johor Darul Ta'azim (JDT).

The methodology of this study will based on qualitative method where questionnaire survey will be used as medium and also alongside with internet mediated and also through email in order to maximize the number of reliable answer given towards 150 die hards fans of JDT. The result will be collected and analysed through IBM SPSS Statistic version 20.0. The end product of this research shows element in brand equity and marketing strategy which is (IVs) play significant impact towards the football industry (DVs) which proved the previous research objective was spot on.

Keywords: Brand equity, Marketing strategy, Johor Darul Ta'azim (JDT), IBM SPSS Statistic version 20 and Boosting

ABSTRAK

Tujuan utama kajian ini adalah bagi mengkaji kesan strategi pemasaran dalam meningkatkan kesetiaan kepada kelab bola sepak. Kajian ini akan menjurus kepada dua elemen penting iaitu ekuiti jenama dan strategi pemasaran terhadap impaknya terhadap kelab bola sepak professional di Malaysia dalam kes Johor Darul Ta'azim (JDT)

Methodologi kajian ini akan menggunakan teknik kuantitatif dimana borang soal selidik akan digunakan selain daripada medium seperti internet dan email dalam memaksimumkan jumlah jawapan yang sahih yang diberikan kepada peminat setia JDT sebanyak 150 orang responden. Keputusan hasil dari kajian ini akan dikumpulkan dan dianalisis menggunakan IBM SPSS Statistik versi 20.0. Hasil daripada kajian ini menunjukkan ekuiti jenama dan strategi pemasaran (IVs) mempunyai kaitan yang signifikan terhadap industri bola sepak (DV) yang membuktikan objektif kajian sebelum ini menepati objektif yang ditetapkan.

Kata Kunci: *Ekuiti jenama, Strategi pemasaran, Johor Darul Ta'azim (JDT), IBM SPSS Statistik versi 20.0 dan Memacu*

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Chapter 1

Introduction

1.1 Background of Study

Football industries have become revelation in terms of how football club operated over the past 15 years and football make tons of money in player transfer, merchandizer, sale of jersey, football ticketing, advertisement, copy right image and etc have make this industry even few step higher than it did and there was obvious changes that happen inside and outside the pitch. It clearly can be seen how far the industry have been transformed from a conventional football to an organization and the changes also happened towards the fans and the practitioners (Vrontis, Football performance and strategic choices in Italy and beyond, 2013). Even in European football scene, most of the club approximately worth from millions until billions of dollars. Few club managed to place themselves in stock exchange in their home soil and it indicate that this industry is rapidly growing day by day and.

European football club not just focusing the performance of their team solely in the pitch but also they are working their socks off in the top management level in to bring their club to another level that is in global perspective. Club like Barcelona, Real Madrid, Manchester United, Bayern Munich and others has hundred millions and billions of followers in their Instagram, Official Facebook Page. Even Manchester United itself able to maximizing their profit in terms of spectators

attendance per match that approximately around 67,000 and their they also able to fully capitalized their stadium utilization over 99.5 per cent (Vrontis, 2013). It make sense that this kind of power house in this industry make tons of money because their able to spread their club popularity in every inch of the world. Even if people in Bangladesh who among the country that have low literacy rate in the world will know about these kind of club if someone ask to them.

This shift of football organization towards more professional and professional brand instead of just football club was clearly notable within the football club or their fan base itself. Approximately the current 20 most valuable football club in the world are roughly worth around 1.08 billion pound sterling and this amount was double than it had achieved over the past five years (Szymoszowskyj et al. 2016). This show how amazing their marketing and commercial department operated over the years and making the club grow even bigger than their home soil.

Their football industry can gain millions of dollars from telecast right and using the social media as a medium to promote and sell their product (Szymoszowskyj et al. 2016). They also have upper right hand in terms of huge number of follower that keep their eyes towards their football league and this huge fan base comes from all over the world.

It shows that football performance in the pitch that complement with right management team to market their football club will give lucrative return to the club if they can find balance between this two integral part. It totally different in our home scene in Malaysia where our football club still depending on allocation of money from our Football Association Malaysia to set their team at before the season even start begin. Our football club minded still way behind European giant play this game where they assume their football club as a brand rather than football club but our football club vice versa minded only stuck at the level where they think they only a football club rather than a brand.

For the past few years Johor Darul Takzim (JDT) have spark new reignite Malaysia football industries by introducing plenty of changes such as dressing room that match European football club giant, develop their own training centre, installing led board in the pitch and many more which make other club also to evolve and follow the transformation that started by JDT. This thesis will look into brand equity and marketing strategy that influence the football industry in Malaysia which the reference club that researcher chose is JDT.

The respondent of this thesis will focus on Universiti Teknikal Malaysia Melaka (UTeM) and University Teknologi Mara (UiTM) due to the reason that these two universities have wide pool of JDT supporter and they can provide insight two these studies.

1.2 Problem Statement

The main problems that rise within this research are that without proper marketing strategy, football club would find difficulties in retaining brand loyalty in fans minds. In Malaysia football industries, majority of the fans does not buy into idea that they will come week in week out to the stadium even if their team does not perform well and the result does not as expected. Due to that reason, it is important for football club to strengthen their marketing strategies in order to create the awareness and attachment with their football club.

There is few reason behind this problem, one of the reason is because the exploitation of foreign football league such as English Premier League (EPL), La Liga, Bundes Liga or Seria A. Most of the Malaysia football fans cannot keep their feet on the ground especially when there is match that involves big team against each other such as Real Madrid against Barcelona or Manchester United against their arch

rivals Liverpool rather than go to the stadium watch their local team battling against other Malaysia Super League (MSL) or Premier League Team.

Furthermore, the second reason why football top management should boost their marketing strategy in order to enhance the brand loyalty is because the most of Malaysian football fans take into account the current performance of their team. If they stumble in the lower position in the league, then it will give huge impact in terms of gate ticketing sale and attendance of the fans in the stadium. There is numerous cases that can give as example of this factor example Selangor, Perak and other where when team cannot deliver good results, the attendance and gate ticketing sales are very low and the stadium are nearly empty.

Last but not least no real stars in our league are of factors that make things worse. We used to have a real fans idol in the league in previous five years when Safee Sali managed to become a hit in ASEAN Football Federation (AFF) Suzuki Cup in 2010 and he managed to secure a lucrative deal in Indonesia that worth millions of dollars and everybody including the fans look him as one of factors that sparks the attraction of our local league but after Safee past his peak, our league does not managed to develop a new idol that contribute to the failure of football team to create customer loyalty in their fans mind.

The impact of these failure to embedded the brand loyalty in fans mind are it will impact in terms of long term revenue of club pocket because without fans, the clubs mean nothing and can make even a penny out of it.

Moreover, the team morale surely plummeted at the lowest point if they playing at the empty stadium because the fans support will spark their adrenaline to perform well week in week out. Lastly, the prospect of sponsorship deal will be done in the future also will jeopardize if top management cannot prove to their potential

sponsor ability to attract huge fans base because their sponsor also need something back from them for example to promote their product or etc.

There is huge gap between how foreign league run their club compare to how our local club managing their football club. As an example, at foreign league such big league like English Primer League, La Liga, Bundes Liga or Seria A football club not just a club but also a brand. Why it said so it is because their football club run and operate as a business entity who will try to make money on every single thing that they can as for example sale of jersey, football club shares, sponsorship, telecast deal, advertisement, Led Billboard in the stadium and others. Due to this reason bunch of club from top leagues in European leagues especially powerhouse in the European leagues such as Barcelona, Real Madrid, Manchester United, Bayern Munich and etc try to boost up their effort to increase their fan base in country like Asia especially China and few other country like United State Of America (USA), Brazil by conducting their pre-season preparation or friendlies in this kind of country because they know there still a huge prospect that they can capitalize and will gain them long term beneficiary (Woodland, 2016) as cited to (Bridgewater,2010; Ergenzinger, 2005; Keller, 2008) pervious work.

Air Asia has once bid a Led Board advertisement right To Manchester United Football Club at 2012 until 2014 and their reason is simple because people who come and watch Manchester United home game not only just want to see their team play week in week out but also will also have an eye to LED advertisement board around the pitch so they can promote their company brands through the world.

On the other hand, club in Malaysia still operate in the same way they did for the past 20 years without any significant improvement in their operation. They still depending on grant that allocated by Football Association Malaysia (FAM) to run their club. Their marketing department is not aggressive as they should be like what foreign club did and with insufficient allocation money that come from broadcasting right that given to the football club make it even worst and worst. After the

humiliating defeat to United Arab Emirates (UAE) 10-0 in September 2015, it raised plenty of eyes brows especially the outspoken Tengku Makhota Johor (TMJ) who slams FAM for shocking decision in sticking with Dollah Salleh as a national coach, insufficient broadcasting right earn by football club and he outspokenly urge the FAM to step down and let the new faces to make a transformation (Newsdesk, 2015).

Recently JDT managed to make major transition in terms of their business model on and off the pitch. They managed to replicate foreign league business model in their club and they also managed to get lucrative sponsorship deal from Adidas worth millions of dollars for next two years. Our football club must quickly learn how to maintain brand performances in order to capture customer brand equity because performance inside the pitch may vary as times goes by, sometime your team may win and sometime your team loose but customer willingness to buy your product should remain consistent over the period of time (Szymoszowskyj et al. 2016).

Our football club marketing department only solely focus on social media medium rather than other strategies example try to boost up their merchandizing sales, jersey, seasonal ticketing, stadium trip, football club cafe or etc. So their annual revenue only focused on seasonal gate ticketing as main source of revenue.

They should start to diversify their pool to their financial revenue and by choosing this topic as my case studies hopefully can give them insight on how they improvise and at the same way on academic point of view can help academicians to widen their knowledge especially marketing in football industry where the awareness regarding this matters is still have not reach the level as it should be yet. This totally justify the reason why researcher would like to pursue to this topic to be further investigates and it is worth to be done due to benefit that will be gain by various benefit.