

Syracuse University

SURFACE

Syracuse University Honors Program Capstone Projects Syracuse University Honors Program Capstone Projects

Spring 5-1-2012

Marketing Pastimes: Comparing the Brand Strengths of Real Madrid & The New York Yankees

Colin Wilson Powers
Syracuse University

Follow this and additional works at: https://surface.syr.edu/honors_capstone



Part of the [Sports Management Commons](#), and the [Sports Studies Commons](#)

Recommended Citation

Powers, Colin Wilson, "Marketing Pastimes: Comparing the Brand Strengths of Real Madrid & The New York Yankees" (2012). *Syracuse University Honors Program Capstone Projects*. 157.

https://surface.syr.edu/honors_capstone/157

This Honors Capstone Project is brought to you for free and open access by the Syracuse University Honors Program Capstone Projects at SURFACE. It has been accepted for inclusion in Syracuse University Honors Program Capstone Projects by an authorized administrator of SURFACE. For more information, please contact surface@syr.edu.

ABSTRACT

In March of 2012, Forbes Magazine ranked the most valuable brands in all of sports. Trailing only Manchester United's \$2.235 billion valuation, the next most valuable franchises are Spain's Real Madrid of La Liga BBVA, and Major League Baseball's New York Yankees. As the two of the three most dominant brands in all of sports, Real Madrid and the New York Yankees are frequently mentioned in the same context as one another, but rarely discussed through more extensive market research comparing their brand management strategies. By utilizing Kevin Keller's acclaimed Customer-Based Brand Equity model, the relative strength of the brands for Real Madrid and the New York Yankees will be assessed based on their ability to successfully integrate six core components within their brand: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. Through a combination of these indicators of brand strength, this paper will investigate which brand is stronger at the domestic and international levels, as both a sports team and commercial enterprise.

Awarded by FIFA in 2008 as the "Best Club of the 20th Century," Real Madrid's remarkable history is unparalleled by any other team in the world's most popular sport: soccer. With a record 31 LIGA BBVA and 9 UEFA Champions League titles, Real Madrid's sporting excellence is matched only by its brand equity, with a valuation of \$1.877 billion. Owned by a coalition of members, known as "Madridistas," Real Madrid has capitalized on its brand loyalty, translating recent team performances into \$214 million in operating income, thereby establishing the club as the most profitable brand in all of team sports in 2011. Valued slightly below Real Madrid at \$1.85 billion, the New York Yankees are the most storied franchise in all of American sports. As the most acclaimed brand in America's favorite pastime, the New York Yankees have won an incredible 27 World Series Championships - 16 more than the 2nd place St. Louis Cardinals and 3 more than any other North American sports franchise, in the NHL's Montreal Canadiens. As a true sports enterprise, the New York Yankees generate the most revenue of all sports teams worldwide and represent a core component of Yankee Global Enterprises LLC (YGE), with a collective valuation of \$5.1 billion.

Though typically discussed in conjunction with the other, Real Madrid and the New York Yankees have each reached their respective valuations and positioning as global brands in very distinct ways. With its commercial business model roughly only a decade old, Real Madrid's brand resonance, and subsequent brand equity, is derivative of the universal nature of soccer, taking advantage of the captivation of audiences worldwide and its presence as a truly global brand. The New York Yankees, have embraced this model since 1973 under the direction of George Steinbrenner, and have amassed such brand strength through its attentiveness in its domestic market and the salience of YGE. With virtually equal brand valuations, Real Madrid has maintained a more effective positioning as a global sports brand, with the New York Yankees utilizing its domestic strength to influence global markets. Ultimately, due to their longer season and greater local population, the Yankees are a stronger domestic brand, with Real Madrid's global appeal catering to soccer fans enabling them to become the stronger global brand.

TABLE OF CONTENTS

Abstract	1
Methodology	3
Introduction	5
Part I: Branding	
What is a brand?	7
What is branding?	9
Brand Communications	11
Sports Branding	13
Part II: Brand Salience	
What is brand salience?	17
Real Madrid Brand Salience	18
New York Yankees Brand Salience	23
Part III: Brand Performance	
What is brand performance?	27
Real Madrid Brand Performance	28
New York Yankees Brand Performance	31
Part IV: Brand Imagery	
What is brand imagery?	34
Real Madrid Brand Imagery	36
New York Yankees Brand Imagery	40
Part V: Brand Judgments	
What are brand judgments?	43
Real Madrid Brand Judgments	45
New York Yankees Brand Judgments	49
Part VI: Brand Feelings	
What are brand feelings?	52
Real Madrid Brand Feelings	53
New York Yankees Brand Feelings	56
Part VII: Brand Resonance	
What is brand resonance?	58
Real Madrid Brand Resonance	60
New York Yankees Brand Resonance	62
Part VIII: Brand Equity	
What is brand equity?	64
Real Madrid Brand Equity	66
New York Yankees Brand Equity	70
Conclusion	74
Works Consulted	79
Appendices	84
Summary of Capstone Project	99

METHODOLOGY

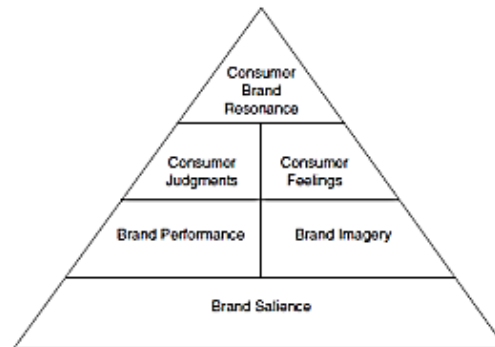
As a means of comparing the New York Yankees and Real Madrid, the two brands will be subjected to the Customer-Based Brand Equity Model, as proposed by Kevin Keller. In his model, a strong brand is constructed by: “(1) establishing the proper brand identity, that is, establishing breadth and depth of brand awareness; (2) creating the appropriate brand meaning through strong, favorable, and unique brand associations; (3) eliciting positive, accessible brand responses, and (4) forging brand relationships with customers that are characterized by intense, active loyalty” (Keller 2001).

The first step in this process, brand identity, associates the brand with a specific product in the customer’s mind. Next, a brand establishes a certain meaning, by linking the intangible and tangible qualities associated with the brand to its identity. Third, brand responses are developed to elicit proper customer responses to brand identity, in conjunction with the intended message of the brand meaning. Finally, brand relationships are created in an effort to convert prospective and existing fringe customers into loyal patrons of the brand with a long-term relationship.

More importantly, however, these steps towards forming a strong brand are composed of 6 brand building blocks that are essential to the development of a brand. These components include brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance (Keller, 2001). The most important of these attributes is the establishment of brand resonance, in which customers express a high degree of brand loyalty and actively seek means to interact with the brand and share their experiences with others. However, true brand resonance can only be recognized after having successfully integrated the other components first. As the foundation for which the brands of the NY Yankees and Real Madrid will be judged, a hierarchy of the brand building blocks can be viewed in the accompanying diagram as they pertain to the steps of the CBBE model

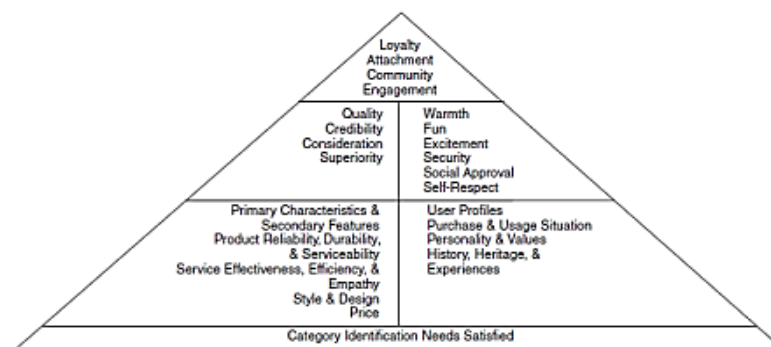
(Keller, 2001). Each of these components will be discussed in greater detail throughout the paper in their respective sections.

Figure 1: Keller's CBBE Components Hierarchy



Strong brands capitalize on brand salience with respect to their product category and pair it with a suitable shape and substance that evokes a more extensive and rich set of associations, visual images and words that can easily be retrieved from memory by the consumer (Aaker, 1993). The CBBE model is comprised of a combination of generic elements including functional capability of the product, symbolic features, service, distinctive name, ownership, shorthand notation, legal protection, risk reducer, and strategic direction. Below, these characteristics define each CBBE brand component (Keller, 2001):

Figure 2: CBBE Component Elements



Further analysis and comparisons between the NY Yankees and Real Madrid will correlate to the characteristics of the CBBE model and its imposed hierarchical structure. Measuring brand value will be conducted through customer-based brand metrics of brand

perceptions and awareness, incremental brand sales and cash flows, and overall branded business value, the long-term prognostication and valuation for the brand (Tybout & Calkins, 2005). Using the marketing mix modeling method for historical ROI and profits over time, these components will be assessed from past data that interprets the evolution of the brand. By utilizing aggregated marketing activities to compare the brands, brand strength and brand equity will be fully interpreted relative to the dynamic nature of brand management and their effectiveness as preeminent sports brands, domestically and globally.

INTRODUCTION

In recent years, the importance of brand management in sports has truly risen to new heights, no longer encompassing just aspects of improving team performance but in transforming sports franchises into global commercial entities. As two of the most dominant global brands in sports, Real Madrid and the New York Yankees represent business enterprises that epitomize the development of a winning franchise through resolute team performance and brand equity initiatives.

Founded in 1901, initially as the New York Highlanders, the New York Yankees have since grown into the most successful franchise in all of American professional sports. With a record 27 World Series championships, the Yankees have 16 more than the next closest competitor in Major League Baseball (MLB), the St. Louis Cardinals, and 3 more than any other team in any major professional league, ahead of the NHL's Montreal Canadiens. As the cornerstone of "America's Pastime," the New York Yankees' brand is synonymous with its rich history and tradition of success on the diamond. Through its iconic interlocking "NY" insignia, classic pinstripe jersey, and façade on the exterior of Yankee Stadium, the Yankees' franchise is unparalleled in American sports, with a legacy that transcends generations of managers, players, and fans. Transformed in 1973, following the purchase of the team by George Steinbrenner, the Yankees truly began to embrace the philosophy of a dominant business enterprise. Over the following decades, the management

of the Steinbrenner family has maintained a high profile image with a win at all costs mentality, firmly embracing the “Bronx Bombers” nickname from its fans, and “Evil Empire” moniker from its opponents. Currently under the operational management of Yankees Global Enterprises LLC (YGE), the New York Yankees are run by Hank and Hal Steinbrenner, General Manager Brian Cashman, and President Randy Levine, Esq (Appendix A). As the self-proclaimed “greatest sports brand in the world,” YGE has perpetuated the transformation of the organization, launching the YES Network in 2002 and Legends Hospitality Management in 2008, to collaborate with the Yankees, for a collective brand valuation of \$5.1 billion. As the marquee team, in the biggest market, of the world’s largest economy, the Yankees have optimized domestic brand equity and channeled it into becoming the most valuable sports brand in the world.

If the Yankees are in fact the most successful franchise in the history of America’s pastime, then Real Madrid is undoubtedly the equivalent in the “world’s most popular sport.” Founded a year later in 1902, “Los Blancos” have won a record 31 La Liga BBVA and 9 UEFA Champions League titles, en route to being awarded as the “Best Club of the 20th Century” by FIFA in 2008. With its seasonal performances matched only by the club’s financial prestige, Real Madrid has become a giant in the sports business world under Florentino Perez since he took over as club president in 2000 (Appendix B). Through its estimated 300 million global supporters, referred to as “Madridistas,” Real Madrid has earned a valuation of \$1.877, slightly above the New York Yankees’ individual club value of \$1.85 billion. Placing atop Deloitte’s annual Money League rankings for the 7th consecutive season with an operating income of \$214 million in 2011, Real Madrid is far and away the most profitable brand in all of sports. In the world’s 13th largest economy, Real Madrid’s domestic reach is superseded by its global brand salience, capitalizing on the passionate support of audiences for the “beautiful game” from all around the globe.

Though frequently mentioned alongside one another, further investigation between the brand strategies of the New York Yankees and Real Madrid has never before been conducted in a comprehensive and explicit manner. By utilizing the aforementioned Customer-Based Brand Equity model by Kevin Keller, this paper will analyze the brand strength for these two global sports franchises on the basis of their overall brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. The collective assessment of these components, and their influence on sustaining brand equity, will provide valuable insight into which brand is truly superior to the other. As global brands, the New York Yankees and Real Madrid will continue to compete for both domestic and international supremacy, as the world of sports marketing becomes ever more commercialized and the franchises transform into truly iconic sports brands.

PART I: BRANDING

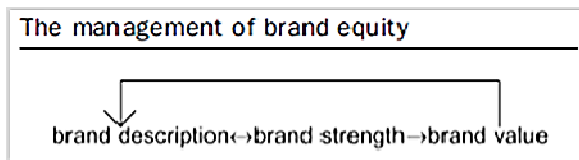
What is a “brand”?

A brand, as defined by the American Marketing Association (AMA), simply denotes a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.” Though this definition typically alludes to product-based brand management, the fundamental determinants of a brand, be it a product or service, are meant to convey a mechanism by which a firm can establish differentiation and a significant competitive advantage in the marketplace (Kotler & Zaltman, 1971).

As both a tangible and intangible entity, the overall strength of a brand relative to the firm is based on an established level of brand equity. Brand equity, therefore, represents the total value of a brand as a separable asset, through a combination of its impact on the financial performance of the company (brand value), its ability to improve the strength of consumers’ attachment to a brand (brand strength), and a description of the associations and beliefs the consumer has about the brand (brand image) (Wood, 2006). Defined in

economic terms, brand equity deals with the value of a brand beyond the physical assets associated with its manufacture or provision (Aaker & Biel, 1993). The figure below conveys the cyclical engagement process of brand management linking these three discernible assets of brand equity.

Figure 3: Brand Equity Management Model



In an effort to reinforce its internally-controlled and externally-perceived brand, a company may employ a comprehensive brand equity strategy, as a “set of processes that includes acquiring, developing, nurturing, and leveraging an effectiveness-enhancing, high-equity brand or portfolio of brands” (Madhavaram, et al, 2005). Thus, incorporating an effective brand equity strategy leverages a firm’s core competencies with its ability to develop internal brand identity efforts and fully integrate them into subsequent marketing campaigns and marketing mix strategies.

As a conceptualization of value, the symbolic nature of brands allows them to transcend the internal constraints of brand management and permeate consumer perceptions and consumption behavior. The value proposition, therefore, inherently becomes the backbone behind competitive advantage, as it expresses the “points of parity of the market offering relative to the next best alternative offering” and influences how customers view the organization. Features commonly promoted through value proposition often include aspects of superiority, differentiation, and/or bundling. Successful value propositions for brands have three traits: they focus on value meaningful to target customers, they convey the value of the brand, succinctly and effectively, and they provide a foundation for creative executions of business marketing communications, such as advertisements and sales presentations (Tybout & Calkins, 2005).

Despite the fact that value propositions are typically based on tangible features and benefits of a product or service, their inherent significance is as an intellectual asset that evokes an emotional reaction to a brand. As a result, the most successful brands in a business to consumer (B2C) setting effectively demonstrate sound understanding of their target consumers, by focusing company resources, leveraging established competitive advantages, and delivering on the promise of the brand. Having established such superordinate associations with the focal derivatives of their products, companies make their brands more enviable and difficult to imitate by competitors, and consequentially, more sustainable.

Although brand equity and value propositions are critical to a firm's long-term stability, they are each reflective of dynamic consumption patterns. Thus, these traits of a brand are the end results of an ongoing brand building process.

What is “branding”?

As a precursor to an effective value proposition and brand equity strategy, branding initiatives begin with appropriate positioning of the brand and analysis of target consumers. Labeled as the foundation of branding, positioning “articulates the goal that a consumer will achieve by using the brand and explains why it is superior to the other means of accomplishing this goal” (Tybout & Calkins, 2005). Brand positioning fundamentals include a thorough description of the targeted consumers based on predetermined demographic and psychographic profiles, and a refined frame of reference used to identify situations for brand usage and relevant market competitors. By utilizing these fundamentals, brands can promote their value proposition with supporting evidence and reasons to believe in the brand.

To reinforce the brand's positioning, an appropriate design of what should be incorporated that is demonstrative of its consumers' values, product category and the desired marketing concept. This process typically denotes the selection of a brand's “name,

product, category name, corporate identity, verbal lexicon, illustration, visual symbols, color palette, and functional form” (Tybout & Calkins, 2005). Although the brand is conceptualized relative to a particular category, strong brands need to possess a considerable degree of flexibility, enabling them to extend the brand to other products and categories, but still reinforce the core concepts of the brand. Subsequent brand extensions may enrich core brand associations while building market share through a breadth of new product categories. The resulting combination of brand extensions denotes an overall brand portfolio, in which firms may choose to extend core brands, add brands to address major opportunities, proactively prune redundant brands, and integrate brand management throughout senior management. Ultimately, for prospective global brands and market leaders, “results do not come from strong brands, results come from strong brand portfolios” (Tybout & Calkins, 2005).

Global brands that seek to establish such levels of salience often turn to the product market growth matrix, also referred to as the “Ansoff Matrix,” to guide their prospective involvement in existing market penetration, market development, new product development or diversification (Ansoff, 1980). In doing so, companies promote the ability of consumers to consistently make sufficient purchases while thinking of the brand in a variety of settings in which it may be employed or consumed.

Figure 4: Ansoff Growth Strategy Matrix

	Existing Products	New Products
Existing Market	Market Penetration	Product Development
New Market	Market Development	Diversification

While internal brand management as an isolated process provides the foundation for any successful brand strategy, the establishment of a legitimate value proposition and competitive advantage for product positioning should also take into consideration the brand strategies of competing firms. By analyzing their competitors, companies can observe what fuels buyer learning in a certain category and where there is a sufficient opportunity to differentiate their brand. Sustainable market presence and long-term brand strategies hinge on the recognition of dynamic evolutionary processes of brand “revision, redefinition, and even reinvention” (Tybout & Calkins, 2005). Mastering the dynamics of a competitive environment requires that brands must constantly be willing to evolve preemptively to in response their competitors based on fluctuating consumer preferences.

Recognition of market trends and the dynamic nature of consumer behavior reinforces a company’s commitment to branding as a long-standing relationship with customers. Integrated into this process, is the practice of Customer Relationship Management (CRM), by which subsegmentation is used to foster relationship development and optimize customer engagement. By using relationship branding and its obligation for “mass customization and market segmentation,” subsegmentation can be adopted to profile and assign measurable objectives (Tybout & Calkins, 2005).

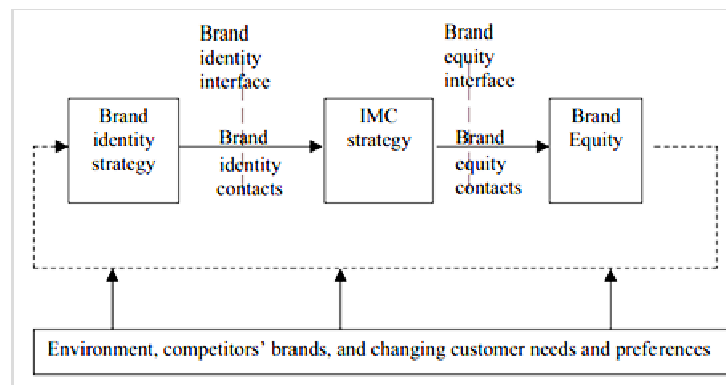
Brand Communications

Initial brand marketing strategies are conducted internally and implemented throughout the company in a process referred to as integrated marketing communications (IMC). Under IMC, brand stewards bear the responsibility of communicating the brand to all existing and prospective customers. Either internally (i.e. salespeople) or externally (i.e. PR/Ad agencies), these brand stewards disseminate the message of the brand from brand strategists to customers through marketer-controlled communication. Resulting contacts with customers can originate through media advertising, direct response/interactive advertising, place advertising, point-of-purchase advertising, social media, trade promotions, consumer

promotions, event marketing/sponsorship, publicity/PR, and personal selling (Madhavaram, et al, 2005). Effective media and promotional campaigns through IMC achieve high brand equity through marketer-controlled brand contacts. With such a breadth of options available for IMC, marketers must be able to synergize a brand's message across all channels of communication to augment brand equity.

Establishing a corporate culture requires making the brand relevant and accessible to employees by reinforcing the brand continuously, making brand education an ongoing program, rewarding on-brand behaviors, and aligning the hiring process for specific future brand stewards (Tybout & Calkins, 2005). Adoration for the brand, therefore, develops through all company employees and top level executives, and their willingness to channel these values into their everyday work. By doing so, companies implicitly form a brand identity strategy that “informs, guides, and helps develop, nurture, and implement the firm’s overall IMC strategy through various brand identity contacts” (Madhavaram, et al, 2005). Qualifying metrics for IMC can be assessed internally by assimilating brand building initiatives into profit sharing and generation, and externally through customer satisfaction and brand awareness. The process of IMC and brand engagement can be viewed in the accompanying figure (Madhavaram, et al, 2005).

Figure 5: IMC Brand Engagement Model



Whether a company operates primarily through the sale of products or services, the intangibility of the brand and its accompanying image will consequentially influence the

perceptions of customers towards the company. A customer's "personal experiences with a company far outweigh the company's own communications to the customer, as experiences dominate the formation of customer evaluations and expectations for subsequent service encounters" (Tybout & Calkins, 2005). Thus, frontline employees of a brand are burdened with the task of bringing the branding to life for customers and emphasizing the brand's identity. Employees who more readily adopt a conscientious understanding of the brand and its influence, will more effectively establish trust, credibility, satisfaction and preference for customers. As a result, synergy in IMC and the retention of high quality frontline employees who can successfully convince customers of a brand's value proposition are crucial to a brand's strength, image, and equity strategy.

Sports Branding

As it applies to sports, brands can be defined as any "product or a service, such as a type of sport (e.g. basketball) or an event (world championships) or a person (athlete), and institution (club, federation) can be perceived as a brand" (Pederson, 2004). Generally, sports brands are classified into six distinct sectors constantly vying for fans' attention: "older sports (such as European soccer and Major League Baseball), reemerging older sports (such as cricket, rugby and golf), school sports (high schools, youth development teams and the like), new sports (extreme sports and paintball, for example), declining older sports (such as boxing and horse racing) and sporting goods (including team merchandise and sports equipment)" (Silverstein, 2009). Despite the complexity of these sectors and their tendency to overlap based on subjective consumer perceptions, sports brands are so valuable because of the extreme loyalty they inspire in fans to adamantly align themselves with several teams across a breadth of sports, rather than just one brand at all times.

Widely viewed as a more modern phenomenon relative to traditional branding, the sports organizations that understand the power of branding and have been able to capitalize on its implementation have experienced greater levels of consumer interest through fan

engagement programs and increased overall revenues. Referred to as the “paradox of commercialization,” sports brands, namely teams, must balance the operations of a multi-billion dollar enterprise in which sports are the product and fans are the consumer, with the notion that sports are also games and associated with the innocence of youth, spirit of completion and the integrity of pure entertainment (Rein, 2006). Sports brands are built through relationship branding and the collaborative effort of fans, players and the organization alike. Strong brands are developed through a gradual transformation, where the brand is perpetually redefined and reinvented, not just as a sports product, but as a fan-centric brand. The transformation of a brand not only improves the potential for fan engagement, but also “differentiates the sports product from its immediate competitors and extends the longevity of the product’s life,” reaffirming the dynamic principles governing traditional branding to consumers (Rein, 2006). Fortunately for sports organizations, the loyalty of its customers permits the transformation of its brands to appeal to consumer demands.

Described as the brand “religion,” this social phenomenon governing sports brands depicts an approach to athletic associations where the “value of the brand becomes so high in the mind of the consumer that he/she will always stay loyal to it, regardless of fluctuating results or monetary crisis” (Pederson, 2004). Passionate sports consumers are regularly prepared to incur a higher price for products and services offered by the brand due to inflated levels of trust and confidence. Stronger brands are more adept at capitalizing on fan loyalty and perceived brand quality and translate it into team performance and financial success. Dedicated sports fans frequently exhibit “an enduring involvement with the sport and situational involvement with the event” that most companies can only ever dream about (Silverstein, 2009). In such instances, a fanatical supporter will have an ongoing interest with the sport on a daily basis, conventionally aligning himself with a particular team, in

which he will “watch or attend games, check scores online, follow the team’s star players and buy team merchandise” (Silverstein, 2009).

“Highly identified fans are likely to Bask In Reflected Glory (BIRG) by doing such things as wearing team-identifying apparel after a team win, describing team wins in terms of what ‘we’ did, and, in general, seeking to enhance their public image by connecting with positive aspects of the team” (Cialdini et al, 1976). Ultimately, the self-esteem of the highly identified fan contributes to a higher level of loyalty and team involvement. In many instances, “evidence suggests that one’s identification and involvement with a sports team in some ways makes the highly identified fan feel immortal” with regards to their relationship to the brand (Silverstein, 2009). Each respective sports team, as a result, employs a multi-faceted branding strategy in an effort to maintain brand loyalty and establish an unwavering lifelong relationship.

Beyond the realm of loyalty and commitment, sports branding for teams must engage with another peripheral layer of consumers, described as elusive fans. These unattached fans are confined by the nature of a “pressurized competitive environment, higher fan expectations, paradox of commercialism, new technology, individualism, changes in family structure and behavior, and time pressure” as components influencing their decision-making process (Rein, 2006). Fans, of all degrees of commitment, are attracted to a sports brand based on the central premise that the “the athlete truly cares, the team is totally committed, and material rewards are secondary and not primary.” Brands are reinforced by the integrity of their image, and brand legitimacy is determined by the skill and effort of its frontline employees, the athletes. Ideally, a sports fan’s connection to a team is long-term and unresponsive by the inevitable performance lapses of sports products (Rein, 2006). Fans possess an inherent degree of tolerance for diminishing performance quality, so long that is not consistent.

Just as a product's functionality is the ultimate differentiable asset and value proposition for a company, in a sports environment, team performance will always be the primary determinant of fan connection and engagement. An "athlete chasing a performance record, a team making a playoff run and a league or event with the highest quality of competition have often guaranteed fan attention," and capitalized on the development of star power in professional sports leagues (Rein, 2006). Whereas overall product performance brings the fans in, it is the star power that serves as the principal attraction for attracting and maintaining fan attention. In contemporary sports marketing, star power maximizes the exposure of the most admired athletes on a team and ensures a constant flow sports branding material to enhance the marketability of the individual and the franchise (Silverstein, 2009).

The most successful sports brands have since transcended this constricting commitment to their talent, by broadening their focus to include the development of team affiliated "facilities, food, teams, places, events, and individuals (i.e. owners) who have been a part of their storyline" (Rein, 2006). Brand extensions and the resulting portfolios of powerful sports brands are no less ambitious than their traditional brand counterparts. Instead, sports brands commonly have more flexibility in their brand extensions to new product categories as they seek to enhance their brand equity and relationship branding.

Providing the foundation for Keller's CBBE model, brand equity is an amalgamation of concerted customer relationship building, through refined brand salience, performance, imagery, judgments, feelings and resonance. A brand's inherent strength and valuation will be based both on the performance of its team, capital assets on hand, and the brand's degree of sustainable profitability.

PART II: BRAND SALIENCE

What is brand salience?

The first component of Keller's CBBE model for assessing brand strength is brand salience. As the primary element for developing a brand's identity, brand salience determines the overall level of customer awareness of the brand. It represents a consumer's ability to effectively recall and recognize a brand by linking the brand to certain associations in their memory (Keller, 2001). Through perceptual association, brand salience ensures that customer's know which of their needs the brand is designed to satisfy and how it correlates to their own lives.

As an overarching term, salience "influences the formation and strength of brand associations that make up the brand image and gives the brand meaning." As a result, "creating a high level of brand salience in terms of category identification and needs satisfied is of crucial importance during possible purchase or consumption opportunities" as it directly influences the likelihood of the brand's presence in a consideration set and future product usage (Keller, 2001). Alternatively, when customers experience low involvement with a certain product category, purchase decisions may be based solely on purchase decisions alone. A "highly salient brand is one that possesses both depth (ease of recall) and breadth (range of consumption situations) of brand awareness" and generally extends over several product categories (Keller, 2001).

Heavily reliant on market presence and acquisition, media usage is used as the primary distributor for brand salience for sports brands. As a valuable broadcast property, sports brands possess the unique ability to capture sizable live audiences during every broadcast, a luxury that most programs cannot claim. As a result, sports and their respective media partners engage in a mutually beneficial relationship in which the team relies on the network to broadcast its games to fans and increase its brand salience, while the networks seek to maximize advertising reach and primetime ratings. Broadcast

elements, such as lead-ins, vignettes, commercials, and network promotional plugs promote both the network's broadcast of games, as well as the team brand. For a network to experience greater broadcast success, it is inherently in their best interest to promote the team brand as if it is their own exclusive commercial entity (Wenner, 1998). Though particularly evident on television, this sentiment is rampant throughout all facets of media and is integral to a brand's salience, both locally and globally.

In the context of sports brand management for Real Madrid and the New York Yankees, brand salience defines the brand's unique ability to promote the message of the team as one collective entity to a global consumer audience. Brand salience can typically be enhanced through traditional or digital media sources, communications and public relations, and community engagement. A more diversified brand that attempts to extend its reach beyond the initial confines of an arena or league will seek support from a broad range of demographic and psychographic consumers. Effective development of brand salience, either through coordinated marketing campaigns and media platforms will enable the growth of brand awareness to global fan base, and ultimately enhance the overall strength of a brand.

Real Madrid

Located within the world's 13th largest economic power, and the European Union (1st), Madrid's central geographical and metaphorical location in Spanish society firmly positions it as a dominant European and global market. Spain's traditionally homogenous population of over 47 million inhabitants, is further characterized by its diminishing growth rate of only 0.654% (142nd globally) and a median age of 40.5 years. Madrid, with its 5.8 million citizens, represents the legislative, economic, and cultural epicenter for a Spanish parliamentary monarchy that governs over 17 autonomous communities throughout the country (CIA, 2012).

As the largest and most important city in Spain, Madrid bears the responsibility as the nation's primary market for disseminating information to publics worldwide. At the forefront of Madrid's, and thus Spanish, perceptual considerations for professional athletics, is Real Madrid, despite facing internal pressure from crosstown rivals, Atletico Madrid, and its Catalonian counterparts, FC Barcelona. Madrid's captivation with Real has broadened the breadth of its domestic focus to the global marketplace, extending well beyond the regional affiliations that both sustain and constrain the majority of Spanish soccer clubs (Barajas, 2007). In a nation culturally synonymous with soccer, La Liga is the primary, and sole focus of the majority of Spanish citizens. With an 80% estimated market share of Madrid's fan loyalty, Real Madrid's only competition, albeit minimal, is from Atletico Madrid. Real's commercial reach is largely unaffected by other league competitors, and despite maximum brand awareness throughout the country, Spain's legislative governance of autonomous regions encourages fanatical regional support that consolidates Real's fanbase primarily to the Castile region. Though Madrid's local support is the foundation for the club, since the promotion of Florentino Perez to President, Real Madrid has embraced its reformed positioning to enhance the brand in a global context.

With an estimated potential fan base of 490 million followers worldwide, Real's primary strategy was implemented to convert potential fans to customers and construct relationships with fans through the provision of engaging content and entertainment (Martinez-Jerez, 2004). In reality, Real Madrid is estimated to have 300 million global fans, 2nd only to Manchester United's 330 million (Ozanian, 2011). Though stronger media markets generally produce stronger brands and franchises, Perez's proactive business determination refused to submit to the lethargic managers of Real's past, and reinvigorate the Real Madrid brand to unprecedented heights. Perez's transformation of the club into a global commercial enterprise since 2000 has subsequently been used to solidify its international brand salience by showcasing the imagery and performance of the brand to an

impassioned audience via: digital and traditional media, marketing campaigns, and social initiatives (Garcia, 2003). Though tactically not unique solely to Real Madrid, the implementation of public relations media like the club's website, Real Madrid TV (RMTV), targeted publications and community engagement programs, both domestically and abroad, help facilitate Real Madrid's transition to a global brand.

Since its launch in July 2001, where over 20 million pages were served in the first year, RealMadrid.com has become one of the most prominent global sports brand websites and serves as the club's primary vehicle for digital marketing. Available in Spanish, English, Arabic, Japanese, and Indonesian, Real Madrid is the only club to offer original content in over 3 different languages (Real Madrid, 2011). Accessible from any broadband capable device, the universal nature of the Real Madrid brand provides fans anywhere in the world immediate access to information wherever they desire it. Aspiring to expand its online and social presence worldwide, RealMadrid.com now attracts an average of 15 million unique users per month during the season, for a total of 93 million visitors in 2011, up 93.8% from the 48 million in 2010 (Real Madrid, 2011). At a total of 271.6 million page views, 60% of which come from outside Spain, RealMadrid.com is the 2nd most visited club site, behind only Manchester United (Garcia, 2011).

The content base for RealMadrid.com is conventionally designed with influential navigation channels directing users to exclusive content and promotional offerings (Kase et al, 2007). Sponsored by Telefónica, Spain's largest telecommunications provider, content and broadband coverage for the club's digital and mobile media is included as a complimentary service, establishing an added value to an already mutually beneficial relationship (Garcia, 2011). Additional content online also includes access to the Real Madrid store, either in Spanish (tiendarealmadrid.com) or English (realmadridshop.com). Implemented in November 2008, these services have since recorded over 35,000

transactions to fans in over 130 countries, and complement the sales generated in the over 90 countries in which Real maintains officially licensed retail stores (Real Madrid, 2010).

Mobile content, as supported by Telefónica, integrates the Real Madrid brand through mobile applications, text message and RSS services, as well as providing a mobile compatible website and electronic newsletter. With 5 mobile applications available for purchase on all existing software platforms, downloads for Real Madrid affiliated content have surpassed 450,000 each (Real Madrid, 2011). New sponsorship agreements with STC and Samsung in the Middle East and European Union invoke the recent exploitation of mobile marketing technology, and establish Real Madrid as the club with the greatest global presence in mobile content distribution (Real Madrid, 2010).

As a pioneer in digital branding strategies, Real Madrid's salience is more acutely targeted through traditional media under Real Madrid TV and various trade publications. Launched in 1999, RMTV provides more daily content on Real Madrid than any other medium and services the brand as a form of optimized communication for all Real Madrid products, services and contents outside of Spain (Garcia, 2011). Integrated programming with prestigious international platforms, such as Al Jazeera, Portugal Telecom, and Digital Plus, has broadened RMTV's distribution capabilities to over 90 countries and more than 20 million households (Real Madrid, 2010). As the only soccer club channel in the world with two versions (national and international), Real Madrid's brand is showcased 24 hours a day and is considered "a strategic tool for content management" of how organizations can reach their publics in a manner that is absolved of media manipulation and creates an atmosphere of exclusivity between its fans (Garcia, 2011). Media consumption data conveys that approximately 70% of Spanish citizens frequently watch news on television, where broadcasts devote around 20% of their time to soccer coverage (Kase et al, 2007). Under Perez's guidance, future manifestations of RMTV will prospectively function as a broadcast channel, rather than a subscription service. Considering that Real Madrid games currently

rank consistently as the most popular pay per view content in Spain, a transition to a broadcast network will considerably increase Real's proficiency in engaging its fans and promoting its products (Garcia, 2011).

Existing promotional products for Real Madrid include its arsenal of 12 publications, targeted at various levels of fans and demographics. Publications for fans and media include: eMadridistas (emailed newsletter to over 6 million subscribers), Champions League Media Guide, Real Madrid Foundations Magazine and Report, Press Kits for each game, Grada Blanca (match program for fans – 80,000 users), Member's Publication (80,000), Hala Madrid (230,000), Hala Madrid Junior (40,000), and Hala Madrid Online (500,000) (Real Madrid, 2010). Additionally, Real Madrid provides media access to players and the coaching staff for over 2,000 interviews and 350 press conferences over the course of a year, despite media presence being prohibited in the dressing rooms (Bennett, 2011). Enlisting over 250 accredited Liga BBVA correspondents and 400 journalists for the Champions League, Real authorizes access to its facilities and players after matches to maximize brand visibility across all media platforms (Real Madrid, 2011).

Perhaps no better demonstration for Real's brand salience and quest for maximum exposure may be observed through its dramatic public relations endeavors. By enlisting the services of its high profile athletes in an embrace of its "Galacticos" image, Real's managerial decisions in player signings transcend standard news stories and become global entertainment spectacles in their own right. Players like David Beckham in 2003 and Cristiano Ronaldo in 2009 are welcomed to the club as an archetype, recruited to rejuvenate its lost glory and revitalize its conquest of La Liga. Player signings of this caliber are afforded maximum global exposure, with international news coverage from CNN to Al-Jazeera and a Bernabéu stadium filled to capacity (Garcia, 2011). Whereas Cristiano's unveiling was spectacular on its own, the pioneer event of this magnitude for the brand, was David Beckham's presentation, which attracted over 1,100 journalists and became the

world's second largest watched TV event ever, behind only Princess Diana's funeral (Garcia, 2011). The combination of David Beckham, the most marketable figure in sports, with the global resurgence of Real Madrid, is credited as single handedly introducing the Real Madrid brand to the United States. Remarkably, all this global attention came without the expense of a single advertising dollar from the club.

Built solely on emotions and values, Real's brand salience has extended beyond the confines of the Madrid community, with the team actively engaging in many social initiatives worldwide. Prior to the start of each successive league campaign, Real Madrid embarks on a preseason tour to a number of prioritized market locations to promote the internationalization of the club. Recent tours include exhibition matches in Ireland, Canada, USA, Germany, and Indonesia. As a social conscious organization, the Real Madrid Foundation has developed schools, camps and outreach programs in more than 33 nations (Appendix C). Affiliating the brand with such philanthropic endeavors, though devoid of purely altruistic intentions, have assisted more than 13,200 children and provided much needed support to impoverished communities around the globe (Real Madrid, 2011).

By integrating community enrichment with technology advances and the proliferation of various media delivery platforms, Real Madrid has been able to mass market its brand across a range of services to a global audience (Deloitte, 2011). Between these channels, brand salience is an inevitable conclusion that in many instances conveys a self-perpetuating cycle that Real must only direct from the passion of its fans, rather than create on its own.

New York Yankees

Located in the world's largest individual economy (2nd behind the European Union), New York City represents the most populous city in the United States of America. Founded as a constitutional federal republic linked by its strong democratic tradition, the United States maintains a Gross Domestic Product per capita (PPP) of \$48,100 and therefore a

considerable degree of influence in the global economic arena. With a national population of 313, 847, 465 (3rd most worldwide), New York City's metropolitan population of over 19.3 million inhabitants is more than 3 times the amount of Madrid (CIA, 2012). Though not quite as worrisome as in Spain, population growth in the United States has remained relatively stagnant at a rate of 0.899% per year (125th) and average age of 36.9 years, with 66.8% of its citizens considered to be eligible in the labor force (i.e. 15-64 years). As the epicenter for national finance and communications, New York City is the nation's largest media market and possesses the greatest national influence. For the New York Yankees, access to such a large local audience with the capabilities of mass commercial reach represents the organization's most valuable asset in brand salience. In reference to the team's brand development, the Yankees are the biggest team, in the biggest city, in the world's domestic largest economy.

With an estimated 60% of local fan loyalty, the New York Yankees immediate fanbase in NYC is around 11.58 million. In relation to their crosstown rivals in Queens, the New York Mets, the average Yankee fan in NYC is typically more educated, of a slightly higher income and unmarried, and is located primarily throughout Manhattan and the Bronx (Hollander, 2010). Unlike Real Madrid, however, in American sports, the New York Yankees not only compete with the Mets for fans, but also with local competitors throughout the MLB, NBA, NFL, NHL, and MLS. Local teams like the New York Knicks, Rangers, Islanders, Jets, Giants, and Red Bulls, as well as the New Jersey Nets and Devils, all compete for regional supremacy and the support of the 19.3 million local fans. Additionally, though autonomously divided into states, fanship in the United States, though fanatical, is less confined by region as it may be in Spain. As a result, the New York Yankees can both loss local fans to further teams/leagues, as well as gain fans throughout the United States.

As a global sports brand, internationalization of the NYY brand is promoted through broadcasting and digital media platforms, and community engagement initiatives (Li et al, 2012). With the nation's largest and most valuable regional sports network (RSN), the YES Network serves as the Yankees flagship media platform for disseminating Yankee games and branded content to a captivated audience. Founded in 2001, the Yankees, under George Steinbrenner, became the first MLB franchise to sell its television cable rights, with the MSG Network, and later start their own broadcast network (YES) (McIntyre, 2010). With over 328,000 average viewers per broadcast of Yankee games, the Yankees average a larger audience than any other MLB team, and do so almost on a daily basis, unlike other American sports leagues (Rosenberg, 2010). Functioning 24 hours a day, the YES Network showcases brand content through original programming like Centerstage, Yankeeography, and Road Trip to fanbase of over 12 million subscribers, making YES the most watched RSN in the country (Ozanian, 2011). Negotiated through the MLB, Fox and ESPN always televise the maximum allowable number of Yankee games to a national audience on Saturday afternoons and Sunday nights (Morrissey, 2007). The remainder of Yankee broadcasts can be viewed with partner My9, and heard on the radio through WCBS-AM and WADO-AM (Badenhausen, 2011). Through a combination of media partners, the Yankees have achieved a TV ratings ranking of 6, based on average ratings from Nielsen's media monitor. Collectively, with the incorporation of its digital and mobile services, the Yankees are no longer just a sports franchise, but are rapidly creating a media empire (Morrissey, 2007).

Under the direction of MLB Advanced Media, Yankees.com is the club's primary digital platform and is the most popular website in baseball (Morrissey, 2007). Subscription services, also run by the MLB, are available online through MLB.TV, MLB Gameday Audio, and XM Satellite radio. However, subscribers to the YES Network are also entitled to an online stream of in-market games, and thereby provide an additional source of

revenue for the club unaffiliated with the MLB (Van Riper, 2011). Also available under its media umbrella, is the Yankees' use of internally-produced magazine and news publications, both online and in print. To complement its free email newsletter service, the Yankees also offer publications to distinct consumer groups, including: Yankees Magazine (digital or print), New York Yankees Official Yearbook, Official Opening Day Game Program, Official Media Guides, Official Postseason Media Guide, and Yankee Stadium: The Official Retrospective (Yankees.com, 2012).

Finally, much like Real Madrid, the Yankees have embraced a win at all costs mentality, by enhancing its brand value through investments in players and facilities, rather than by contracting expenses. Similar to the Galacticos model at Real, the Yankees have signed Alex Rodriguez, Mark Teixeira, C.C. Sabathia, and Hideki Matsui in recent years to play alongside Derek Jeter and Mariano Rivera. Matsui's deal in particular, was a monumental step for the Yankees, and has allowed the Yankees to further penetrate the Japanese market. Much like David Beckham's signing to Real, after Matsui's declaration to play for the Yankees in 2003, stores in Tokyo sold out of Yankees merchandise in only a few days (Stewart, 2008). Matsui's sponsorship deals with Japanese companies like Komatsu further enhance the Yankees brand salience beyond its local marketing campaigns. Current athletes like Derek Jeter and Alex Rodriguez rank among the most marketable athletes in sports and feature nationwide sponsorship alliances with companies like Ford, Gillette, and Gatorade. However, unlike Real Madrid, player sponsorship agreements are typically individually negotiated through their agents, rather than the organization.

In 2006, the Yankees formed a joint venture with Japanese media conglomerate Yomiuri Shimbun, the owners of Matsui's former team, the Yomiuri Giants (Li et al, 2012). In a similar move, in 2001 the Yankees reached an innovative joint marketing agreement with the world's most valuable sports brand, Manchester United. Under their strategic partnership, both clubs agreed to leverage their brands to develop more profitable

merchandise and media deals for the other in their local markets (Li et al, 2012). Rather than internationalize its brand through internal initiatives, the Yankees have embraced more of a foreign direct investment strategy, in which it seeks strategic alliances in key markets. Unity with comparable brands has allowed the New York Yankees to enhance their brand salience through a collaborative approach in sharing market information, developing sponsorship and joint promotional programs with other organizations. Ultimately, due the smaller degree of relative popularity in baseball, in comparison to soccer, the Yankees brand image is more refined domestically, with its brand salience being sustained through alternative corporate affiliations worldwide under its brand portfolio.

PART III: BRAND PERFORMANCE

What is brand performance?

The next component of brand strength is brand performance, which, as a contributor to brand meaning, represents the “primary influence of what consumers experience with a brand, what they hear about from others, and what the firm can tell customers about their brand in their communications” (Keller, 2001). Brand meanings of considerable influence that seek to establish brand loyalty and resonance, must monitor customers’ experiences with the product and meet, if not surpass expectations.

Brand performance, therefore, conveys the functional performance of the brand and the services that it provides to consumers. Features may entail: (1) primary characteristics and secondary features; (2) product reliability/durability (consistency of performance); (3) service effectiveness/efficiency/empathy (satisfies customer requirements); (4) style and design (aesthetics of product); (5) price (value proposition) (Keller, 2001). A high quality brand must maintain a balance between financial prosperity and functional excellence.

Sport, however, “benefits from a more loyal and tribal following than that found in almost any other industry,” providing much needed stability during periods of poor performance or economic instability (Jones, 2009). The combination of a sport brand’s

performance in on-field excellence and financial dominance represents the enduring quality of a stronger brand over its competitors and are the primary determinants of brand equity. Brand performance can be readily observable through historical win percentages, yearend championships, and annual attendance records.

Real Madrid

On its 106th anniversary, March 6th, 2008, Real Madrid was awarded the title of the “Best Club of the 20th Century” by FIFA (Soto, 2008). Rewarded for its athletic performance, Real’s trophy case is unparalleled by any other global sports franchise with a record 31 La Liga titles, 9 UEFA Champions Leagues, 19 Copa del Rey’s, 8 Supercopa de Espana’s, and 3 FIFA Club World Cup’s. More recently, since 2000 under Florentino Perez, Real has won 5 La Ligas, 2 UEFA Champions Leagues (99/00, 01/02), 1 Copa del Rey (10/11), 3 Supercopa de Espanas (2001, 03, 08), and 1 FIFA Club World Cup (2002). On a per season basis, since 2000, Real has placed within the top 2 positions of La Liga every year, only once falling into 3rd in 2003/04 and 4th in 2001/02. In these seasons Real Madrid has averaged 80.55 points for each 38 game season (2.12 per game), with a goal differential of 43.5 and average place of 1.83 (ESPN Soccer.net, 2012). Having, alongside rivals FC Barcelona, accounted for 27% of all the goals scored in La Liga in recent campaigns, the two clubs are evidently in an upper echelon of professional competition with 5 league titles apiece since 2000 (Cambron, 2011).

As a publicly operated organization, managers from Real Madrid quantify success for the club not only through seasonal performance, but also through financial and economic indicators like match attendance, capacity management, and player engagement (Quelch & Nuevo, 2004). Fortunately for Real Madrid, match performance directly correlates to financial dexterity and the management of brand performance in the perceptual framework of consumers. Built off of “historical sporting capital,” Real’s tradition for winning has attracted generations of avid followers that will unquestionably affiliate

themselves with the team through thick and thin (Mellor, 2001). While the best “sales tool for any team is a winning record,” it is understood that a team can’t always be a winner (Richelieu, 2003). As such, the ideal scenario for Real Madrid is to capitalize on the strength of its historical capital and use it to protect the team from the contingencies of on field performances during the season.

Such a relationship represents the inelastic demand of fans with respect to performance and pricing fluctuations, as they are likely to support the team and purchase club products or tickets irrespective of the price (Barajas, 2007). Unlike the New York Yankees, ticket prices are allocated by dynamic consumer demand and only released 2 weeks before the date of each game. A good squad, evidenced through wage costs and player depreciation, will attract people to the stadium, so long as team performance is maintained at a high level of quality. The compatibility between the team and the expressively stated support of fans can be measured by average attendance levels. However, since attendances are not static figures, support for the club can be influenced by external factors depending on underlying demand within the local community. Indicators such as varying income levels and population size can influence attendance at games. By maintaining quality match performances, the club’s success will benefit the local community through significant national and international visibility and generate tourism and potential investments (Barajas, 2007). In doing so, Real Madrid’s performance on the field mitigates the threat of factors that influence fan support and stadium attendance.

With a capacity of 85,454, the Estadio Santiago Bernabeu reached a record 1.8 million attendees in 2011. Broken down by category, 1.25 million people attended games in La Liga, 271,500 in the Champions League, 70,300 in the Copa del Rey, 62,700 for the Santiago Bernabeu Trophy, 100,900 for various charity matches, and 69,900 for the Peace Cup (Appendix E) (Real Madrid, 2011). Ticket sales have increased at an average of 5.45% over the past 3 seasons, with revenue up an additional 49.65% as well due to increased

demand. Additionally, season ticket sales have increased 28.54%, with VIP sales also going up an additional 44.08%. 71.35% of total ticket purchases were conducted online, at an increase of 8.1% from 2010, with 29.1% of them being from international supporters (Appendix F). International fan ticket consumption has since risen to over 15,500 and is primarily orchestrated by fans from the United States and Great Britain.

Fan support, as evidenced through sustainable attendance levels, is reflective of the functional performance of the brand on the field, but also has a considerable influence on the financial viability of the brand as well. Matchday attendance is highly correlated to television rights revenues, suggesting that clubs with a loyal fanbase of regular attendees will have a higher level of demand for their broadcasting contracts and can demand a higher premium cost during negotiations (Barajas, 2007). In turn, more valuable broadcasting agreements guarantee and extend the exposure of brands to national and international audiences, making the team a value commodity to prospective corporate sponsors. Match attendance, described as direct exposure to a brand, implies that more people will have seen the advertisers and affiliated sponsors throughout the stadium. Indirect exposure, on the other hand, suggests that higher attendance levels in the stadium will translate into a larger television audience, and thus an increase in the number of impacts reached by the brand (Barajas, 2007).

Commercial translation through corporate sponsorships can extend through the team as a collective entity, but also may carry over through the players as the primary initiators of brand performance. Since it is the players who achieve sporting success and generate the interest of the fans, it is also the players who bear the responsibility of attracting new fans (Barajas, 2007). As such, players become a valuable resource for brand management, both on and off the field, in that the more marketable the athlete, the more forgiving a fanbase may be financially towards a team's match success. Modern professionalization of sports is commonly associated with the appearance of professional players acting as full-time

spokespeople for the brand and promoting additional revenue and sales opportunities for the organization (Kase et al, 2007). Such a phenomenon of commercialization in sports has characterized the framework of American professional sports leagues seeking to maximize profit, whereas European clubs putting their sporting ambitions first have only more recently embraced this trend.

The “Galacticos” model ushered in by Perez has overwhelmingly targeted this Americanized business model, utilizing players like Cristiano Ronaldo, Kaka, and Karim Benzema to follow in the footsteps of David Beckham, Ronaldo, Zidane, and Figo. Among the most marketable players in the world, enlisting a portfolio of personal sponsors, these athletes were welcomed into the club at exorbitant price tags, but with the expectation of increasing the club’s ROI (Badenhausen, 2011). By bringing in these world class athletes, Real is perpetuating its own business model that demands high quality soccer with engaging personalities that will put fans in the stadium and increase the value of the broadcasting contracts. It is brand performance executed at its finest, so long as Real keeps winning.

New York Yankees

In its 111th season of baseball, the New York Yankees are far and away the most storied and successful team, not only in Major League Baseball, but all of American Sports. The organization’s 27 World Series championships are 16 more than the 2nd place St. Louis Cardinals in the MLB, and 3 more than the Montreal Canadiens in the NHL (Harrington, 2011). With a combined record of 9987 wins and 7574 losses (0.569 win percentage), in regular and postseason play, the Yankees 40 American League pennants and 50 playoff appearances are also record-setting performances in the MLB. In comparison to Real Madrid, who has won 5 league titles since 2000, the NY Yankees have won 2 World Series in 2000 and 2009, alongside 4 AL Pennants and 9 AL East Division titles, while only failing to qualify for the playoffs in 2008 (New York Yankees, 2012). In the past 12 seasons the Yankees have averaged 96 wins (0.596 win percentage) with an average divisional

finish of 1.33 and run differential of 146 per season (ESPN MLB, 2012). Their current remarkable run in brand performance is in the midst of the Yankees 20th consecutive year without a losing season, the longest such run in baseball (McNeal, 2011).

Evidenced by its brand equity and considerable income, the Yankees' enormous revenue stream provides the club with a competitive advantage that should make them the prohibitive favorites to win the World Series every single year. Yet unlike the ambitious expectations of Real Madrid supporters, fan expectations for the NY Yankees are hindered by the MLB's revenue sharing model, and the volatile nature of consistent pitching, free agency, fatigue and the vagaries of a short series between teams that make baseball so unpredictable (McNeal, 2011). To combat such fluctuations in performance, the Yankees have notoriously invested heavily in high profile player recruitment with proven results that less profitable organizations cannot afford.

The NY Yankees overall payroll, unrestricted by the salary caps of other American leagues, is the 3rd highest of any global sports franchise with an average of \$6.7 million per player annual salary, behind only Barcelona (\$7.9 million) and Real Madrid (\$7.4 million) (Appendix H) (Harris, 2011). Through a combination of annual salaries, performance incentives and commercial distribution the Yankees employ 4 of the world's top 40 highest paid athletes in #8 Alex Rodriguez (\$35 million), #16 Derek Jeter (\$29 million), #33 C.C. Sabathia (\$23.6 million), and #39 Mark Teixeira (\$20.8 million) (Badenhausen, 2011). Topping \$200 million for the 5th straight season, the Yankees have not only maintained the highest payroll in baseball, but also its highest win percentage and game attendance levels. Relative to the rest of the league, the Yankees' player costs to wins ratio of 54, below the league average of 100, is reflective of their exorbitant payroll expenses rather than their seasonal performances (Badenhausen, 2011).

Seasonal attendance since the team moved into the new Yankee Stadium has been 3.72 million in 2009, 3.77 million in 2010, and 3.66 million in 2011, after hovering around

a 4.2 million average in the old ballpark (Appendix I) (SBRnet, 2012). Similarly, average attendance per game in 2009 were 45, 918, 46,491 in 2010, and 45,107 in 2011, following a record-breaking 53,069 performance in 2008, the final year of the old Yankee Stadium (Badenhausen, 2011). Despite diminishing attendance levels from a smaller stadium capacity, the Yankees have been able to increase revenues on an annual basis due to inflation in ticket prices and transition to more luxury suite alternatives. With single game tickets statically priced between \$12.00 and \$400.00, the Yankees offer season tickets to fans at a range of \$1,215 to \$21,060 based on consumer preference (SBRnet, 2012). The concept of luxuriousness has been truly embraced throughout the stadium, which holds 47 hospitality suites, priced between \$600,000 and \$850,000, and 4,374 club seats for \$81,000 to \$202,500 (SBRnet, 2012). Typical Yankee fans attend home games once a year 42.4% of the time, 2 to 5 times 37.4% of the time, and more than 6 games 20.2% of the time. More impressively, the Yankees have ranked consistently atop the league in road game attendance, capitalizing both on their national fanbase and interested local fans wishing to watch the Yankees (ESPN, 2012).

Fans affiliated with the Yankees seek showcase their fanship in a multitude of ways, and average \$53 in revenue per fan through gameday ticket sales and commercial revenue (Badenhausen, 2012). Though the MLB retains primary control over all licensed memorabilia, merchandise bearing the Yankees logo represents the largest amount of team appeal sold by any MLB team (Morrissey, 2007). With greater merchandising venues within the stadium and licensed by official retailers, the Yankees sales revenue has become a more impactful component of both gameday and commercial revenue generation.

What makes the Yankees' brand performance so enviable is its ability to capitalize both on the loyalty of fans for single ticket admissions, as well as corporate affiliates who pursue hospitality accommodations within the organization. Given the franchise's astronomical payroll, expectations for team performance provide sustainable revenue

generation and attendance at games. Fan loyalty has since been translated both into an expectation of victory during games and the satisfaction of being thoroughly entertained. Brand performance for the Yankees embraces this dichotomy of sport, between team performance and revenue generations, within the franchise and has successfully been able to execute this objective in maintaining fan support for the brand.

PART IV: BRAND IMAGERY

What is brand imagery?

Brand imagery, as the final component of brand meaning, refers to the extrinsic properties of the product or service, in which the “brand attempts to meet customers’ psychological or social needs” (Keller, 2001). Whereas brand performance hinged upon the functional and intrinsic qualities of the brand, brand imagery denotes the manner in which people think about the brand abstractly towards its intangible attributes, rather than what it actually does. As a collaborative entity between brand performance and brand imagery, brand meaning is therefore determined by the strength of the tangible and intangible features associated with the brand’s, favorability and overall value it presents to customers, and its degree of uniqueness and innovation.

Brand imagery is influenced by a number of internally controlled variables, including: user profiles, purchase and usage situations, personality, value, and the brand’s history and heritage (Keller, 2001). As a commercial entity, user profiles denote the type of person or organization targeted by the brand, so that maintaining a broader customer base will give the appearance of a brand’s widespread popularity and position as a market leader. Purchase and usage situations describe the conditions under which the brand may theoretically be consumed, referring to all possible channels, the ease of purchase, associated rewards, and typical setting of the actual purchase. Finally, a brand’s history and heritage is what allows the brand to transcend generational gaps of consumer perceptions

and capitalize on the “idiosyncratic association of personal experiences” and episodes related to past behaviors of friends, family, and peers (Keller, 2001).

Though a brand is ultimately dependent on the functional capabilities of its product through brand performance, it effectively becomes a brand with acutely defined brand imagery. Imagery represents a brand’s logo, vision, mission, personality, or promise that it delivers to fans. In sports, establishment of brand imagery can be basically assessed by defining the identity of the sports team, positioning the sports team in the market, and then developing and delivering an appropriate brand strategy (Richelieu, 2003). Positioning, therefore, becomes the backbone by which brands can establish a foothold in the market and is exceedingly important in a global marketplace. Truly successful sports teams compete not only with other teams, but also operate in the same perceptual framework as other entertainment and leisure alternatives (i.e. movies, traveling). Changes incurred by the globalization of sport and the media landscape have transformed teams into increasingly complex organizations that must maintain relationships not only with their fans, but also with shareholders, governments, sponsors and other affiliated organizations (Garcia, 2011).

As global brands, Real Madrid and the New York Yankees both employ a player recruitment strategy that targets players of high quality performance and marketability. Since the team brand is representative of a comprehensive identity based on the individual identities of its players, player brands are integral components to a brand’s salience. Players function as the frontline employees of a brand, showcasing its image to audiences, while using their own popularity to spread the salience of the brand. As a result, players can gain attention to a team either through elevated performance (i.e. records, awards, etc.) or personal sponsorships. To complement the existing brand strategies of Real Madrid and the New York Yankees a breakdown of notable major player sponsorships can be viewed in Appendix Figure D.

Brand imagery strategies are internally monitored and are integrated through a number of marketing variables, including: on field jerseys, team merchandise, player management, promotional campaigns, commercial partnerships, and customer relationship marketing programs (CRM) (Richelieu, 2003). Such variables contribute to the establishment of the “protoimage of the firm” (PIF), which combines the desirable emotional values shared by fans with the financial obligations of the club’s management, to create a sustainable and mutually beneficial organization (Garcia, 2011). Relationship management is the foundation of brand imagery, and a brand’s ability to capitalize on the emotional attachment and loyalty of its fans will enable them to achieve greater athletic and financial prosperity.

Real Madrid

Crafted by Florentino Perez, Real Madrid’s brand imagery strategy focuses on the transformation of the team from a traditional soccer club into a modern sports-mediatic organization. It was an ideology that permeated all facets of the organization, from its corporate culture to its amateur academy system, that Jose Angel Sanchez, Real Madrid’s general marketing director, defined as a contemporary “business of contents” (Garcia, 2011). The internally defined contents describe Real’s inventive positioning strategy from a standard sports entity to a holistic entertainment conglomerate. The management model embraced the philosophy that Real Madrid was a “spectacular team, a stable and passionate sport project and a stronger economic model” that provided it with a sustainable competitive advantage (Garcia, 2011).

Perez’s reformation of Real’s global branding strategy was contingent on his goal to establish a team brand that could serve as a “meeting point for people with very different ideologies, races, religions, and cultures” (Perez, 2009). As a publicly owned organization, Perez’s management came with a redefined degree of transparency that incorporated its affiliated members and promoted the sense of pride and devotion of fans. In doing so, Perez

projected the Real Madrid brand across the planet, considerably increasing media and commercial revenues to new heights. Perez's imagery endeavors were internally defined through Real Madrid's mission (as translated from Spanish):

“An open and multicultural club appreciated and respected worldwide for its sporting success and the values it spreads, from the pursuit of excellence on and off the field, to helping meet the expectations of its members and fans”

Similarly, Perez and Real Madrid embraced this mission and promoted it throughout the organization to redefine the brand's vision (Real Madrid, 2011):

“A leading football and basketball club, through their sporting triumphs, responds to the hopes and expectations of all our followers at a national and international level, which preserves its important historical legacy, manages its assets with rigor and transparency for the benefit of its members, and acts with social responsibility criteria and good corporate governance.”

As the fundamental assets to the Real Madrid sports enterprise, brand imagery is readily observable in both tangible and intangible situations, including: commercial marketing exploits, digital and traditional media, and community engagement initiatives.

Real Madrid, as a sports brand, is represented first and foremost by its on-field performance and players contracted by the team. Thus, the primary marketing vehicle for the brand is not only the games, but what viewers see during the game: the jersey. The jersey transcends the framework of the pitch as the most exposed product of the team, and can be utilized as an asset in broadcast, merchandising, licensing, and other corporate partnerships. Adorned with the subtlety of the club's crest, the Real Madrid logo combines the letters R, M, C, and F (for Real Madrid Club de Fútbol), below a royal crown (Real translates to royal in Spanish) and a mulberry band for the official color of Castile, Madrid's home region (Appendix J). Real Madrid's current jersey sponsors, Bwin (through 2011/12) and Adidas (2013/14), which combine to represent the team's trademark image

and catch the attention of potential customers to “leverage the team’s brand beyond the hardcore fans” (Richelieu, 2003). Replacing Bwin during the 2012/13 campaign will be Emirates, at an estimated 18 million euros a year, joining Arsenal, AC Milan, Paris Saint-Germain, Hamburger SV and Olympiacos under the Emirates sponsorship portfolio (Savage, 2012).

Sponsors affiliated with Real Madrid are meticulously selected by the organization from a category of large multinational corporations that “are leaders in their sector and who behave and prescribe to the values and principles that dictate the culture and image of our Club” (Real Madrid, 2010). Such companies are integrated to accompany the Real Madrid brand in an effort to expand the brand worldwide and consolidate its values of leadership, excellence, and innovation. Conspiring brands include: Mahou (official beer of Real Madrid), Audi (official car), Coca-Cola (official soft drink), STC, Sanitas, Solar de Cabras, Samsung, Telefonica, Empresas Polar, Dua Kelinci, and national affiliates Grupo Leche Pascual, and Pedro del Hierro (Real Madrid, 2011). To emphasize its role in the Madrid community, the club has also worked in conjunction with the Spanish Ministries of Industry, Tourism, and Commerce, as well as the Madrid Community to promote Spanish Tourism under the “Visit Spain, Visit Madrid” campaign, reaching over 300 million people worldwide (Real Madrid 2011).

In its 7th season of management support, the club continues to pursue an operating model which facilitates a clean corporate environment without oversaturation, “demonstrating aspiration and exclusivity in the number of first class brands that enjoy the global reach of Real Madrid’s league games to promote their brands.” Real’s embrace of quality over quantity maintains its commitment to organizational excellence and alignment with brands of comparable elite status.

Additional commercial ventures within merchandise sales and its partnership with Bwin and Adidas allow Real to deflect the full burden of product development to its

affiliates, with the inclusion of a partial revenue sharing clause. Merchandise items, available both online and through official retail outlets, include jersey sales, apparel, accessories, and homeware that is also customizable (RealMadrid.com, 2012). In conjunction with standard merchandising efforts, the club has also launched the “Hala Madrid” campaign, authenticating official club merchandise as an international brand with expansion across different European markets and Spanish-speaking nations (Real Madrid, 2010). As a promotional vehicle to companies for large consumption and to mitigate the threat of piracy, Real holds over 1,100 officially licensed product to more than 100 companies in 120 different countries worldwide (Real Madrid, 2011).

Building off its brand salience and global appeal, Real Madrid transmits its brand imagery through its internally controlled media outlets, Real Madrid TV and RealMadrid.com. Available both in English and Spanish, RMTV delivers 24 hour coverage of all club related news, highlights, interviews and documentaries, continually showcasing the brand and reminding viewers of its rich tradition. Similarly, RealMadrid.com is available in English, Spanish, Japanese, Arabic, and Indonesian, offering usability options for tickets, schedules, news, and shopping. Additional downloadable content is made available to fans online seeking ringtones, wallpapers, apps, and music, which Real Madrid Legends Club calls “the digital music club of Real Madrid” (Real Madrid, 2010). The universal nature of Real Madrid and these forms of media not only disseminates the functional components of the brand (i.e. the team) but also serves as its own tangible asset towards enhancing fan engagement and brand imagery.

As a publicly owned organization openly committed to commercial development, Real Madrid’s brand imagery has been meticulously crafted to embrace its rich history and presence as a premier global soccer brand with the financial prosperity of a dominant business enterprise. Financial excellence has reached extraordinary heights that integrates seamlessly with the brand’s performance. The club’s transparency and modern philosophies

facilitate a new global strategy without sacrificing its legacy, a task it might not have been able to execute without the guidance of Florentino Perez.

New York Yankees

As a more traditionally developed model, the New York Yankees' brand imagery stems from its storied heritage of winning and its association as the best team in American sports history. By capitalizing on their "rich history, tradition, and worldwide brand equity" the New York Yankees have self-proclaimed themselves as the "greatest sports brand in the world" (Yankees.com, 2012). Such an audacious assertion, though accompanied by a reasonable amount of empirical evidence, represents the degree of superiority that both the Yankees, as an organization, and its fans embrace. For former owner George Steinbrenner, owning the Yankees felt like he owned the "Mona Lisa" (Van Riper, 2011). The Yankees are the "marquee franchise in the nation's largest city" and have "unrivaled on-the-field success" backed by a tremendous amount of cultural capital (Harrington, 2011). As a polarizing entity to fans envious of the organization's success, the Yankees are indisputably the greatest domestic sports brand, with the title of greatest global brand up for further debate.

The Yankees brand imagery is not only just a nostalgic aura surrounding the organization, but rather a culture embraced throughout the YGE Corporation and its employees. Described as a "juggernaut" by General Manager, Brian Cashman, the pressure to live up to the team's history is enough motivation for players and management to achieve the best brand possible. "Every organization says the same things about winning, the Yankees just actually try to put it into practice" and have "their actions match their words" (McNeal, 2011). For Cashman, and former owner George Steinbrenner, nothing else matters but winning.

Representative of its winning culture, the Yankees' brand imagery is conveyed through the organization's logo, nickname, personnel (i.e. owners, players, etc.), rivalries

and stadium (Mullin, 2007). At its core, the New York Yankees logo, intertwining the letters N and Y, represents the insignia of generations of Yankees teams and fans since it was adorned on team caps in 1909 (Appendix K). Such trans-generational affiliation with the team has since permeated New York City culture, with former NYC Mayor Rudy Giuliani conceding that the symbol of New York “might not be the Statue of Liberty anymore, but an interlocking white NY on a blue baseball cap” (Morrissey, 2007). To complement its enduring image, this insignia has accompanied the team’s trademark navy blue pinstripe home jerseys, alongside its traditional grey away uniform (Stout & Johnson, 2002). Opposite its brand insignia, the Yankees also endorse another logo depicting a baseball bat with a large hat on top of the word “Yankees” written in cursive across the emblem.

Cohesively intertwined throughout team jerseys and fan memorabilia, brand imagery has become an important concern for the Yankees, both in terms of monitoring the brand’s exposure as well as preventing forgeries (Morrissey, 2007). As a result, the Yankees have formed a strategic partnership with Steiner Sports, in a business referred to as Yankees/Steiner, making Steiner the official marketing company for New York Yankees gear alongside Major League Baseball. Officially licensed merchandise, represented by the holographic MLB sticker of authentication, has enabled the Yankees to capitalize on the rich tradition and loyalty of fans by establishing the legitimacy of its brand imagery.

Reflecting the dichotomy of its positioning in American sports, the Yankees have inherited two distinct nicknames affiliated with its brand imagery and historical performance. To its immediate and impassioned fans, generations of MLB Hall of Famer’s like Babe Ruth, Mickey Mantle and Lou Gehrig have earned the Yankees the title of the “Bronx Bombers” due to the team’s location in the Bronx (Li et al, 2012). Due its passionate embrace amongst Yankee supporters, this title has been adopted throughout subsequent marketing and branding initiatives by the Yankees and can frequently be seen in

various media platforms, either on YES or Yankees.com. On the other hand, opposing fans, disturbed by the Yankees propensity for winning and purchasing star talent, have dubbed the organization the “Evil Empire” (Mullin, 2007).

With his win at all costs mentality (metaphorically and financially), former owner, George Steinbrenner, embodied the divisive nature of the Yankees franchise. Baseball fans who do not like the Yankees tend to have negative associations with George Steinbrenner, whereas Yankee fans tend to have very favorable associations with him as he is committed to the idea of winning championships and will do anything in his power to do so (Mullin, 2007). With unparalleled success, the Yankees are very attractive to casual baseball supporters, but also become more polarizing to fans of other teams. As a result, Yankee fans and managers have inherently promoted an organizational culture of enlightened superiority that invites the development of rivalries with its competitors. As one of the fiercest and most storied rivalries in sports, the New York Yankees and Boston Red Sox disdain for one another transcends stadium confines and infiltrates the daily lives of fans throughout the Northeast. Similarly, the Yankees possess another rivalry with its NYC counterparts, the New York Mets, in an annual home and away series known as the Subway Series.

At its home venue, the final component of the New York Yankees’ brand imagery is their iconic stadium. Built in 1923, following the Yankees tenure in the Polo Grounds, the organization’s owners, Jacob Ruppert and Til Huston insisted the venue was to “be named for the team that called it home, not anyone involved in building it” (Weintraub, 2011). Unknowingly at the time, this selfless act of ownership would become an integral component of the Yankees’ brand identity. Over time, “The Yankee Stadium” was as synonymous with the brand as the team itself. Its aura of grandeur and excellence were personified throughout the stadium, particularly the building’s exterior. The most identifiable element of the structure is undeniably Yankee Stadium’s façade that gracefully adorns the exterior of the building with “scallop-shaped curves” (Weintraub, 2011). As

generations of Yankee legends and baseball greats would pass through the locker room, Yankee Stadium also become renowned for its inclusion of Monument Park in the outfield, as both a tourist destination and celebration of the franchise's rich tradition. Decades of "players have been honored in Yankee Stadium's Monument Park with their own plaques," with its inclusion proving to be a "far more exclusive club than the Hall of Fame" (Stout & Johnson, 2002). As a time-honored tradition, development of the new stadium in 2009 would include the same iconic features of the brand, by incorporating the legendary façade and Monument Park into the ballpark.

As a 111 year old franchise, the New York Yankees brand image is built on tradition and its rich legacy of success. From the logo to its stadium, brand imagery for the Yankees has endured generations of external change but maintained the integrity of its brand. Brand imagery for the franchise continues to integrate the identity of its past into a contemporary setting. For the Yankees, brand imagery will always be built around the legacy of players like Babe Ruth and its 27 World Series Championships. This imagery alone provides a solid foundation for any franchise, in that a sustainable and optimal strategy for future brand imagery would simply be to rely on the past.

PART V: BRAND JUDGMENTS

What are brand judgments?

Based on the previous associations of brand imagery intrinsically attached to a brand, brand judgments reflect the customers' personal opinions and evaluations they hold in regard to the brand itself. It may be defined by how customers "put together all the different performance and imagery associations for the brand to form different kinds of opinions" (Keller, 2001). Judgments are usually contrived from experiences with a brand's quality, credibility, consideration, or perceived superiority.

Brand quality denotes the overall level of implicit value and satisfaction customers retain from interacting with a brand and its affiliated products or services. Brand credibility

stems from the perceived level of expertise (i.e. competence, innovativeness), trustworthiness (i.e. dependability, sensitivity), and likability that comes with each successive brand engagement opportunity. Brand consideration describes the likelihood that customers will actually include the brand in their consideration set that they may ultimately buy or use. Finally, brand superiority implies the uniqueness and competitive advantage that a brand holds over other brands (Keller, 2001).

Linked to intangible and emotional characteristics of the brand, brand judgments are an accrued source of loyalty to a brand based on past experiences and perceptions customers hold on a personal level. Though they may fluctuate over time, brand judgments are generally less fickle than the other brand components, particularly for a dedicated sports fan. Brand judgments, at an organizational level, are based on two golden rules of brand management: continuous innovation and telling the story of a company's brands (Richelieu, 2003). Continuous innovation is performed in order to capitalize on the tastes of consumers taken into account from past experiences and transformed into more contemporary brand attributes that keep them ahead of their competition. Telling the story means underscoring the core values of the brand and adapting them according to public demand. Values and value proposition therefore become the motivating principle behind a sound brand judgment strategy, and a starting point in defining a long-term strategy for a sports team. Brand responses resonate from perceived value propositions that are based on the "social, economic and cultural landscape" of its brand imagery and targeted fan base (Richelieu, 2003).

Brand judgments, as a driving component behind customer relationship management, emphasize the experience that sport provides to its fans, based on three distinct criteria: the entertainment experience of an event, the team's involvement in the community, and the physical facilities of the team (Richelieu, 2003). In the world of sports, fans primarily want entertainment and a sense of pride at a reasonable financial cost and

attention commitment, while sports organizations strive for the same value but must also “reconcile that with long-term managerial aspects such as a professionalized managerial structure that guarantee financial viability” (Garcia, 2011). Developing a business model based on the historical loyalty and admiration of fans as a medium for entertainment will generate sufficient satisfaction amongst fans that ensures long-term financial sustainability. Sports brands must integrate past brand judgments in order to plan for the future.

Real Madrid

Building off of its brand imagery, Real Madrid’s brand judgments are positioned to reflect both the enduring legacy of its past with the modernity of its future in a global marketplace. For Jose Sanchez, the club’s marketing director, what makes Real Madrid different is that it is something more than just a football club (Garcia, 2011). This sentiment embraced by the fans and the organization, exhibiting the “triangular” relationship that pervades sports branding, with the incorporation of the media’s influence. As a repositioned brand, reformed to compete with the likes of other entertainment outlets, Perez compares attendance at a Real game with the atmosphere one might experience from going to the movies. The captivation of his audience, hanging on every movement of the ball, anxiously awaiting a miraculous outcome, transpires in each game and the vivid imagination of Real’s fans. For Perez, the team is the medium and their entrance to the stadium is the moment they “turn down the lights and let people dream” (Perez, 2009). Guiding the judgments they make hinges on fan’s proactive engagement, but if they are seeking entertainment, movie companies may take months to produce a new film, but under Perez, “Real Madrid makes a movie every day” (Garcia, 2011).

Real Madrid’s professional exhibition of its core values is a moral philosophy that exists not only through the club’s management, but on the field as well. Values such as the demonstration of a winning spirit, sportsmanship, excellence, quality, social responsibility, and economic responsibility are embraced at all levels, from the players to the presidency

(Real Madrid, 2011). As such, the club has provided a guarantee for its brand performance, delivering a promise to its fans worldwide (from Spanish):

“Real Madrid offers to all sports fans their adherence to the principles of competition based on fair play and always giving their best to promote sporting values, transparency of information, respect and greater security in the events they organize.”

Particularly in the world of Spanish sports, team brands possess a cultural identity, with Real’s subsequent management vision demonstrating its commitment to attracting spectators with a high level of disposable income. Club matches embody a refined form of “infotainment,” accomplished through the integration of media prior to, during and after games with engaging stories that foster suspense, excitement and emotion (Garcia, 2011). This phenomenon, though relatively new in the Spanish context, represents a social norm in American culture, where fans are accustomed to expecting sporting events as an elaborate spectacle that all fans can enjoy.

Beyond its commercial exploits, brand judgments are showcased in a number of venues and forms of media, but with no better presentation than in the form of the remarkable Estadio Santiago Bernabéu. Internationally renowned, the Bernabéu is a “mecca” for professional soccer and the ideal representation for one of the most storied franchises in all of sports. With over 700,000 annual visitors from all corners of the globe, the Bernabéu is not only a sports arena, but also an institution, becoming the 2nd most visited museum in Spain after the internationally renowned Prado Museum, showcasing a brand to a worldwide audience. Housing 4 distinct restaurants, various events, and a world famous stadium tour with panoramic views of the stadium, trophy room, pitch, player’s tunnel, coaching area, dressing and press rooms, the Bernabéu is a tourist destination year round (Real Madrid, 2012). Such components of its stadium promotes Real’s business diversification and generation of ongoing revenue, serving as a tool for different commercial activities and venues for capacity management (Real Madrid, 2010). Luxury

and modernity permeate all elements of the stadium, as the self-proclaimed source for where “history takes shape in an exclusive and special atmosphere.” More definitively, the club defines the Bernabéu by saying (Real Madrid, 2012):

“Many of the most glorious pages of football history have been written inside its walls. From its tiers, some privileged have proudly seen the best players of all times raising a sport to the category of art. Here, more than anywhere else, one can understand the meaning of never surrendering for the love to one’s colors.”

Under the scope of internationalization, the club has established its facilities not only as a premier sporting venue, but also as a benchmark for events of different corporate sectors. Real seeks to collaborate with domestic and international partners in showcasing various events throughout its facilities and promoting its stadium hospitality options. VIP sections in the Bernabéu function to translate the game into a work of art and capture the essence of entertainment through its finely crafted grandstand, first tier, balcony, and Asian themed suites (Real Madrid, 2012). Real Madrid City, the largest sports facility in the world, and the home of the “21st Century Real Madrid” unites two generations, of old and new, under the same brand. Dubbed the “Valcebebas,” Real Madrid City combines the professional atmosphere of the club with the globalization of its brand, utilizing techniques and stadia models from 6 different countries (Real Madrid, 2011).

Global outreach, at a social level, is abetted by the institution of the Real Madrid Foundation to develop social and cultural awareness programs worldwide. The Foundation’s “primary purposes are to promote the intrinsic values of sport and to use these values as an educational tool in the comprehensive development of those who practice it, to be used as a method of social integration which benefits those who may find themselves marginalized from society, and to stimulate and disseminate all cultural aspects related to sport” (Real Madrid, 2012). Operating in 4 sectors of social enrichment (Sports, Education,

Social Welfare, and Institutional activities), the Foundation supports Community Sports Integration Schools for over 3,000 children in more than 30 countries.

The Foundation also maintains its commitment to older generations of Madridistas and impoverished communities by frequently donating to a multitude of charities and showcasing the Real Madrid Heritage Center. With over 210,000 various artifacts, including trophies, photographs, books, videos, jerseys and more, the Heritage Center brings to light the history of Real Madrid through its internal media sources (Real Madrid, 2012). Located within the Bernabéu, the Heritage Center serves to recover Real Madrid's historical documentation, receive Madridista submissions, organize and showcase exhibitions, ultimately in an esteemed effort to celebrate the longevity of the club and its remarkable achievements. Coordinated through the Center, Real Madrid's rich history is put on display, immortalizing its accomplishments as a museum-like entity through frequent events to attract generations of fans, both young and old. The Veterans Association, also known as the Association of Former Football Players of Real Madrid, familiarizes fans with generations of Real Madrid players and assembles a communal appeal that embodies the interpersonal relationships the club aspires to form within its organization and fans. The Association collectively arranges annual charity games, as well as recent functions like the Corazon Classic in 2010, Luis de Carlos Forum for sports discussion, and Book Development scheme donating profits to the Real Madrid Foundation.

Through its tradition, stadium, or global outreach, Real Madrid has been regularly described as representing the "highest glory of history" in sports with "strength, honor, spirit of self-improvement, art, and passion" that few other teams, let alone brands, can provide (Garcia, 2011). These images from the past have provided the resolute foundation by which the future of Real Madrid soccer is envisaged and managed.

New York Yankees

For the New York Yankees, the primary determinants and drivers of loyalty are, in descending order of importance, “pure entertainment value (including: excitement, dramatic performance and victory), authenticity (the sense that the players are passionate and proud), fan bonding (driven by players who are recognizable and admired), history, and tradition (Passikoff, 2008). Whether it was in the old or new facilities, this aura of entertainment, authenticity and tradition were no better personified throughout the Yankees organization than in Yankee Stadium.

Owning the most storied franchise in all of sports provides benefits, like international fame and World Series championships, “that go far beyond the bottom line” of the franchise (Cohen, 2007). Yankee Stadium possesses a “unique phenomenon” that encapsulates the true value of America’s pastime (Harrington, 2011). Fans are welcomed into the stadium with the allure of baseball only to find themselves surrounded by generations of legendary history. Being under the same roof of baseball’s greatest players, in the proverbial “House that Ruth Built,” captures the rich history of baseball that only the Yankees can provide. The iconic pinstripes transcend demographics and resonate with generations of baseball fanatics, regardless of team allegiances. Baseball, as a three hour competition between two professional major league sports teams is one thing, but with the aura of baseball’s greatest franchise surrounding the event, the game takes on a whole new meaning that truly embraces the value of pure entertainment.

Seating 52,325 impassioned supporters, the new Yankee Stadium, built in 2009, has strived to retain the brand imagery and judgments affiliated with the old venue, as well as the original name itself. Traditional elements like the stadium’s façade and Monument Park have been incorporated into the new ballpark and accompanied with a more contemporary appeal for the modern fan experience. Managed by Legends Hospitality Management, an affiliate of YGE, the new Yankee Stadium houses 304 concession stands and restaurants,

representing both local and international cuisine to satisfy a variety of consumer preferences (SBRnet, 2012). As a world-class, state-of-the-art facility, LCD television monitors line the corridors of the stadium and surround fans with Yankee imagery.

Visitors to Yankee Stadium are also offered hospitality packages for individual or multi-game experiences. Yankees Premium provides wealthier fans with luxury accommodation in corporate suites, including the branded Champions Suite, Delta Sky360 Suite, and Jim Beam Suite (Yankees.com, 2012). For smaller parties, fans may be treated to the “Inside Experience” program for a “game day like never before,” where they have the opportunity to meet with a player and embark on a guided stadium tour, culminating in game with seats located in the Field MVP level. Additional ticket specials are available on a daily basis with discounts for students, youths, members of the military, senior citizens, and large parties.

Beyond the exterior of the Stadium, brand judgments for the Yankees are carried out within the community, through the Yankees Foundation. The mission of the Foundation is (Yankees.com, 2012):

“To promote and sustain a cordial, cooperative relationship between the New York Yankees and its neighbors, and working together to enhance the life throughout the surrounding community”

Since 1973, the Yankees have contributed to the community through this philanthropic organization under its principal owner, George Steinbrenner, and have risen over \$4 million for athletic, recreational, and educational programs nationwide.

Organizations receiving funding from the Foundation include the Urban League, Boys Club, Boy Scouts, Big Brothers, Catholic Youth Organizations, Police Athletic League, Special Olympics, Children's Health Fund, the YMCA and numerous other programs. In 2010 the Yankees partnered with the White House's “United We Serve” initiative, raising awareness for the President's call on Americans to become more involved in community

service. On behalf of its efforts, the Yankees, and the Steinbrenner Family, were honored with the President's Volunteer Service Award, given "in recognition and appreciation of commitment to strengthening the Nation and for making a difference through volunteer service" (Yankees.com, 2012).

In conjunction with its community service and philanthropic partnership efforts, the Yankees Foundation also independently coordinates two flagship programs within the greater NYC community: the annual HOPE Week and various youth summer camps. Introduced in 2009, the Yankees' HOPE Week, standing for "Helping Other Persevere & Excel," is "rooted in the fundamental belief that acts of goodwill provide help and encouragement to more than just the recipient of the gesture" (Yankees.com, 2012). On each of the 5 consecutive days during the HOPE Week celebration, the Yankees shine the spotlight on an individual or organization with an inspirational story worthy of recognition and support in the community, integrating players, coaches, and some of NY's most iconic social and corporate institutions in the pan-organizational effort. Another cornerstone of the Foundation is youth development, which, alongside the MLB's "Baseball Tomorrow Fund," provides summer camps that promote athletic and scholastic development through youth participation in baseball (Yankees.com, 2012). Other MLB affiliated programs like "Pinch, Hit & Run", "Reviving Baseball in Inner Cities" and the Urban Youth Academy" offer free baseball instruction and educational opportunities to students throughout the community.

The Yankees Foundation, while promoting social development within the communities, also provides a complimentary ticket program to all social initiative participants. By affiliating its brand with positive brand imagery of community appreciation and engagement, the Yankees are accommodating a cycle that integrates its philanthropic endeavors with the historical allure of its stadium. As the backbone for its brand judgments, Yankee Stadium guarantees fan satisfaction, both through the authentic engagement of its

team performance but also with its overall value as an entertainment spectacle to visitors of all demographics. However, with limited global outreach initiatives directly affiliated with the New York Yankees, its brand judgments do not freely permeate a broad global context. Despite this, with such an iconic institution in Yankee Stadium and remarkable social presence, the New York Yankees possess a degree of local brand judgments that is unparalleled throughout baseball and sports in the United States.

PART VI: BRAND FEELINGS

What are brand feelings?

Brand feelings are the customers' emotional responses and reactions to a brand. They represent the social currency of the brand and possess the innate ability for brands to capitalize on consumer attachment and translate into regular consumption patterns (Keller, 2001). Alongside brand judgments, brand feelings represent the second component of brand responses in Keller's CBBE model, and hinges on the emotional connections consumers experience towards a particular brand. Common types of brand feelings may include warmth (i.e. calm, peacefulness), fun (i.e. cheerfulness), excitement (i.e. energized), security (i.e. safety, comfort), social approval, and self-respect. Unlike brand judgments, brand feelings represent more present interactions with the brand. Brand feelings encompass the emotions a user may experience on a day to day basis or under a prospective future pretense.

As a form of entertainment, regularly described as its own "religion," sports possess a unique quality that captivates audiences and compels heightened emotional connections with fans. Sports are "woven into the fabric of many countries' national identity and deeply integrated into many people's everyday lives" (Jones, 2009). For many, attending sports is a habitual action for fans, as they experience the enjoyment and camaraderie that games provide as a "welcome distraction from the harsh realities of the 'real world' during difficult times." Though thoroughly embraced by many, fan loyalty and engagement for

more casual supporters can be fickle occurrences and fluctuate with diminishing quality of team performance and chronic mismanagement from the organization. With growing competition not only from other teams, but also other forms of entertainment, sports teams must be wary of possible dissent amongst fans.

Brand feelings, by this sentiment, reflect the daily performance results of the team, that seldom go noticed when Real Madrid and the New York Yankees win, but may resonate more severely with each loss. Though difficult to monitor, brand feelings for these clubs depict a zero sum game. With daily fluctuations in happiness and content amongst fans, the sole determinant for their feelings is the end result: did they win, or did they not win. Thus, brand feelings at the end of each season, regardless of what occurs on a short term basis, culminate in a level of absolute fan involvement. The previously discussed BIRG method correlates to fan exuberance in the event of a win and fulfillment of expectations. On the other hand, the CORF method (Cutting OFF Reflected Failure), disassociates the fan from having any involvement with the team in the event of a loss, to which they bare no responsibility or affiliation (Cialdini et al, 1976).

From a global sports brand perspective, teams may utilize a variety of fan engagement tactics to inspire confidence in a team and sustain brand loyalty. Social media, contests, PR campaigns, and community engagement events on behalf of the team and its players are all frequently used methods to engage fans and showcase the brand's feelings.

Real Madrid

With a legacy of rich tradition and professional excellence, brand judgments towards Real Madrid's collective body of work are typically absolved of negativity as they promote nostalgia and positive connotations. As such, transfixed brand judgments as profound as this may promote elevated expectations for future generations of Real Madrid teams and supporters. Each successive team is annually expected to uphold the quality of teams past, if not exceed them. In many instances, results short of constant winning and league titles,

especially in lieu of rival FC Barcelona, may readily be deemed a failure. Despite Perez's persistence in establishing a profitable organization, financial struggles generally bear no effect on brand feelings, demonstrating that economic demands are not the most important thing to fans, and factors for determining a club's success are largely "extra-economic" (Kase et al, 2006). Daily fluctuations in support approval, or disapproval, of team performances, and subsequent managerial decisions, are reflective of these lofty ambitions and therefore demand the most consistency from the club.

On a daily basis, brand feelings are far less predictable and more polarizing. With the advent of social media, however, brand feelings can be readily observable as fans can openly express their satisfaction in a public forum online and the brands can attempt to dissuade any possible malcontent. Serving as the primary vehicle for fan engagement and the development of positive brand feelings, alongside other marketing efforts, social media permits teams to extend the brand beyond a static site that only provides information to one that can "help build a virtual community with the fans, beyond their local market" (Richelieu, 2003).

As of April 1st, 2012, Real Madrid maintains accounts on: Facebook (26,383,068 likes; 1,273,613 conversations; 37,848 check-ins), YouTube (143,060 subscribers; 62,881,199 video views; 37 unique videos), Tuenti (314,334 followers), Weibo (Chinese: 1,420,765 followers), and RenRen (Chinese: 131,443 followers), in which it features club photos, statistics, news, fan predictions, quizzes, videos and more. In addition, Real Madrid employs a number of Twitter accounts, including @realmadrid (4,171,048 followers) and various other handles based on language affiliation, such as @realmadriden (English: 130,827 followers), @realmadridarab (Arabic: 114,481 followers), and @realmadridjapan (Japanese: 36,644 followers), that have generated over 1.1 million retweets and 570,000 mentions. As an assessment of its social influence online, Real Madrid maintains a Klout score of 87.71 and true social reach of over 695,000 (Klout, 2012). With an amplification

level of 9, regarding how much the brand influences people, and network impact of 62, measuring the influence of your brand's social network, Real's online presence is immensely successful considering the relative infancy of social media in relation to the club's history.

Perhaps social media's greatest asset for the club is its ability to indirectly influence the optimization of other media channels. Oscar Ugaz, Real Madrid's online marketing manager, emphasizes the use of Facebook and Twitter as a "way to drive people to news and pages on the website that they may otherwise not see" and promote the breadth of the brand's image (Garcia, 2011). Real Madrid's subsequent online communication strategy has therefore served as a method for moving people from social media sites to club-affiliated memberships programs that generate revenue and capitalize on permission marketing. With an average of 3,000 new fans liking Real Madrid on Facebook each day, social media's most valuable use for Real's communication management is to "test content, gain feedback, and understand things from their fans' perspective" (Garcia, 2011). Similarly, on Twitter, the club employs deliberate informational strategies of directing all narrations of Real Madrid games, resending social media traffic to more specific content on RealMadrid.com, and following up to fan's tweets and messages in a timely manner. In the contemporary social media world, Real Madrid is considered a pioneer.

The universality of social media and the Real Madrid brand unite to form a harmonious relationship online and enable fans anywhere in the world to obtain immediate feedback and information on the club whenever they desire it. Integration of social media tools and widgets throughout RealMadrid.com facilitates this digital marketing strategy, linking the social community of fans to the professional brand of Real Madrid. RealMadrid.com represents the idealized symbolic nature of the club's brand imagery, whereas its various social media accounts promote fan engagement and personal interactions between each other and the club. While these various portals possess an

inherent degree of synergy in marketing communications, this dichotomy in online personas also maintains a recurring stumbling block for the Real Madrid brand. Professional and interactive as it may be, for a club owned by and reliant on its fans, RealMadrid.com lacks a functional quality that promotes fan engagement directly on the site. Unlike many American sports sites, RealMadrid.com does not showcase fan pictures or experiences, and ultimately defers all forums, feedback and fan opinions to tertiary sources, so as not to disrupt the integrity of its professional image.

Despite this one concern, Real Madrid's social consciousness, both online and in the community are at optimal levels. With such a visible and proactive social approach, Real retains the option to dissuade any potential problematic feelings, yet considering Real's recent run of good form on the pitch, brand feelings will likely remain optimistic for the foreseeable future.

New York Yankees

With 6.7% of fans participating in baseball at any level, the MLB is among the most popular leagues online with over 26 million Facebook likes and 11 million twitter followers (SBRnet, 2012). For the Yankees, engaging with the largest proportion of baseball fans represents a valuable opportunity for the brand and its maintenance of positively associated brand feelings.

As of April 1st, 2012, the Yankees' portfolio of social media accounts extended across all major American based platforms including Facebook, Twitter, Google+, Tumblr, and Pinterest. Through its website, the Yankees promote access to any or all of the 17 different Twitter accounts associated with the team, including its primary handle, @Yankees, with 584,261 followers. Other accounts like @YESNetwork with 37,680 followers, @YankeesPR with 87,067, and @BryanHoch (NYY/MLB reporter) with 18,529, combine with @Yankees to distribute information on lineups, statistics, news, and promotional offers. On Facebook, the Yankees have 5,343,230 likes, with 71,172 people

engaged in conversations about the brand, with the club's profile page showcasing the stadium, authorized multimedia (photos/videos), community engagement, and fan submitted pictures and experiences. More recent social media platforms with relatively smaller followings, like Google+ (65,425 circles), Tumblr, and Pinterest (176 followers), allow the Yankees to cover all channels of social media interaction with fans online. Under the breadth of its social media profiles and campaigns, the Yankees have been able to maintain a Klout score of 75.77, with a true reach of an estimated 126,000 followers. With an amplification of 9, the Yankees qualified network score of 55 ranks among the elite sports brands in social media. Twitter is used as the Yankees primary channel for fan engagement the most frequently, in generating over 82,000 retweets and 59,000 mentions (Klout, 2012).

In an effort to engage its multicultural audience, the Yankees have also created Facebook and Twitter accounts that correspond to their website alternatives available in Spanish, Korean, and Japanese. Yankees Beisbol, for Spanish-language speakers, has 21,132 likes on Facebook, and 12,062 followers on Twitter. Spanish-language supporters can also follow "Cambios y Curvas" and "Mexicanos en las Mayores," for exclusive content available in Spanish. International content, however, in a digital format is centrally controlled by Major League Baseball, with Twitter and Facebook accounts available for fans in prioritized markets like Japan and South Korea.

Just like in the context of Real Madrid, the Yankees application of social media is used as a complementary tool to direct traffic to its main website, Yankees.com, and other media platforms. However, where the two brands do vary, is in their adaption of social media and fan engagement throughout their digital presence. Real Madrid's dichotomous relationship between its website and social media does a great job of promoting either website, but not integrating them. Yankees.com, on the other hand, does an excellent job of promoting social media in its website, while crowdsourcing content from fans to encourage

the degree of interactivity on the site. Schedules, statistics, and news are complemented with on-site fantasy baseball, fan photos, and portraits of daily fan experiences. Additionally, fan forums and blogs located throughout the site integrate the social communities of Yankee fans into a comprehensive website, reflecting both the professional corporate side of the brand, as well as their ability to foster customer relationships.

Within the organization, daily feelings towards the brand are very positive amongst its supporters. Much like Real Madrid, the BIRG to CORF relationship reflects a zero sum relationship, in which the daily fluctuations of the brand's performance are subservient to greater fan expectations. Positive feelings are regularly expressed online, via Facebook, blogs, or Yankees.com, are frequently monitored by the franchise. The Yankees control all content disseminated on their website and through the YES Network and therefore better able to optimize content management to correspond to current trepidation amongst fans. By incorporating such a profound degree of vertical integration into its operational structure, the Yankees have more control over brand feelings, and as long as the team performs up to expectations, all negative feelings will ideally be temporarily prevented.

PART VII: BRAND RESONANCE

What is brand resonance?

The final component of Keller's CBBE model, and core determinant of establishing brand relationships, is brand resonance. Brand resonance defines the nature of the "relationship that customers have with the brand and the extent to which they feel that they are "in sync" with the brand" (Keller, 2001). It is generally characterized in terms of intensity or the depth of the psychological bond that customers have with the brand and can motivate users in many ways (i.e. repeat purchase rates, seeking brand info, events, etc.). Though listed last, brand resonance would not be possible without the successful incorporation of the other CBBE components: salience, performance, imagery, judgments, and feelings. Brand resonance is the ultimate amalgamation of these core competencies and reflects the

establishment of a strong brand management strategy. The degree to which brand resonance may be effective can be assessed based on behavioral loyalty, attitudinal attachment, sense of community, and active engagement.

Behavioral loyalty reflects how often customers purchase a brand and in what quantity. Attitudinal attachment occurs when customers go beyond simply having a positive attitude and begin viewing the brand as a special and important aspect of their lives in a much broader context than just its commercial limitations. Having a sense of community reflects an important social phenomenon whereby customers feel an established relationship or affiliation with other people also associated with the brand and are eager to align themselves with them. Finally, active engagement represents the strongest affirmation of brand loyalty when “customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the brand” (Keller, 2001). Customers essentially act as “brand evangelists,” becoming ambassadors on behalf of the brand, in which they seek to communicate information and strengthen the brand ties of others in the process.

In the world of sports, social fanaticism for a professional sports organization is often the norm rather than the exception, becoming an enviable asset that most industries can only dream of acquiring. Impassioned generations of sports fans align themselves often without the solicitation of the organization, with fans expressing their unrelenting loyalty through families, friends, and peers. Brand resonance strategies for sports teams typically are initiated through loyalty and membership programs, registering users as officially designated fans, as well as other subscription based programs and events that seek to optimize and showcase fan engagement. Superior brand resonance will promote sustainable brand equity that translates into long-term ROI for a brand’s financial performance. Ultimately, a brand that integrates the components of Keller’s CBBE model, and is able to

effectively utilize brand resonance with the most depth and breadth of their brand will prove to be the most successful global sports brand.

Real Madrid

Characterized as the “Madridistas,” the fanatical supporters of Real Madrid are virtually unmatched in global competition through sheer volume and passion, both domestically and internationally (Appendix N). With 2,055 domestic and 2,143 international officially registered fan clubs, Madridistas represent true “brand evangelists” and embrace the Real Madrid cultural identity in all available associations of the brand (Appendix O). For the organization, relationship building with fans is considered the foremost priority, outweighing the commercial success that guarantees the viability of the sports project (Garcia, 2011). Treatment of fans like shareholders rather than customers and integrating them into their business approach, provides for an enlightened brand imagery and sustainable source of brand resonance. For all of its tradition and praise, Real Madrid has become a “great brand because it has built a relationship of trust with its fans, not because the fans like or buy Real Madrid products” (Garcia, 2011).

In contrast to English or American sports franchises, where billionaires or corporations own clubs, the Real Madrid president must be democratically elected from among the approximate 85,000 participating members. In its purest essence, management must build these relationships with fans, because Real Madrid is not an enterprise, but a “sport society” where management is controlled by the fans (Garcia, 2011). Officially registered Madridistas, either international or national card carrying members, uphold their affiliation to the brand and retain a number of program benefits. At varying levels of commitment, Madrid’s fan loyalty program enlists over 19 million registered fans worldwide, and 600,000 membership cards (Real Madrid, 2011). Members on average pay €143 per desired registration and represent fans of all demographics. For full members,

82% are males, 19% are Junior members, and 7% are over the age of 65 (Real Madrid, 2011).

Corporations may also seek affiliation with Real Madrid as both corporate sponsors providing benefits to existing members, VIP's gaining hospitality stadium treatment, or as Madridistas, permitting all employees within the company access to Real Madrid's loyalty program. Current corporate sponsors extend throughout sports, fashion, recreation, theme parks, restaurants, telecommunications, travel and many other industries worldwide, and represent over 100 different organizations (Real Madrid, 2012).

With such a devout online community, Real Madrid fans are able to voice their impassioned support of the team in a variety of outlets. According to FameCount.com, as of April 1st, 2012, Real Madrid was listed as the most popular sports team worldwide via digital media (Garcia, 2011). With fans constantly seeking gratification from the team and new methods in which to showcase their affiliation to the brand, standard merchandise and commercial exploits have now encroached into the digital sector. Fans can register for the complimentary eMadridista newsletter, text message updates and information, purchase apps and download mobile and digital content, including wallpapers, animations, video games, ring tones and videos (RealMadrid.com, 2012). As a result, brand managers have described the club's digital image in RealMadrid.com as a "community creator," fostering fan engagement and promoting the brand to a global audience (Garcia, 2011).

Such adoration for the Real Madrid brand and willingness to demonstrate this support has not only taken off in the digital sector, but also allowed the club to experience remarkable growth in its more traditional revenue channels. Due to its recent run in form, rejuvenated support amongst fans has also caused resurgence in matchday ticket sales, commercial revenue, and broadcast subscription fees, as evidenced in brand performance. Even more impressively, the Estadio Santiago Bernabéu has recaptured its glory and embraced its status as an iconic destination for soccer enthusiasts worldwide. As a team

founded, managed, and supported by its members, Real Madrid represents the purest form of brand resonance a team can afford amongst its fans. Fans are no longer just peripheral spectators, as members of Real Madrid are essentially purchasing stock in their beloved team and are have significant investment in how the organization performs, both on the field and off. Fans engage in every aspect of the organization and the motivating force behind what makes it such a successful brand.

New York Yankees

In a standard American commercial environment, businesses recognize the value that keeping a customer can cost about 10 times less than trying to win over a new customer. In sectors like sports, an increase in the customer base of “1% is equivalent to a 10% cost reduction, while a 5% increase in customer loyalty can lift lifetime profits per customer up to 95%” (Passikoff, 2008). Entering the 2012 season, the New York Yankees ranked 2nd in overall fan loyalty in the MLB, behind only the Philadelphia Phillies (Brand Keys, 2011). By embracing their nature as a commercial enterprise, the Yankees and YGE have attempted to capitalize on fan loyalty through a membership program much like Real Madrid’s “Madridista” initiative. As such, registered affiliates of the New York Yankees are welcomed into “the official fan club of the Yankees,” called Yankees Universe, and embrace the universality of the Yankee’s brand resonance.

In ascending order of exclusivity, Yankees Universe members can register as Explorers (\$19.95), Rookies (\$59.95), or MVP’s (\$295), and receive a range of benefits, including a personalized membership card, fast track entry to the Stadium, and a number of promotional offers (Appendix P) (Yankees.com, 2012). As an added value, Yankees Universe memberships entitle fans access to exclusive content via a members-only website and community of truly (and financially) affiliated fans. Promotional offers for Yankees Universe members, as well as a select few non-registered fans, include entrance into the Yankees’ Home Opener and Playoff Sweepstakes, as well as its annual Homecoming

Dinner with players. To ensure fan loyalty, fans of all membership denominations can receive Bombers Bucks, essentially operating as a loyalty based gift card that can be redeemed for the purchasing of tickets to any regular season home game.

In addition to its exclusive online content for subscribers, the Yankees also employ several interactive components to their main website, Yankees.com. Through this outlet, fans can also subscribe to electronic newsletters, RSS feeds, or daily updates from Yankees Insider. To stay connected with fans, the MLB also offers a fee-based digital broadcast of games via MLB.TV and Gameday Audio. As a complement to in-game entertainment, MLB also licenses several mobile apps including MLB At Bat 2012, MLB At the Ballpark, and MLB Beat the Streak, allowing users to perform such actions as “checking in” at games, order concessions and check event details. These applications, through both the Yankees and the MLB, are also available with the option of obtaining text message services for news, video, and stats. From the Yankees themselves, fans can also download mobile wallpapers, pictures and newsletters, available both in Spanish and English. The annual Yankee Gift Guide is issued at the start of each successive season featuring gift options for tickets, tours, Yankees publications, photos, memorabilia, Yankees Universe, and select MLB licensed merchandise.

Brand resonance for fans seeking to obtain further engagement with the Yankees brand may also engage in several programs sponsored by the Yankees Foundation. Yankees Summer Camps for youths ages 5-13 combine athletic competition and training in the “ultimate Major League Experience.” With the online WePlay and GetGreat initiatives, serving as a Youth Baseball Hub, these programs combine to form Yankees Kids. For older generations of Yankees fans, the Foundation offers the New York Yankees Fantasy Camp. With a rich “tradition of turning dreams into reality,” the camp is considered one of the premier adult camps nationwide, boasting a lineup of former Yankee players and first class facilities. Fans may also partake in a number of community service projects promoted by

the Yankees Foundation and nominate community organizations that should receive additional attention from the team.

Throughout the team's 162 game season, stretching from March until November, fans are presented with many opportunities to interact with the Yankees brand, through spring training, regular season or postseason games, as well as social initiatives online and in the community. As the most popular American sport during the summer months, the Yankees and the MLB receive limited competition from other domestic leagues and thus retain optimal levels of brand resonance. For lack of competing entertainment interests, outside of summer leisure activities, Yankees baseball inherently becomes the most popular outlet for fanship during this time. Games and tours are frequently attended by schools, camps, businesses and fan clubs seeking a reprieve from more professional settings. The New York Yankees organization has wholeheartedly embraced its affiliation as an entertainment outlet beyond just a professional sporting event. As such, fan engagement and brand resonance have permeated all facets of the organization and enabled the brand to become the preeminent brand in American sports.

PART III: BRAND EQUITY

What is brand equity?

Brand equity represents the financial dexterity of the brand and its sustainability as a business enterprise beyond a team's functional performance in games throughout the season. Brand equity, therefore, capitalizes on the combined elements of the 6 components of Keller's CBBE model and translates them into financial development. Specifically, brand resonance reflecting the sincerity and allegiance of brand supporters is leveraged against brand performance to stimulate revenue generation. With greater salience and recognizable imagery, the brand's potential source of income is broadened through the depth and breadth of its commercial enterprise. A more engaging brand will experience long-term sustainable

revenue growth that will be either promoted or hindered through consumer brand judgments and feelings.

Under economic constraints, discretionary spending, particularly under marketing affiliated efforts (i.e. advertising), is commonly the least pursued, among other organizational infrastructure projects, including acquisitions and stadia construction. While sports in general struggle to convert revenue growth into bottom line profit generation, reduced marketing expenditures across sports widen the disparity of wealth distribution throughout leagues. Corporate hospitality and sponsorships, though diminishing amongst smaller clubs, have since shifted to larger teams that convey less financial risk, more brand exposure and a greater potential return on investment. Evidenced by this self-perpetuating cycle of “flight to quality” endorsements, the largest properties and teams in sports continue to become richer, whereas the weaker teams struggle (Jones, 2009). Their ability to drive strong broadcast audiences and continuing attraction to corporate partners has made them relatively resistant to the economic downturn throughout Spain and the United States (Deloitte, 2012).

For Real Madrid and the New York Yankees, these 6 components function at optimal levels for global sports brands, and thus, maintain greater financial viability, both domestically and abroad. Resources, especially financial ones, can tremendously assist a team in establishing its brand, with the Yankees serving as the most convincing examples in the United States and Real Madrid in Europe (Richelieu, 2003). Given the absence of a salary cap in both leagues and a centralized system of financial control, permitting lateral movement amongst players between teams, the two brands, though to varying degrees of freedom, are able to generate the maximum amount of revenue possible for such global brands (Jones, 2009). Brand equity, as a representation of the brand’s inherent value, can be measured through the brands ability to translate brand loyalty into profitability. Revenue streams for these organizations are evident throughout their subsequent brand portfolio and

related extensions and can generally be categorized into broadcast revenue, matchday revenue, and commercial revenue.

Real Madrid

Real Madrid's financial resurgence began in 2000, under Florentino Perez, that has since ushered in a new era of financial stability to the club that is compatible with its prestigious professional image (Kase et al, 2007). By 2005, Real was proclaimed the "Richest Club in the World" by Deloitte and now holds the position atop their annual "Money League" for the 7th consecutive year in 2012 (Deloitte, 2012). Clubs in the Money League are assessed on their brand performance, including measures of attendance, fanbase, broadcast audience, and on-pitch success, and revenue generation derived from "three pronged revenue" approach for matchday revenue and ticket sales, domestic and international broadcast revenue and commercial revenue from sponsorships and merchandising.

Perez, a construction tycoon listed among Forbes' richest men in the world, was appointed President of the club by a majority of its members and set out to build a professional organization founded on achieving a "debt-free, profitable firm" in which all other strategies, including its sporting success, would be subordinate (Garcia, 2011). Due to the transparency of the organization, Real is contractually obligated to release its financial reports to its publicly-owned membership. By leveraging the emotional attachment of the brand, Perez's management strategy has yielded remarkable results, with Real accruing nearly €500 million in revenue in 2011, an increase of over €200 million in the past 5 years (Appendix Q) (Deloitte, 2012). With operating revenues of €480 million in 2011, Real maintains an EBITDA of €148 million (+31% from 2010), after the deduction of staff and transaction costs, and a net profit of €31 million before taxes, giving it the highest revenue in the world of sports (Appendix S) (Real Madrid, 2011). Operating efficiency, utilized as the primary method for measuring efficiency of global soccer clubs, is at 45%, and hovering around the recommended 50% threshold for operational excellence (Appendix R). Holding

€170 million in debt, Real has invested €83 million in commercial and stadia development projects to reinforce its brand and maintain a competitive advantage and position of reference in world soccer (Real Madrid, 2011). With the assistance of rivals FC Barcelona and its constituents throughout La Liga, professional soccer in Spain now accounts for approximately 1.7% of the national GDP, and nearly 2.5% of GDP in the services sector (Kase et al, 2007).

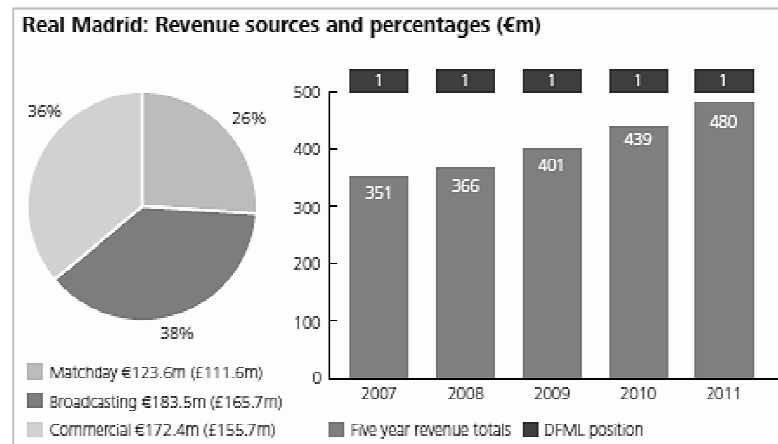
Finances in soccer clubs have transformed over the past decade, propelled directly and indirectly by broadcasting negotiations, which have functioned as a direct source of revenue to clubs and as an arena for increasing brand exposure to drive other revenue streams. As the largest source of revenue for 16 of the 20 Money League clubs, broadcasting revenue has very limited associated costs on behalf of the club and can be distributed immediately towards improving Real's squad and other business endeavors (Deloitte, 2012). For Real Madrid, broadcasting revenues of over €183.5 million account for 38% of total revenue generation, and are its largest source of income. Negotiated with MediaPro through 2013/14, Real accumulates over €160 million per season in La Liga, and up to €50 million from revenue sharing in the UEFA Champions League (Ozanian, 2011). Unlike most other leagues, Real retains the ability to market and solicit broadcasting rights, in which it negotiates individually, rather than under the collective jurisdiction of the league. As a result, Real's €160 million deal is 19 times greater than that of the smaller clubs in La Liga, and well above the €62 million generated by Atletico Madrid (Cambron, 2011). Should La Liga embrace a collective broadcast model, combined revenues would total approximately €650 million, with Real's stake dropping from 45% to a modest 34% of reallocated revenue (Hunter, 2011). Amidst massive inflation for broadcasting fees, Real's surreal revenue generation from television is likely unsustainable as the league pursues a transition to a collective model by the 2015/16 season.

As La Liga transitions to a collective model and accommodates for UEFA's Financial Fair Play legislation, Real Madrid's revenue prowess should, in theory, translate into a competitive advantage on the pitch (Deloitte, 2011). Improved brand performance implies a greater number of matches played and therefore a greater contribution to the club's matchday revenue. With an average league match home crowd of 66,261 in 2010/11, Real's matchday revenue of €123.6 million represents 26% of its overall income (Deloitte, 2012). Real's propensity for corporate hospitality in the Bernabéu has facilitated its game receipt revenue growth, particularly in the VIP and season ticket categories. Sales of VIP seats increased 44.08% from 2010 to €37 million, with season tickets up an additional 40.29% to €34 million. Membership fees, which represent 9.66% of matchday income, accounted for €8.7 million in 2011, and are aggregated from Real's international fanbase (Real Madrid, 2011). Total ticket sales numbering close to 1.8 million, position Real Madrid as the most profitable club in the world in matchday revenue (Appendix Y).

Membership support, reflected by the clubs brand history and tradition, is used to further augment brand equity with loyalty that reaches beyond domestic markets and drives commercial revenue. For Real Madrid, commercial revenue represents the final 36% of its financial model, allowing it to generate over €172.4 million in 2011 (Deloitte, 2012). Up €21.6 million (14%) from 2010, Real trails only Bayern Munich in overall commercial revenue, yet still retains valuable licensing and sponsorship agreements for non-matchday activities for the next several years (Appendix Y). Current sponsors Adidas (until 2011/12), STC (11/12), Mahou (11/12), Bwin (12/13), and Emirates (16/17) are committed to the club throughout the current campaign and look to seek longer term deals (Deloitte, 2012). However, in addition to its corporate sponsorships, Real Madrid also retains 50% of all player's rights and subsequently negotiated sponsors to guarantee optimum communication of the brand (Real Madrid, 2010). Real's star players are brought in not just for fans, but to also bolster its commercial strategy with significant merchandising and licensing

opportunities (Kase et al, 2007). Since 2005, Real Madrid has sold an average of 1.2 to 1.5 million officially licensed jerseys per year, with the renowned Bernabeu club store receiving more than 1,500,000 visitors each year on its own (Miller, 2010). Similarly, Real's immensely popular PR events and player signings capitalize on brand feelings and stimulate consumer demand, with more than 3,000 jerseys being sold on the day of Cristiano Ronaldo's announcement (\$480,000) and 8,000 on David Beckham's (\$750,000) (Garcia, 2011). Per Deloitte, a breakdown of Real Madrid's three pronged revenue approach can be viewed below (2012):

Figure 6: Real Madrid Revenue Model



Among the premier clubs atop Deloitte's 2012 Money League, only three were able to generate over 100 million euros in each of three revenue categories: Real Madrid, FC Barcelona, and Manchester United (Deloitte, 2012). Ranking respectively in the top 3 in overall revenue generation, these three clubs are consistently ranked among the strongest brands in sports, based on Keller's CBBE components, match performance, and brand equity. As the top ranked club in matchday revenue, and 2nd in commercial and broadcast revenue, Real Madrid consistently outpaces these 2 competitors and the rest of the Money League, firmly establishing its brand equity as the most valuable of the three and all soccer clubs worldwide.

New York Yankees

As a privately held entity, the NY Yankees are not compelled to release their financial information to their stakeholders or the media, and as such are only obligated to disclose financial reports to Major League Baseball, the Yankees governing organization. Purchased by the Steinbrenner Family in 1973 for a now modest sum of only \$10 million, the NY Yankees franchise has since flourished into the most valuable team brand in American sports (McIntyre, 2010). Currently valued at \$1.85 billion based on conservative estimates, with the purchase of the Los Angeles Dodgers for \$2 billion, the Yankees franchise figures to only inflate in its brand valuation (Birger & Arango, 2007). Brand valuations, though partially based on current fixed assets, are also largely speculative estimates, meaning that the sale of a team like the LA Dodgers with a previously estimated value below the Yankees, will now propel the Yankees value above \$2 billion.

Unlike its Spanish counterparts, which retain the ability to individually negotiate broadcasting revenues and directly invest all of its revenue back into the club, as a team in the MLB, the Yankees are subjected to the league's revenue sharing model. Among the 15 teams exempt from incurring shared revenues from other MLB teams under the league's restructured collective bargaining agreement (CBA), the Yankees redistribute an average of \$60 million a year to smaller market teams (Stark, 2011). Should the Yankees exceed the \$178 million luxury tax threshold in player salaries they also must incur a 40% tax rate, which will equate to about \$25.6 million on top of their existing \$206 million payroll (Rovell, 2010). In fact, until 2008, due to this revenue sharing model, the Yankees actually lost money, despite having higher revenue than every team in the league (Appendix AA) (Rovell, 2009). Through capital investment and organizational expenses, the NY Yankees and its affiliates have accumulated nearly \$2 billion of debt, with \$1.2 billion of it representing tax exempt publicly endorsed stadium bonds (Kaplan, 2010). Additional debt sources for the franchise come from operational expenses in minor league affiliates,

scouting, sales, advertising, travel, and capital investments in the Yankee Global Enterprise (Rosenberg, 2010).

In conjunction with the American sports business model, unlike in clubs in Europe, the NY Yankees have, however, embraced the novel concept of sports as a business for decades and the fact that economic capital is their very foundation, beyond sporting success (Harrington, 2011). Baseball's increasingly complex business plays to "limited partnerships taking a corporate approach to big items like payroll, stadium building, regional networks, and growing audience through the Internet" (Van Riper, 2011). Yet as many teams struggle to find sustainable financial success, the Yankees popularity is growing. Ticket sales and sports broadcast programming are becoming increasingly more important for advertisers seeking guaranteed impressions and optimal reach for target audiences, amidst a constantly revolutionizing television market of TiVo and video downloads (Isidore, 2007). With such a large consumer base, commercial, gameday, and broadcast revenues, provide the foundation for the Yankees revenue generation, just as it did with Real Madrid. Generating revenue from the YES Network, Legends Hospitality Management, and Yankee Stadium sponsorships, ticket sales, and luxury suites has positioned the Yankee Global Enterprise as a "three-engine money-making machine" (Ozanian, 2011). Collectively, the enterprise value for the Yankees, YES, and Legends exceeds \$5.1 billion, and represents a revolutionary example in developing American sports brand equity (Badenhausen, 2011).

As the flagship platform for YGE's contemporary revenue generation model, the YES Network, launched in 2001, has since become the most profitable regional sports network in the country with an estimated value of \$3 billion (Sandomir, 2007). Backed by Goldman Sachs alongside the Yankees 34% ownership, the YES Network generated over \$400 million in revenue and approximately \$150 million in annual net profits in 2010, exceeding the combined operating income of all teams in the American League, including the Yankees (Rosenberg, 2010). By prioritizing subscription fees over the promotional

reach of network television, the YES Network retains an industry-leading \$2.15 monthly fee per subscriber charged to their cable and satellite providers. These deals represent approximately 2/3 of the network's income, and permit them to generate an operating profit margin of 60%, a value more than twice the average for a regional sports network (Isidore, 2007). In addition to its stake in YES, the Yankees receive \$90 million in annual rights fees from the network to transmit games throughout each season (Van Riper, 2012). Given the fact that local cable accounts for 40% of all media revenue, and similar broadcast contracts to the Rangers (\$80 million/year) and Dodgers (\$45 million/year) only reach an average of 68,000 and 92,000 household audiences per game, respectively, this figure for the Yankees appears rather modest (Van Riper, 2012). With Yankee games reaching approximately 328,000 households per game, broadcasting rights, relative to the ratio of subscription fees from its competitors, could be even higher (Rosenberg, 2010). However, should the franchise accrue higher broadcast revenues, a portion would be forfeited to revenue sharing, so that it is in the Yankee's best interest, to subsidize the development of the YES Network.

In becoming the most powerful regional sports network in the US, the Yankees have been able to enhance its brand equity by monitoring all commercial broadcast activity and by maintaining a "single-minded focus on everything about the Yankees in a market that follows the team rabidly" (Sandomir, 2007). The proliferation and salience of its brand imagery has allowed YGE to aggressively pursue advertising contracts, both for the YES network and the organization as a whole. Advertising revenues exceed \$300 million, and compliment the \$30 million the Yankees receive in additional media sponsorships from My9 on TV, and \$13 million from WCBS-AM and WADO-AM radio (Badenhausen, 2011). Under the MLB's CBA, the Yankees also receive \$30 million a year from the MLB's TV and licensing agreements (Cohen, 2007).

Major corporate sponsors for the Yankees organization, beyond a broadcast affiliation, include: PepsiCo, Canon, Delta Air Lines, MasterCard, Bank of America, and

W.B. Mason (Badenhausen, 2011). The Yankees decision to maintain the name “Yankee Stadium” on the façade of its ballpark was done with regards to the heritage of its brand imagery and ability to refute the sale of traditional naming rights. However, sponsors are evident throughout the interior of the stadium with exclusivity options awarded to companies wishing to sponsor various hospitality suites, restaurants, seating areas, and concourses that provide the Yankees with an estimated \$75 million a year in advertising income (Birger & Arango, 2007).

Gameday ticket sales, unlike Real Madrid, represent the greatest individual source of income for the Yankees, at approximately \$397 million during the 2010 season, including an additional \$72 million in postseason earnings (Rovell, 2010). From their estimated \$600 million annual income, this figure is roughly 2/3 of all revenue generated, and is largely derivative of the organization’s transition to the new stadium in 2009 and 162 game season (81+ at home). Despite a smaller capacity and depreciation in average attendance, the “expansion of expensive seating, combined with more concessions and merchandise retailers provides team ownership with a substantial increase in profits” of over \$100 million a year (Harrington, 2011). Even more importantly, as a project jointly funded and sanctioned by the City of New York, public and tax-exempt PILOT bonds were used to finance the stadium and permit the Yankees to allocate up to \$40 million in refinanced debt to the stadium each year (SBRnet, 2012). As a result, the Yankees available income for revenue sharing is reduced and the other 29 teams in the league become partially responsible for financing the new ballpark, allowing the Yankees to finance their own product rather than strengthening their competition (Birger & Arango, 2007).

The final component of YGE’s “three-engine” machine is Legends Hospitality Management. Founded in 2008 as a partnership with the NFL’s Dallas Cowboys, Legends’ management of stadia operations and concessions generates over \$25 million in operating

income annually for the NY Yankees. With a valuation of \$250 million, YGE's enterprise brand equity value reaches a collective \$5 billion plateau (Kaplan, 2010).

As its own individual entity, the Yankees franchise develops its brand equity not only through its fans, but also by extending its brand under a portfolio of product categories. YGE's vertical integration of the baseball experience has optimized revenue generation for the Yankees organization from concessions and broadcasting to the team itself. The Yankees brand has effortlessly permeated every accessible component of the game and developed its brand equity through an unparalleled business enterprise.

CONCLUSION

Based on the components of Kevin Keller's Customer-Based Brand Equity model, the brands for Real Madrid and the New York Yankees have been assessed accordingly on their management of brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. Through a combination of these components, these two brands have developed commercial business models that resonate in a global context and allow them to achieve remarkable success, both in their team's performance on the field and revenue generation off of it. As an assessment of their overall brand strength of their comparable brand management strategies, both globally and domestically, Real Madrid and the New York Yankees maintain different competitive advantages over the other.

Despite their differences, however, Real Madrid and the New York Yankees possess virtually equal strength in their interpretation and integration of brand imagery, brand judgments, and brand performance initiatives. Founded on similar principles evoking the legacy and rich history of generations of successful teams, both brands employ nearly identical brand imagery strategies. With their logos, jerseys, and stadium each respectively possessing their own symbolic leverage in brand development, these intangible features are virtually equal for both teams in their lure of fan loyalty. Similarly, fans are attracted to the nostalgic aura of witnessing these two teams in action at their iconic stadiums featuring the

most renowned and marketing players in the world. Brand judgments, as a combination of entertainment value and community engagement, capitalizes on this inherent presence of past fan experiences, and therefore is also equal amongst affiliated fans. Finally, as the two most successful teams in their respective sports, both historically and presently, functional performance for either team has endured generational fluctuations in financial viability, player recruitment, and the variability of industry structure to sustain continual brand performance. Since 2000, both teams have maintained remarkable brand performance, in accordance with their historical performance identity, and maintained consistency in their brand imagery. However, these teams do significantly differ in the other brand equity categories: salience, feelings, and resonance.

In brand salience, the Yankees local fan population of 11.58 million people in NYC provides them with more than twice Real's 4.6 million fans in Madrid. With a larger domestic population and presence in the largest global market for media and economic development, the Yankees 162 season provides a refined brand salience that continues from March until November. For nearly three quarters of a year, the American population is captivated by Major League Baseball, with the NYY garnering the lion's share of that attention. Regardless of fan affiliation, be it both positive or negative, the Yankees brand is an identifiable image synonymous with baseball, American sports that is recognizable nationwide in almost any demographic. However, despite their domestic dominance, the Yankees brand salience is trumped by Real's global fan population of over 300 million supporters. Brand awareness levels globally are an inevitable consequence of the universal popularity of soccer, enabling Real Madrid to engage in a pursuit of social globalization in contrast to the Yankees' corporate globalization. Due to licensing limitations by Major League Baseball, the Yankees global salience strategy is conducted through corporate commercial partnerships with brands like Manchester United and the Yomiuri Giants. On the other hand, Real Madrid invests in cultural capital, pursuing social goodwill initiatives

worldwide through the Real Madrid Foundation, international friendlies and various philanthropic endeavors. As such, while both brands are synonymous with their respective sports, Real's placement atop the world's most popular game gives it greater global salience, despite the domestic appeal of the Yankees.

In conjunction with their superiority in global brand salience, Real Madrid also maintains a slight edge in their execution of brand feelings. As two brands established on a culture of enlightened superiority, brand feelings for fans are identified according to a zero sum process, in which fans experience absolute elation following a championship victory (i.e. BIRG) and absolute dejection and denial following a loss (i.e. CORF). As a result, daily fluctuations in brand feelings are essentially negligible for both sides as fan perceptions are allocated for a greater long-term cause (i.e. World Series, La Liga title). However, just because either team is expected to win, doesn't mean it always does, requiring either brand to employ necessary insurance against such potential backlash from fans. With the advent of social media, the internet has become the primary platform for monitoring daily fan emotions, with Real Madrid retaining an significant advantage in this arena. Under the assumption that both teams continue their expected run of form during seasonal campaigns, brand feelings of optimism and positivity should largely pervade both organizations under nearly identical fan behavior. However, in the event of fluctuations in this arena, Real's brand management is better suited to handle negativity amongst fans.

The final element of disparity between the two brands is brand resonance, and the observable degree of fan loyalty and community development. For Real Madrid, registered members, or "Madridistas," are not only loyal supporters but are also shareholders of the organization, in an endeavor that epitomizes brand resonance and fan loyalty. Similarly, the Yankees endorse Yankees Universe for impassioned fans to express their affiliation with the brand, however only do so as a promotional initiative, rather than as an institutional investment. Partial ownership in Real Madrid incites an enlightened degree of brand

engagement, as members are not only invested in the team's performance but the organization's as well. However, with only approximately 50 games per year, the opportunities for expression of brand resonance pale in comparison to the Yankees 162 game season. Though fan loyalty is not confined by the season, in terms of brand equity development, a longer season often translates into greater matchday and commercial revenues on a recurring basis, opposed to a seasonal revenue cycle. As two distinct approaches to brand resonance, Real Madrid possesses a more impassioned and loyal fan base, while the Yankees have capitalized on its fans over a longer period of time.

As a combination of the 6 elements of Keller's CBBE model, brand equity represents the ultimate determination of relative brand strength between the two franchises. At €480 million (approx. \$630 million) in 2011, Real Madrid's income is only slightly ahead of the New York Yankees \$600 million. Based on a three pronged revenue generation model, brand equity for both teams is equated according to their success in stimulating broadcast, matchday, and commercial revenue. Due to its longer season the Yankees hold an obvious advantage in matchday revenue (\$397m to Real's \$162m) yet trail Real in overall commercial revenue (\$113m to Real's \$227m) due its greater brand salience and flexibility in global licensing negotiations. In broadcast Real also holds an edge with \$241.3 million per season to the Yankees' modest \$90 million as a result of their subsidization of the YES Network. As a result, Real Madrid's individual brand equity translates to greater team valuation of \$1.877 billion over the Yankees \$1.85 billion. However, based on their corporate globalization strategy through their brand portfolio of both domestic and foreign direct investment, the Yankees, as an entity under Yankees Global Enterprises LLC remain the world's greatest sports brand. With their 34% stake in the \$3 billion YES Network, 50% stake in the \$250 million Legends Hospitality Management, YGE's brand valuation is estimated at \$5.1 billion.

With the inclusion of their presence in the world's largest domestic economy and 3rd largest population, the Yankees' positioning as the preeminent franchise in American sports alone could translate into a valuable sports brand. They have since been able to perpetuate this brand equity through a breadth of brand extensions that other brands, particularly Real Madrid, have not fully embraced. As a reformed business enterprise in 2000, Real Madrid, the club, possesses greater brand equity than the New York Yankees. With greater global appeal from a larger captive audience, soccer's popularity has enabled the "Best Club of the 20th Century" to also be among its most valuable. At its essence, Real Madrid is the stronger global brand, matched only by the New York Yankees' domestic excellence and perseverance as a corporate brand enterprise. Regardless of the disparity in various brand strengths and brand management strategies between the two franchises, their ability to effectively execute and integrate Keller's CBBE components into their brands will enable Real Madrid and the New York Yankees to sustain their positioning among the world's greatest sports brands for a long time.

WORKS CONSULTED

- Aaker, D. A., & Biel, A. L. (1993). *Brand equity & advertising: Advertising's role in building strong brands*. Hillsdale, NJ: Lawrence Erlbaum Associates, Inc., Publishers
- Ansoff, H. I. (1980). Strategic issue management. *Strategic Management Journal*, 1(2), 131-148. Retrieved from <http://onlinelibrary.wiley.com/doi/10.1002/smj.4250010204/abstract>
- Badenhausen, K. (2011, March 22). MLB team values: The business of baseball. *Forbes*, Retrieved from http://www.forbes.com/lists/2011/33/baseball-valuations-11_land.html
- Badenhausen, K. (2011, May 31). The world's highest paid athletes. *Forbes*, Retrieved from <http://www.forbes.com/sites/kurtbadenhausen/2011/05/31/the-worlds-highest-paid-athletes/>
- Badenhausen, K. (2011, July 07). Derek jeter: The yankees \$5 billion man. *Forbes*, Retrieved from <http://www.forbes.com/sites/kurtbadenhausen/2011/07/07/derek-jeter-and-yankee-billions/>
- Barajas, A. (2007). Economic impact of support in spanish professional football. *International Journal of Sports Marketing & Sponsorship*, 8(3), 272-279. Retrieved from http://www.theelusivefan.com/IJSMS8_3.pdf
- Bauer, H. H., Sauer, N. E., & Schmitt, P. (2004). Customer-based brand equity in the team sport industry: Operationalization and impact on the economic success of sport teams. *European Journal of Marketing*, 39(5/6), 496-513. Retrieved from <http://www.emeraldinsight.com/journals.htm?articleid=1502263&show=abstract>
- BaseballReference.com. (2012, April 21). New york yankees team history & encyclopedia. Retrieved from <http://www.baseball-reference.com/teams/NYY/>
- Bennett, R. (2011, April 19). Epl is as american as apple pie . *ESPN Soccer*. Retrieved from http://espn.go.com/sports/soccer/news/_id/6382316/english-premier-league-american-apple-pie
- Brand Keys. (2011, March 23). 2011 brand keys sports fan index scores loyalty winners and losers. Retrieved from http://www.visibilitypr.com/Press_Room/Entries/2011/3/23_2011_Brand_Keys_Sports_Fan_Index_Scores_Loyalty_Winners_and_Losers.html
- Cambron, I. (2011, October 16). Is la liga worth watching?. *ESPN Soccernet*. Retrieved from http://blogs.soccernet.com/barcelona/archives/2011/10/this_weekend_a_friend_joined.php
- CIA. (2012, April 13). Europe: Spain. *The World Factbook*, Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/sp.html>

- CIA. (2012, April 13). North america: United states. The World Factbook, Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>
- Cialdini, R. B., Borden, R. J., Thorne, A., Walker, M. R., Freeman, S., & Sloan, L. R. (1976). Basking in reflected glory: Three (football) field studies. *Journal of Personality and Social Psychology*, 34(3), 366-375. Retrieved from <http://www.people.vcu.edu/~jldavis/readings/Cialdini et al 1976 birg.pdf>
- Cocco, A. & Jones, J.C.H. (1997) On going south: the economics of survival and relocation of small market NHL franchises in Canada, *Applied Economics* 29, 1537-1552.
- de Chernatony, L., & Riley, F. D. (1998). Modeling the components of the brand. *European Journal of Marketing*, 32(11/12), 1074-1090. Retrieved from <http://www.emeraldinsight.com/journals.htm?articleid=853578&show=abstract>
- Deloitte. (2011). Broadcasting models – TV times . Deloitte Football Money League 2011 , Retrieved from http://www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/deloitte-football-money-league-2011/1cf28c129dff210VgnVCM2000001b56f00aRCRD.htm
- Deloitte Sports Business Group. (2011). The untouchables: Football money league. Football Money League 2011, Retrieved from <http://www.deloitte.com/assets/Dcom-Ecuador/Local Assets/Documents/Estudios generales/Football Money League.pdf>
- Deloitte Sports Business Group. (2012). Fan power: Football money league. Football Money League 2012, Retrieved from <http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local Assets/Documents/Industries/Sports Business Group/uk-sbg-dfml-2012-final.pdf>
- ESPN. (2012, April 21). Mlb attendance report - 2012. ESPN MLB, Retrieved from http://espn.go.com/mlb/attendance/_/sort/awayPct
- ESPN MLB. (2012, April 21). Mlb standings. ESPN , Retrieved from http://espn.go.com/mlb/standings/_/year/2011
- ESPN Soccernet. (2012, April 21). Spanish liga bbva table / standings. ESPN Soccernet, Retrieved from http://soccernet.espn.go.com/tables/_/league/esp.1/spanish-primera-division?cc=5901
- FTF (1999) Football: commercial issues. Report One. A submission by the Football Task Force to the Minister for Sport.
- Hollander, S. (2010, May 07). Yankees fans are from mars.. The Wall Street Journal. Retrieved from <http://online.wsj.com/article/SB10001424052748704342604575222410550392850.html>
- Hunter, G. (2011, March 30). TV issue masks spain's larger problem. ESPN Soccernet. Retrieved from <http://m.espn.go.com/wireless/story?storyId=6271326&wjb>

- Jones, D. (2009). Survival of the fittest. Deloitte Annual Review of Football Finance (ARFF) 2009, (Summer), Retrieved from http://www.deloitte.com/assets/Dcom-UnitedKingdom/LocalAssets/Documents/Services/Consulting/UK_C_Survivalofthefittest_.pdf
- Kase, K., Urrutia de Hoyos, I., Sanchis, C. M., & Breton, M. O. (2007). The proto-image of real madrid:. *International Journal of Sports Marketing & Sponsorship*, 8(3), 212-234. Retrieved from http://www.theelusivefan.com/IJSMS8_3.pdf
- Keller, K. L. (2001). Building customer-based brand equity: A blueprint for creating strong brands. Marketing Science Institute, 01(107), Retrieved from <http://mktg.uni-svishtov.bg/ivm/resources/CustomerBasedbrandEquityModel.pdf>
- Klout. (2012, April 21). New york yankees klout influence report. Klout, Retrieved from <http://klout.com/>
- Klout. (2012, April 21). Real madrid klout influence report. Klout, Retrieved from <http://klout.com/>
- Kotler, P., & Zaltman, G. (1971). Social marketing: An approach to planned social change. *Journal of Marketing*, 35(3), 3-12. Retrieved from <http://www.jstor.org/stable/10.2307/1249783>
- Kuper, S., & Szymanski, S. (2009). *Soccernomics: Why england loses, germany and brazil win, and why the u.s., japan, australia, tukery - and even iraq - are destined to become the kings of the world's most popular sport*. New York, NY: Nation Books.
- Li, M., MacIntosh, E. W., & Bravo, G. A. (2012). *International sport management*. Champaign, IL: Human Kinetics. Retrieved from [http://books.google.com/books?id=udBgtzFSIBIC&pg=PA404&dq=new york yankees brand image&hl=en&sa=X&ei=YWOYT8DeMOGN6QGo2tGCBw&ved=0CIMBEOgBMAk](http://books.google.com/books?id=udBgtzFSIBIC&pg=PA404&dq=new+york+yankees+brand+image&hl=en&sa=X&ei=YWOYT8DeMOGN6QGo2tGCBw&ved=0CIMBEOgBMAk)
- Madhavaram, S., Badrinarayanan, V., & McDonald, R. E. (2005). Integrated marketing communication (imc) and brand identity as critical components of brand equity strategy: A conceptual framework and research propositions. *Journal of Advertising*, 34(4), 69-80. Retrieved from <http://mesharpe.metapress.com/media/a5t5ad3kjp6wtj81ac5v/contributions/e/f/f/l/ef/fl0pa8fuqfp861.p>
- Marchand, A. (2011, November 28). Yankees get richer. ESPN New York. Retrieved from http://espn.go.com/blog/new-york/yankees/post/_id/25515/yankees-get-richer
- Martínez-Jerez, F.A. & Martínez de Albornoz, R. (2004) *Hala Madrid: managing Real Madrid Club de Fútbol, the team of the century*, 2-105-013. Harvard Business School: Boston, MA

- Mellor, G. (2001) Can we have our fans back now? Football, community and the historical struggles of small-town clubs. *Singer & Friedlander, Review 2000-2001 Season*, 34-37.
- Morrissey, M. (2007). *The pride and the pressure: A season inside the new york yankee fishbowl*. New York, NY: Random House Digital Retrieved from http://books.google.com/books?id=RFR9q4q0VLsC&dq=new+york+yankees+steiner+sports&source=gbs_navlinks_s
- Mullin, B. J., Iardy, S., & Sutton, W. A. (2007). *Sport marketing*. (3 ed.). Champaign, IL: Human Kinetics.
- New York Yankees. (2012, April 21). *History: Year by year results*. New York Yankees, Retrieved from http://newyork.yankees.mlb.com/nyy/history/year_by_year_results.jsp
- Ozanian, M. (2011, April 21). *The world's most valuable soccer teams: Inside the numbers*. *Forbes SportMoney*, Retrieved from <http://www.forbes.com/sites/mikeozanian/2011/04/21/the-worlds-most-valuable-soccer-teams-inside-the-numbers/>
- Ozanian, M. (2011, October 03). *The Forbes fab 40: The world's most valuable sports brands*. *Forbes*, Retrieved from <http://www.forbes.com/sites/mikeozanian/2011/10/03/the-forbes-fab-40-the-worlds-most-valuable-sports-brands-3/>
- Pederson, L. H. (2004). *why is branding so important*. *FIBA Sports Marketing and Management*, 47-48. Retrieved from http://www.fiba.com/asp_includes/download.asp?file_id=406
- Pérez, F. (2002) *Discurso pronunciado por el Presidente del Real Madrid C.F., D. Florentino Pérez, en la Asamblea General de Socios Compromisarios celebrada el día 6 de Octubre de 2002*. Real Madrid: Madrid.
- Quelch, J. & Nueno, J.L. (2004) *Real Madrid Club de Futbol*, N9-504-063. Harvard Business School.
- Rein, I. J., Kotler, P., & Shields, B. (2006). *The elusive fan: Reinventing sports in a crowded marketplace*. New York, NY: McGraw-Hill.
- Robledo, V.M. (2010). *El Tour del Bernabeu bate records*. Retrieved from www.realmadrid.com/cs/Satellite/es/1330007572278/noticia/Noticia/El_Tour_del_Bernabeu_bate_records.htm
- Savage, P. (2012, April 19). *Real madrid shirt sponsor*. *Sport Business*, Retrieved from <http://www.sportbusiness.com/>
- Silverstein, B. (2009, August 08). *How strong brands create brand fanatics*. *Brand Channel*, Retrieved from http://www.brandchannel.com/features_effect.asp?pf_id=490

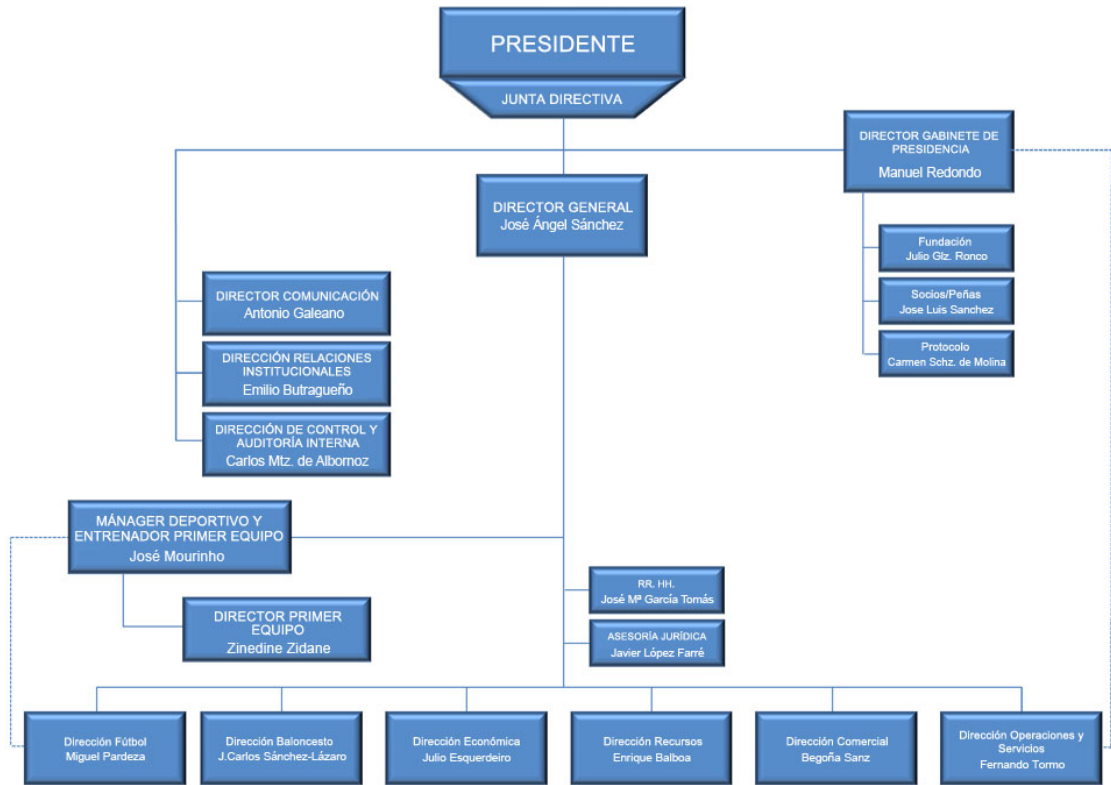
- Soto, J. L. (2008, March 06). El club established on 6 march 1902 was named best club of the 20th century. Real Madrid, Retrieved from http://www.realmadrid.com/cs/Satellite/en/1202728273671/noticia/Noticia/106_years_of_history.htm
- Stark, J. (2011, november 22). How the new cba changes baseball. ESPN. Retrieved from http://espn.go.com/mlb/story/_/id/7270203/baseball-new-labor-deal-truly-historic-one
- Stewart, M. (2008). The new york yankees. Chicago, IL: Norwood House Press. Retrieved from http://books.google.com/books?id=qc5nI5wQgHgC&printsec=frontcover&source=gbs_ge_summary_r&cad=0
- Stout, G., & Johnson, R. A. (2002). Yankees century: 100 years of new york yankees baseball. New York, NY: Houghton Mifflin Harcourt.
- Tapp, A. (2004) The loyalty of football fans – we'll support you ever more?, Database Marketing and Customer Strategy Management 11(3), 203-215.
- Tybout, A. M., & Calkins, T. (2005). Kellogg on branding: the marketing faculty of the kellogg school of management. Hoboken, NJ: John Wiley & Sons, Inc.
- Van Riper, T. (2011, march 09). Baseball's highest paid players. Forbes.com, Retrieved from <http://www.forbes.com/2011/03/09/yankees-phillies-mets-business-sports-highest-paid-baseball-players.html>
- Van Riper, T. (2012, March 21). The new moneyball. Forbes. Retrieved from <http://www.forbes.com/forbes/2012/0409/baseball-valuations-12-mccourt-multibillion-dollar-deals-new-moneyball.html>
- Van Riper, T. (2011, March 23). Why baseball isn't a billionaires' game. Forbes.com, Retrieved from <http://www.forbes.com/2011/03/23/mariners-braves-tigers-business-sports-baseball-valuations-11-billionaires.html>
- Weintraub, R. (2011). The house that ruth built: A new stadium, the first yankees championship, and the redemption of 1923. New York, NY: Hachette Digital, Inc. Retrieved from http://books.google.com/books?id=tZKHQmFAMEYC&printsec=frontcover&source=gbs_ge_summary_r&cad=0
- Wenner, L. A. (1998). Mediasport. New York, NY: Routledge. Retrieved from http://books.google.com/books?id=eDfW2bueInAC&printsec=frontcover&source=gbs_ge_summary_r&cad=0

APPENDIX***INTRODUCTION***

FIGURE A: New York Yankees Organizational Structure (Yankees.com, 2012)

YANKEES FRONT OFFICE	
EXECUTIVES AND OFFICERS	
George M. Steinbrenner III (1930-2010)	Principal Owner / Chairperson
Hal Steinbrenner	Managing General Partner / Co-Chairperson
Henry G. Steinbrenner	General Partner / Co-Chairperson
Jennifer Steinbrenner Swindal	General Partner / Vice Chairperson
Jessica Steinbrenner	General Partner / Vice Chairperson
Joan Steinbrenner	Vice Chairperson
Randy Levine, Esq.	President
Lonn A. Trost, Esq.	Chief Operating Officer
Brian Cashman	Senior Vice President, General Manager
Marty Greenspun	Senior Vice President, Strategic Ventures
Sonny Hight	Senior Vice President, Chief Security Officer
Anthony Bruno	Senior Vice President/Chief Financial Officer, Yankee Global Enterprises
Felix M. Lopez	Executive Vice President/Chief International Officer, New York Yankees
Mark Newman	Senior Vice President, Baseball Operations
Brian Smith	Senior Vice President, Corporate/Community Relations
Michael J. Tusiani	Senior Vice President, Corporate Sales & Sponsorships
Deborah A. Tymon	Senior Vice President, Marketing
Jean Afterman	Vice President, Assistant General Manager
Robert Brown	Vice President & Chief Financial Officer, Accounting
Alan Chang, Esq.	Deputy General Counsel, Vice President, Legal Affairs
Scott Krug	Vice President & Chief Financial Officer, Financial Operations
Derrick Baio	Controller

FIGURE B: Real Madrid Organizational Structure (RealMadrid.com, 2012)



BRAND SALIENCE

FIGURE C: Real Madrid Foundation Global Influence (Real Madrid, 2011)



FIGURE D: Major Player Sponsorships

Real Madrid

Player	Country	Sponsors
Iker Casillas	Spain	Adidas, Philips, Mahou
Sergio Ramos	Spain	Nike
Raul Albiol	Spain	Adidas
Ricardo Carvalho	Portugal	Adidas
Alvaro Arbeloa	Spain	Adidas
Fabio Coentrao	Portugal	Adidas
Marcelo	Brazil	Nike
Lassana Diarra	France	Adidas
Xabi Alonso	Spain	Adidas
Sami Khedira	Germany	Nike
Hamit Altintop	Turkey	Adidas
Kaka	Brazil	Adidas, EA Sports, Armani, Guarana
Mezut Ozil	Germany	Nike
Angel Di Maria	Argentina	Adidas
Cristiano Ronaldo	Portugal	Nike, Castrol, Konami, Coca-Cola, Armani
Karim Benzema	France	Adidas, Hyundai, EA Sports
Gonzalo Higuain	Argentina	Nike

New York Yankees

Player	Country	Sponsors
Mariano Rivera	Panama	Nike, Canali
C.C. Sabathia	USA	Nike (Jordan), Subway, Pepsi, Toyota, EA Sports
Robinson Cano	Dominican Republic	Nike
Derek Jeter	USA	Nike, Gatorade, Gillette, Visa, Ford, Delta, Upper Deck, 24 Hour Fitness, Fleet Bank, Avon
Alex Rodriguez	USA	Vita Coco, Nike, Pepsi, Rawlings, Topps
Mark Teixeira	USA	Nike, Rawlings
Curtis Granderson	USA	Nike
Russell Martin	Canada	Nike

BRAND PERFORMANCE

FIGURE E: Real Madrid Ticket Sales Breakdown 2010/2011 (Real Madrid, 2011)

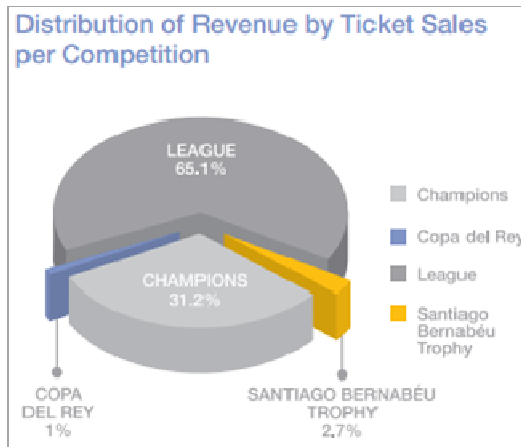


FIGURE F: Real Madrid Total Revenue From Ticket Sales in All Competitions (Real Madrid, 2011)

Total Revenue from Ticket Sales in all Competitions

2008/2009	
Tickets	13.13 million €
New allocations	3.41 million €
VIP Tickets	1.72 million €
Total	18.25 million €
2009/2010	
Tickets	19.65 million €
New allocations	4.84 million €
VIP Tickets	2.47 million €
Total	26.96 million €

FIGURE G: Real Madrid Ticket Sales by Member Type (Real Madrid, 2011)

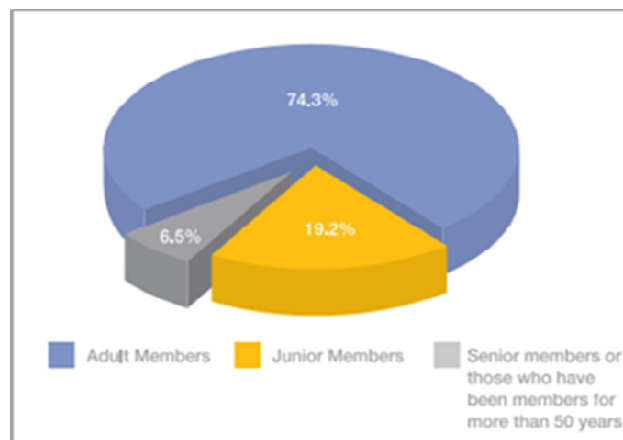


FIGURE H: Highest Paying Sports Teams (Harris, 2011)

Rank	Team	League	Average Annual Salary Per Player	Average Weekly Salary Per Player
1	Barcelona	La Liga	\$7,910,737	\$152,130
2	Real Madrid	La Liga	\$7,356,632	\$141,474
3	New York Yankees	MLB	\$6,756,301	\$129,929
4	Los Angeles Lakers	NBA	\$6,540,690	\$125,782
5	Orlando Magic	NBA	\$6,367,114	\$122,445
6	Chelsea	EPL	\$6,020,741	\$115,783
7	Inter Milan	Serie A	\$5,999,643	\$115,378
8	Boston Red Sox	MLB	\$5,991,203	\$115,215
9	Denver Nuggets	NBA	\$5,990,174	\$115,196
10	Manchester City	EPL	\$5,863,585	\$112,761
11	Utah Jazz	NBA	\$5,829,643	\$112,109
12	Bayern Munich	Bundesliga	\$5,780,358	\$111,161
13	Philadelphia Phillies	MLB	\$5,765,879	\$110,882
14	AC Milan	Serie A	\$5,647,633	\$108,608
15	Boston Celtics	NBA	\$5,236,922	\$100,710
16	Manchester United	EPL	\$5,106,214	\$98,196
17	Chicago Cubs	MLB	\$5,001,893	\$96,190
18	Houston Rockets	NBA	\$4,972,115	\$95,618
19	Philadelphia 76ers	NBA	\$4,954,303	\$95,275
20	Liverpool	EPL	\$4,935,847	\$94,920
21	Dallas Mavericks	NBA	\$4,882,757	\$93,899
22	Arsenal	EPL	\$4,758,252	\$91,505
23	Chicago White Sox	MLB	\$4,732,926	\$91,018
24	Atlanta Hawks	NBA	\$4,665,981	\$89,730
25	Minnesota Twins	MLB	\$4,509,480	\$86,721
26	Royal Challengers Bangalore	IPL	\$4,506,667	\$86,667
27	Memphis Grizzlies	NBA	\$4,477,489	\$86,106
28	Los Angeles Angels	MLB	\$4,469,134	\$85,945
29	Kolkata Knight Riders	IPL	\$4,448,333	\$85,545
30	New York Mets	MLB	\$4,401,752	\$84,649

FIGURE I: American League Attendance (SBRnet, 2012)

Baseball - Major League Regular Season Attendance (add 000) (Games in parentheses)																			
Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
American League:																			
New York Yankees	2,417	1,676	1,705	2,251	2,580	2,950 (81)	3,293	3,228	3,265	3,462	3,466	3,775 (79)	4,090 (81)	4,201 (81)	4,272 (81)	4,299 (81)	3,719 (81)	3,766 (81)	3,654 (81)
Los Angeles Angels	2,058	1,513	1,749	1,821	1,767	2,519 (81)	2,253	2,067	2,001	2,306	3,061	3,376 (81)	3,405 (81)	3,407 (81)	3,366 (81)	3,337 (81)	3,240 (81)	3,251 (81)	3,166 (81)
Boston Red Sox	2,422	1,776	2,164	2,315	2,226	2,315 (81)	2,446	2,586	2,625	2,650	2,724	2,837 (81)	2,813 (80)	2,931 (81)	2,971 (81)	3,048 (81)	3,063 (81)	3,046 (81)	3,054 (81)

BRAND IMAGERY

FIGURE J: Real Madrid Crest (RealMadrid.com, 2012)



FIGURE K: New York Yankees Insignia (Yankees.com, 2012)



BRAND RESONANCE

FIGURE L: Fan Loyalty Breakdown (Kase et al, 2007)

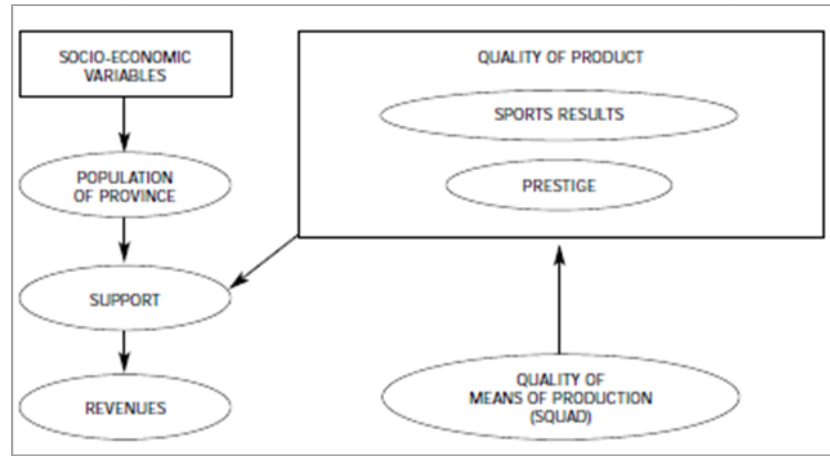


FIGURE M: Real Madrid Madridistas Memberships (RealMadrid.com, 2012)

These are the benefits of being Madridista	Enjoy these prices during the first year		
	Basic 20€	Magazine 25€	Special* 32,50€ <small>*45€ outside Europe</small>
Official supporter card	✓	✓	✓
Real Madrid Official Newsletter	✓	✓	✓
Welcome Pack		✓	✓
Real Madrid quarterly magazine		✓	✓
Loyalty prize			✓
Real Madrid online magazine	✓	✓	✓
Priority access to Bernabéu tickets	✓	✓	✓
5% discount on all purchases at the official club stores	✓	✓	✓
Discounts on Bernabéu Stadium guided Tour	✓	✓	✓
Discounts at the Stadium restaurants	✓	✓	✓
Discounts on basketball tickets purchase	✓	✓	✓
Madrid Trip annual draw	✓	✓	✓
Monthly draw of official Club items	✓	✓	✓
Concests y promotions	✓	✓	✓
A lot more discounts when visiting Madrid	✓	✓	✓
Prices from the second year	40€	50€	65€* <small>*60€ outside Europe</small>

FIGURE N: Real Madrid Madridistas Age Breakdown (Real Madrid, 2010)

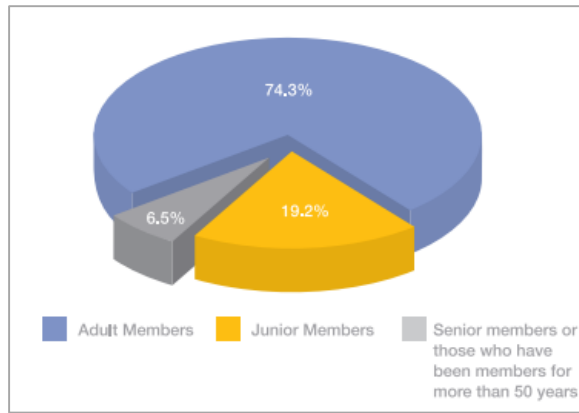


FIGURE O: Registered Real Madrid Fan Clubs (Real Madrid, 2011)

1. ANDALUCÍA	439	9. CATALUÑA	121	PEÑAS EXTRANJERAS		REPÚBLICA DOMINICANA	1
Almería	52	Barcelona	71	ALBANIA	1	SENEGAL	1
Cádiz	42	Tarragona	17	ALEMANIA	4	SIRIA	2
Córdoba	79	Lérida	14	ANDORRA	1	RUSIA	2
Granada	81	Gerona	19	AUSTRALIA	1	SUECIA	1
Huelva	41			AZERBAIYÁN	1	SUIZA	12
Jaén	69			BELGICA	6	TÚNEZ	1
Málaga	52	10. CEUTA	1	BIELORRUSIA	1	UCRANIA	1
Sevilla	23	11. COMUNIDAD VALENCIANA	193	BRASIL	1	USA	3
		Alicante	80	BULGARIA	1	VENEZUELA	2
		Valencia	58	CHILE	1	TOTAL EXTRANJERAS	88
		Castellón	55	CHINA	4		
2. ARAGÓN	39			CHIPRE	1	TOTAL PEÑAS MUNDO	2.143
Zaragoza	17	12. EXTREMADURA	231	COSTA RICA	1		
Huesca	12	Cáceres	89	CUBA	1		
Teruel	10	Badajoz	142	DINAMARCA	1		
				EGIPTO	1		
3. ASTURIAS	48	13. GALICIA	126	EMIRATOS ÁRABES	2		
		A Coruña	37	FILIPINAS	1		
4. BALEARES	42	Lugo	29	FRANCIA	4		
		Orense	26	GIBRALTAR	1		
5. CANARIAS	30	Pontevedra	34	GRECIA	1		
				GUATEMALA	2		
6. CANTABRIA	26	14. LA RIOJA	29	GUINEA ECUATORIAL	2		
				HOLANDA	2		
7. CASTILLA LA MANCHA	274	15. MADRID	194	HUNGRÍA	1		
Albacete	54	16. MELILLA	2	INDONESIA	1		
Ciudad Real	75			INGLATERRA	1		
Cuenca	44	17. MURCIA	75	JAPÓN	2		
Guadalajara	30	18. NAVARRA	20	JORDANIA	1		
Toledo	71	19. PAÍS VASCO	16	MARRUECOS	7		
		Álava	4	MÉXICO	1		
8. CASTILLA LEÓN	149	Guipúzcoa	7	NORUEGA	1		
Ávila	31	Vizcaya	5	PANAMÁ	1		
Burgos	15			PERO	1		
León	26	TOTAL NACIONAL	2.056	POLONIA	1		
Palencia	9			PORTUGAL	1		
Salamanca	19			PUERTO RICO	1		
Segovia	18						
Soria	3						
Valladolid	15						
Zamora	13						

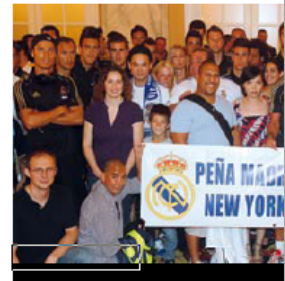


FIGURE P: New York Yankees – Yankees Universe Memberships (Yankees.com, 2012)

		
<p>\$19.95</p>	<p>\$59.95</p>	<p>\$295 <small>(Limited Quantity Available)</small></p>
<p>Join Now</p>	<p>Join Now</p>	<p>Join Now</p>
<ul style="list-style-type: none"> 2012 Personalized Membership Card Welcome Letter from the New York Yankees Two (2) New York Yankees Magnets Yankees Universe Sticker 2012 MLB.com® Gameday Audio for your PC or Mac 10 percent off a single eligible order at the yankees.com® Online Shop* 15 percent discount on food, nonalcoholic beverages and retail at Hard Rock Cafe Yankee Stadium (non-gamedays only)* 15 percent discount on food and nonalcoholic beverages at NYY Steak (non-gamedays only)* Half-price tickets for Yankee Stadium Tour Ticket discount offers (subject to availability)* Charleston RiverDogs ticket discount Trenton Thunder ticket discount Access to members-only website with exclusive content and offers Fast track entry into Yankee Stadium - Gate 2* Fast track entry into the New York Yankees Museum presented by Bank of America* Opportunity to receive a 30-day trial to the MLB Insiders Club* 	<ul style="list-style-type: none"> Limited-Edition Mariano Rivera Bobblehead Yankees Hat Yankees Universe Banner Yankees Universe Pen Yankees Universe Wristband Yankees Universe Keychain 2012 Personalized Membership Card Welcome Letter from the New York Yankees Two (2) New York Yankees Magnets Yankees Universe Sticker 2012 MLB.com® Gameday Audio for your PC or Mac 10 percent off a single eligible order at the yankees.com® Online Shop* 15 percent discount on food, nonalcoholic beverages and retail at Hard Rock Cafe Yankee Stadium (non-gamedays only)* 15 percent discount on food and nonalcoholic beverages at NYY Steak (non-gamedays only)* Half-price tickets for Yankee Stadium Tour Ticket discount offers (subject to availability)* Charleston RiverDogs ticket discount Trenton Thunder ticket discount Access to members-only website with exclusive content and offers Fast track entry into Yankee Stadium - Gate 2* Fast track entry into the New York Yankees Museum presented by Bank of America* Opportunity to receive a 30-day trial to the MLB Insiders Club* 	<ul style="list-style-type: none"> Two (2) Field Level tickets to a select 2012 regular-season home game* Yankees Universe Navy Hooded Sweatshirt The Final Season: The Official Retrospective -- 192-page hardcover book Limited-Edition Mariano Rivera Bobblehead Yankees Hat Yankees Universe Banner Yankees Universe Pen Yankees Universe Wristband Yankees Universe Keychain 2012 Personalized Membership Card Welcome Letter from the New York Yankees Two (2) New York Yankees Magnets Yankees Universe Sticker 2012 MLB.com® Gameday Audio for your PC or Mac 10 percent off a single eligible order at the yankees.com® Online Shop* 15 percent discount on food, nonalcoholic beverages and retail at Hard Rock Cafe Yankee Stadium (non-gamedays only)* 15 percent discount on food and nonalcoholic beverages at NYY Steak (non-gamedays only)* Half-price tickets for Yankee Stadium Tour Ticket discount offers (subject to availability)* Charleston RiverDogs ticket discount Trenton Thunder ticket discount Access to members-only website with exclusive content and offers Fast track entry into Yankee Stadium - Gate 2* Fast track entry into the New York Yankees Museum presented by Bank of America* Opportunity to receive a 30-day trial to the MLB Insiders Club*
<p><small>* terms and conditions apply</small></p>		

BRAND EQUITY

FIGURE Q: Real Madrid Revenue Growth (Real Madrid, 2010)

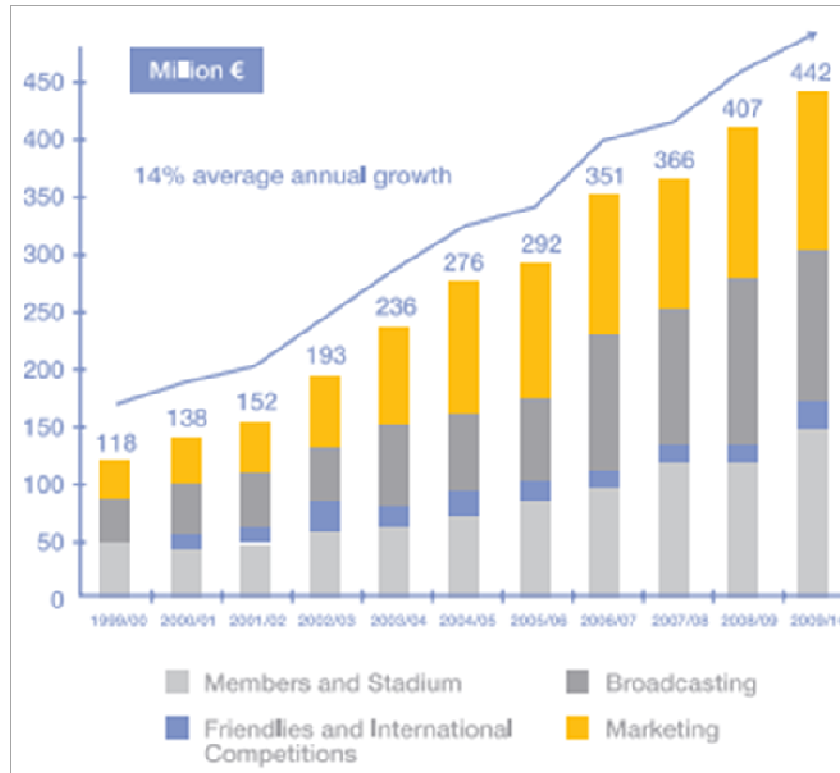


FIGURE R: Real Madrid Efficiency Ratio (Real Madrid, 2010)

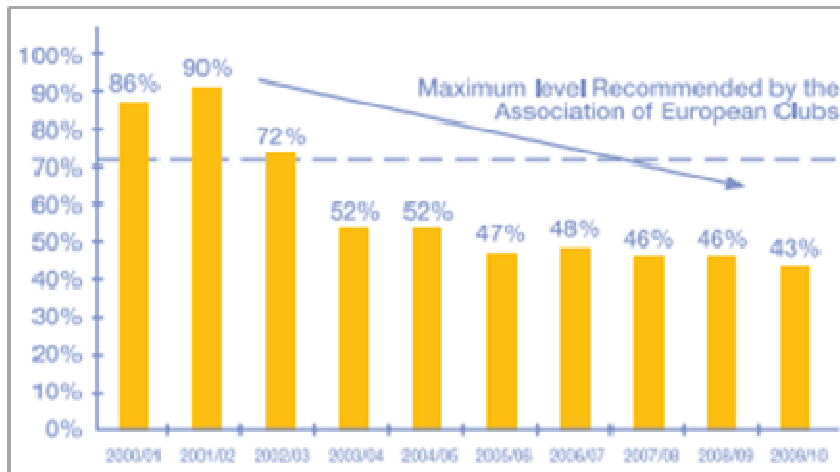


FIGURE S: Real Madrid EBITDA Growth (Real Madrid, 2010)

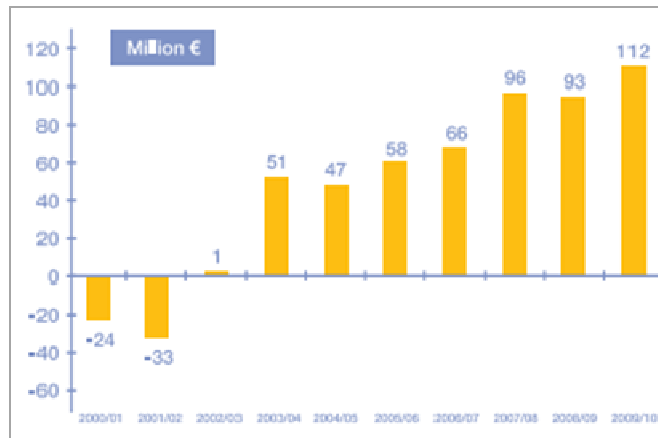


FIGURE T: Real Madrid Investments (Real Madrid, 2010)



FIGURE U: Real Madrid Debt (Real Madrid, 2010)

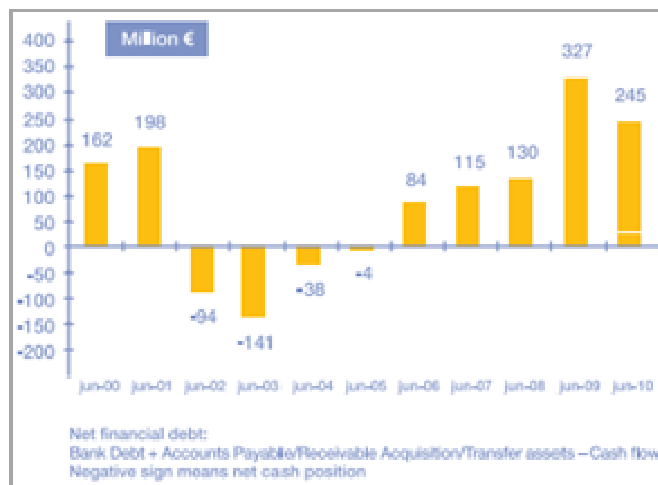


FIGURE V: Real Madrid Sample Budget 2010/11 (Real Madrid, 2010)

CONSOLIDATED BUDGET FOR REAL MADRID FOOTBALL CLUB AND SUBSIDIARIES FOR THE 2010/11 SEASON		
	Thousands (€)	
	CLOSE 2009/10	BUDGET 2010/11
Revenue from members and the stadium	148,593	137,391
Revenue from friendly matches and international competitions	22,565	16,698
Revenue from retransmission	136,159	158,090
Revenue from Marketing	134,989	137,837
Total revenue from operations (before transfer of assets)	442,306	450,018
Expenses for provisions	(18,025)	(15,826)
Personal sporting and non-sporting expenses	(192,263)	(208,109)
Operational expenses	(115,723)	(91,450)
Provisions for insolvency and liabilities and expenses	(4,741)	0
Total operational expenses before amortisations	(330,752)	(315,385)
Operational results before amortisations and transfer of assets	111,554	134,632
Results for the transfer of assets	33,997	6,924
Impairment losses/Low fixed assets	85	0
Results for the transfer of assets	34,082	6,924
Operational results before amortisation (EBITDA)	145,636	141,556
Ordinary amortisation	(101,690)	(108,708)
Operational Results	43,946	32,848
Financial revenues	7,056	1,452
Financial expenses	(20,013)	(15,218)
Financial results	(12,957)	(13,766)
Ordinary results	30,989	19,082
Results before taxes	30,989	19,082
TOTAL REVENUE (Operational+Financial+ Transferal of assets)	483,359	458,393
TOTAL EXPENSES (Operational+Financial+Amortisations+Deteriation/Low fixed assets)	(452,370)	(439,311)
RESULTS BEFORE TAXES	30,989	19,082

FIGURE W: Deloitte Money League Broadcast Revenue (Deloitte, 2011)

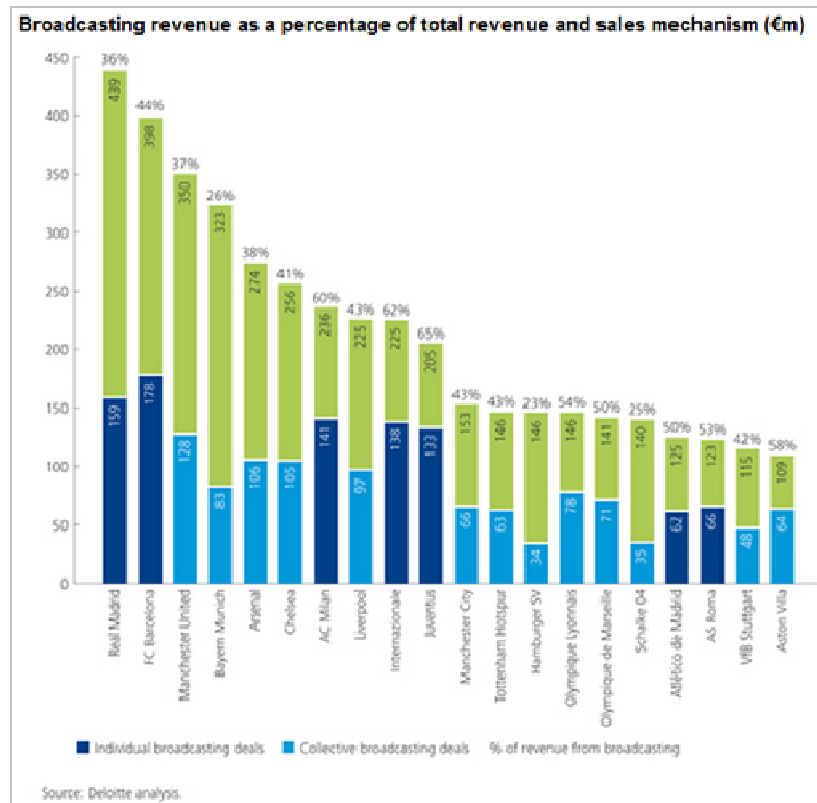


FIGURE X: Deloitte Money League Three-Pronged Revenue Model (Deloitte, 2011)

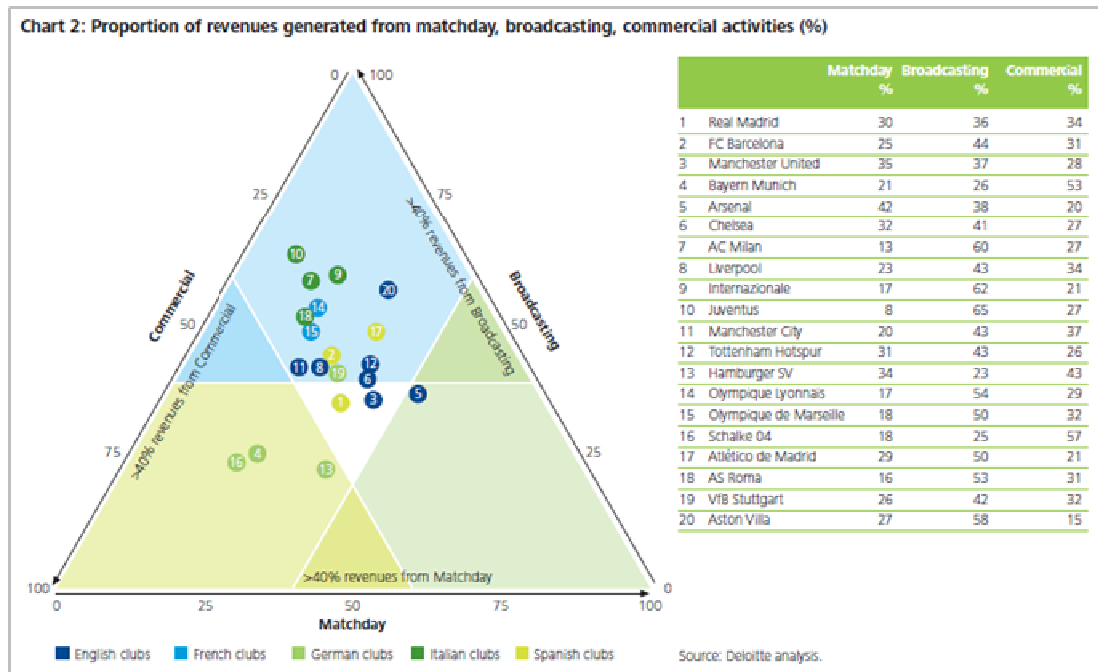


FIGURE Y: Top 20 Revenue Generating Clubs (Deloitte, 2011)

Table 3: Top 20 commercial revenue generating clubs				Table 2: Top 20 broadcast revenue generating clubs				Table 1: Top 20 matchday revenue generating clubs			
Rank	Club	Revenue €m	Money League ranking	Rank	Club	Revenue €m	Money League ranking	Rank	Club	Revenue €m	Money League ranking
1	Bayern Munich	172.9	4	1	FC Barcelona	178.1	2	1	Real Madrid	129.1	1
2	Real Madrid	150.8	1	2	Real Madrid	158.7	1	2	Manchester United	122.4	3
3	FC Barcelona	122.2	2	3	AC Milan	141.1	7	3	Arsenal	114.7	5
4	Manchester United	99.4	3	4	Internazionale	137.9	9	4	FC Barcelona	97.8	2
5	Schalke 04	79.0	16	5	Juventus	132.5	10	5	Chelsea	82.1	6
6	Liverpool	75.8	8	6	Manchester United	128.0	3	6	Bayern Munich	65.7	4
7	Chelsea	68.8	6	7	Arsenal	105.7	5	7	Liverpool	52.4	8
8	AC Milan	63.4	7	8	Chelsea	105.0	6	8	Hamburger SV	49.3	13
9	Hamburger SV	63.2	13	9	Liverpool	97.1	8	9	Tottenham Hotspur	46.9	12
10	Borussia Dortmund	60.7	n/a	10	Bayern Munich	83.4	4	10	Celtic	43.4	n/a
11	Manchester City	57.0	11	11	Olympique Lyonnais	78.4	14	11	Benfica	40.2	n/a
12	Juventus	55.6	10	12	Olympique de Marseille	70.8	15	12	Internazionale	38.6	9
13	Arsenal	53.7	5	13	ACF Fiorentina	69.7	n/a	13	Atlético de Madrid	35.9	17
14	Internazionale	46.3	9	14	Manchester City	66.0	11	14	Rangers	31.5	n/a
15	Olympique de Marseille	45.1	15	15	AS Roma	65.6	18	15	AC Milan	31.3	7
16	Olympique Lyonnais	42.9	14	16	FC Girondins de Bordeaux	65.4	n/a	16	VfB Stuttgart	30.2	19
17	Benfica	41.2	n/a	17	Aston Villa	63.6	20	17	Aston Villa	29.8	20
18	Tottenham Hotspur	38.5	12	18	Tottenham Hotspur	62.9	12	18	Manchester City	29.8	11
19	AS Roma	38.1	18	19	Atlético de Madrid	62.2	17	19	Valencia	28.4	n/a
20	Napoli	37.7	n/a	20	Fulham	62.0	n/a	20	Werder Bremen	27.8	n/a

Source: Deloitte analysis.

FIGURE Z: Deloitte Money League Changes (Deloitte, 2012)

2010/11 Revenue (€m)				2009/10 Revenue (€m)					
1	→→	0	Real Madrid	479.5	1	→→	0	Real Madrid	438.6
2	→→	0	FC Barcelona	450.7	2	→→	0	FC Barcelona	398.1
3	→→	0	Manchester United	367	3	→→	0	Manchester United	349.8
4	→→	0	Bayern Munich	321.4	4	→→	0	Bayern Munich	32.8
5	→→	0	Arsenal	251.1	5	→→	0	Arsenal	274.1
6	→→	0	Chelsea	249.8	6	→→	0	Chelsea	255.9
7	→→	0	AC Milan	235.1	7	↑	3	AC Milan	248
8	↑	1	Internazionale	211.4	8	↓	11	Liverpool	225.3
9	↓	1	Liverpool	201.3	9	→→	0	Internazionale	224.8
10	↑	6	Schalke 04	202.4	10	↓	2	Juventus	205
11	↑	1	Tottenham Hotspur	18.1	11	↑	9	Manchester City	152.8
12	↑	1	Manchester City	169.6	12	↑	3	Tottenham Hotspur	146.3
13	↓	3	Juventus	153.9	13	↓	2	Hamburger SV	146.2
14	↑	1	Olympique de Marseille	150.4	14	↓	11	Olympique Lyonnais	146.1
15	↑	3	AS Roma	143.5	15	↓	11	Olympique de Marseille	141.1
16	n/a	new	Borussia Dortmund	138.5	16	→→	0	Schalke 04	139.8
17	↓	3	Olympique Lyonnais	132.8	17	↑	11	Atlético de Madrid	134.5
18	↓	5	Hamburger SV	128.8	18	↓	6	AS Roma	122.7
19	n/a	new	Valencia	116.8	19	n/a	new	VfB Stuttgart	114.8
20	n/a	new	Napoli	114.9	20	n/a	new	Aston Villa	109.4

Legend:
■ Position in football Money League
↑ Change on previous year
■ Number of positions changed

FIGURE AA: MLB's Highest Earning Teams (Ozanian, 2011)

Rank ▲	Team	Current Value (\$mil)	1-Yr Value Change (%)	Debt/Value (%)	Revenue (\$mil)	Operating Income (\$mil)
1	New York Yankees	1,700	6	4	427	25.7
2	Boston Red Sox	912	5	26	270	-1.1
3	Los Angeles Dodgers	800	10	54	246	32.8
4	Chicago Cubs	773	6	75	258	23.4
5	New York Mets	747	-13	60	233	-6.2

SUMMARY

In recent years, customer-based branding initiatives are no longer just reserved to traditional retail industries, but have rather permeated the marketing strategies for all businesses. For both product and service based industries, brand management has become an integral component of corporate development in differentiating a brand from its competition. This assertion for the redefined scope of marketing management, has been thoroughly evidenced throughout the transformation of the sports industry and the subsequent brand strategies of professional sports franchises.

Among the most valuable brands in the world of sports, Real Madrid and the New York Yankees represent two global franchises that combine their remarkable team performances with a resolute brand identity. Alongside Manchester United, these three brands are the most valuable brands in sports, yet Real Madrid and the New York Yankees seldom get compared to one another as frequently as Real Madrid and Manchester United or Manchester United and the New York Yankees may. As a result, the purpose of this paper is to compare the two brands of Real Madrid and the New York Yankees based on the premise of their positioning as both global and domestic brands.

Real Madrid and the New York Yankees will be assessed according to the outline of Kevin Keller's acclaimed Customer-Based Brand Equity model in 2001. From Keller's research, a strong brand is composed of six critical components: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. Combined to represent a brand's core competencies in brand identity, brand meaning, brand responses and brand relationships, these six components are the backbone for any brand equity strategy, both at a domestic and global level.

Brand salience, generally is defined by a brand's level of awareness amongst its target customer base. Evidenced by global fan bases and local supporters, brand salience is distributed through various media platforms and determined by a team's marketability. Due

to its place within the world's most popular sport, Real Madrid possesses a greater degree of brand salience with over 300 million fans globally, with the Yankees maintaining a greater contingency of local fan affiliation.

Brand performance, as the other component of brand identity, represents the functional characteristics of a brand. For either sports brand, brand performance is noted by a the team's performance on the field and ability to translate brand loyalty into wins and seasonal championships. Built on their history of success, brand performance for Real Madrid and the New York Yankees is unparalleled in their respective sports leagues, significantly outpacing their competitors both historically and presently.

Brand imagery typically describes a team's appearance, based on elements of a brand's meaning including a logo, jersey, stadium, mission statement, etc. With logos, jerseys, and stadia each decades old, the imagery for either of these brands is fairly comparable and intertwined into their existing brand identity. These brand features represent the symbolic appearance of the brand and are often as valuable as the team itself. For two iconic franchises with sporting success that transcends generational confines, brand imagery is the primary unifying component for fans both young and old.

Brand judgments describe the past experiences and perceptual emotions people hold towards a brand. Influenced by peers, friends, and family, brand judgments are conveyed through the entertainment value of the team and its facilities, as well its level of engagement within the community. Embedded within its organizational philosophy of corporate globalization, the Yankee entertainment value is based on a comprehensive gameday experience in its repurposed Yankee Stadium that maximizes the environment for fans of all demographics. Conversely, Real Madrid's stadium experience is strictly about the soccer, letting the team be the sole motivator of brand judgments. This mentality has since been evident in their policy of social globalization, in which Real Madrid spreads its social reach

to a global community through the Real Madrid Foundation and various goodwill initiatives.

Similar to brand judgments, brand feelings are fan experiences and emotions that are conveyed on a daily basis. Fluctuating daily, brand feelings are often linked to variations in brand performance and fan affiliation to the team. As two franchises established with a pervading aura of superiority, fan loyalty is representative of a zero sum game in which fans are either absolutely satisfied after a win or absolutely dissatisfied with a loss. Moderate levels of satisfaction are typically non-existent as fans regularly expect to win each game and the championships (i.e. World Series, La Liga) each season. Stable team performances conveying a good run in form as the greatest insurance against negative brand feelings. However, fluctuations in brand feelings are virtually inevitable and therefore can be monitored through digital and social media, in which Real Madrid maintains a considerable advantage over the New York Yankees.

The final component of Keller's CBBE model is brand resonance, which represents the degree of fan loyalty a brand possesses. Unlike the other components, brand resonance cannot exist with effective execution of brand salience, performance, imagery, judgments, and feelings. As the most important component, brand resonance inspires fans to act as ambassadors for a brand and embrace it as an integral component to their personal lives. Loyalty programs, such as Real Madrid's "Madridistas", or the New York Yankees "Yankee Universe" are designed to reward passionate fans and provide true recognition to their loyalty. The primary difference between these two programs, however, is that the Madridistas program entitles members to a share in ownership of the club, whereas Yankees Universe is more of an enlightened commercial ploy to promote exclusivity.

With the combination of these six components, a brand can fully assess its collective brand equity. Brand equity, therefore, represents a brand's ability to capitalize on its various brand initiatives and translate it into profitability and a greater brand valuation.

Real Madrid and the New York Yankees, in terms of brand equity, are compared based on their ability to generate revenue through broadcast revenues, matchday revenues, and commercial revenues. With fairly similar annual revenues, the two franchises also maintain similar brand valuations, with Real Madrid at a speculative \$1.877 billion valuation and the New York Yankees at \$1.85 billion. However, while Real Madrid is one singular entity, the Yankees are a component of Yankees Global Enterprises LLC. YGE's portfolio management also entitle the Yankees to a 34% stake in the YES Network and a 50% share of Legends Hospitality Management for a combine brand valuation of YGE at \$5.1 billion.

Based on the analysis of the brands for Real Madrid and the New York Yankees it can be concluded that they are very similar in their execution of each of the CBBE components. In terms of brand awareness, Real Madrid's global popularity make them the superior global brand, whereas the New York Yankees are the superior domestic brand. However, as corporate enterprise with brand extensions in a variety of product categories, the New York Yankees, under YGE, are the more valuable global brand, despite trailing Real Madrid as a singular team. Overall, both Real Madrid and the New York Yankees excel in each of the necessary components for brand strength and brand equity, thereby positioning them as leaders as global sports brands for many years to come.