

# Company overview: astro all asia networks



Astro All Asia Networks is a Malaysia's leading cross-media group with significance presence in DTH (Direct-To-Home) TV services, commercial radio and TV programming. The group encompasses of seven different structures which includes MEASAT Broadcasting Network Systems (MBNS) or also known as Astro TV, Astro Entertainment Network (AEN), Airtime Management & TV Programming Sdn Bhd (AMP) radio networks, Tayangan Unggul Sdn Bhd (TUSB), Astro Shaw Sdn Bhd, Measat Publications Sdn Bhd and Digital Five Sdn Bhd. Astro is owned by Binariang Sdn. Bhd. with 85% share and the remaining 15% is owned by Khazanah Berhad. In this study, we will take MBNS as the main organizational where sports marketing lies in this structure. MBNS was established in 1996 with 22 channels broadcasted on air. Today, MBNS broadcasts more than 125 pay-TV channels and serves to more than 2.93 million households including Malaysian TV households, rural and urban. Throughout the technology advancement, the group has paved its innovative roadmap from Standard Definition (SD) to Beyond featuring High Definition (HD) broadcast to Malaysia through Astro Beyond. Up till now, Astro TV has its own 12 HD channels on its platform.

In MBNS, it is divided into seven divisions which are first, Broadcast and Operations, second is Commercial Services, third is Customer Marketing and followed by Communications, Customer Experience, Information Technology, Sales Distribution, Content Management Group, Regulatory and Government Relations, Customer Marketing and lastly Technology and New Media.

## MANAGEMENT TEAM

## **Dato' Rohana Rozhan**

Chief Executive Officer – MEASAT Broadcast Network Systems

## **Ahmad Fuaaad Kenali**

Chief Financial Officer – MEASAT Broadcast Network Systems

## **Dato' Borhanuddin Osman**

Executive Director – Airtime Management and Programming Sdn Bhd

## **Zainir Aminullah**

Executive Director – Astro Entertainment Sdn Bhd

## **Raghvendra Madhav**

Executive Director – India (based in New Delhi)

## **Ken Wang**

Executive Director – China (based in Beijing)

## **Louis Foo**

General Manager – MEASAT Publications

## **Lakshmi Nadarajah**

General Counsel – Astro

### **CUSTOMER MARKETING TEAM**

In Customer Marketing, the division is sub-divided into four other segments which are firstly, Malay Segment Marketing including Malay Loyalty, secondly, Presence Marketing, followed by Chinese Marketing, Sports

Marketing, and lastly International, Education, Indian and Others Segment Marketing.

Diagram (1. 0) below shows the divisional structure of customer marketing team:

Molina Musa

(Vice President)

Shirley Tan

(Ast. Vice President)

Chinese Segment Marketing

Nachiappan M. T Arasu

(Ast. Vice President)

Sports, International, Education and Others

Herman Sophiaan

(Ast. Vice President)

Malay Segment and Presence Marketing

Rosnah

(Ast Vice President)

Malay Segment Loyalty

Ahmad Faisal

(Ast. Vice President) Sports Marketing

Nik Faidz

(Ast. manager)

Sabrina (Associates)

Michelle Goh

(Ast. Manager)

Yeng Yeng

(Associates)

Sheila Mathavan

(Associates)

Jeevan

(Associates)

Emarina Kamal (Associates)

Yvonne (Associates)

Nurul Hidayah

(Intern)

Nur Nazihah

(Associates)

Sharol

(Intern)

Heryandy Ramli

(Associates)

Mohd Syafiq

(Intern)

## BACKGROUND OF STUDY

This study is conducted to identify the factors of successful sport's marketing strategies in pay TV industry in Malaysia which is solely owned by Astro MEASAT Broadcast Network Systems Sdn Bhd. Astro is a leading pay TV with no major competition in this industry for over 10 years is providing its premium sport's package in broadcasting the world's best sports on air. The exclusivity of Astro in showing the world's best sports has become its major success in up-selling the sports package. Since Astro is represented as a global business environment where most of the contents are taken internationally and disseminate in Asia, how well the firm can do profit and improve humanity can be the most important dimension to look at through deeper understand in consumers' preferences and income level (Van R. Wood, Dennis A. Pitta, Frank J. Franzak, 2008). Astro sports marketing team

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is now trying to adapt to local consumer buying behaviour and needs that are driven by the differences in cultural norms. This study later will determine how it can be one of the important factors taken into consideration to ensure the success of sports marketing program strategies.

According to Vivienne Shaw (2000) is her study on successful marketing strategies of German companies in the UK, she had identify that strategic objectives and focus, customer targets, competitor targets and competitive advantage, and interaction of marketing mix play a major role to ensure success. Besides aiming to discover the correlation between customer marketing strategies implementation, it is also will determine the feedbacks from rewarding its current 1. 53 million sport's package subscribers through the execution of sports ground events and corporate social responsibility. However, the ultimate objective of sports marketing is to achieve 1. 8 million subscribers and increase average revenue per user (ARPU) still hasn't reached yet. Therefore, in this study, we will also find ways on how Astro can achieve its target either by peer influence and freedom of choice in choosing the most updating sports content. As the sports pack is the most expensive pack among all packages available, the benefits that subscribers will gain from paying the fees to watch the best in the world sports will be determined throughout the research.

## PROBLEM STATEMENT

Ideal approach to pursuit the marketing strategies are important to win the heart of sports package subscribers. Among the all content packages offered by Astro including the basic pack, sports package is the most expensive of

all. To retain the customers from reverting to original pack combo by withdrawing the sports package in Astro packs can be a major problem face by the organization as consumers want the best value for every cent paid to watch the best world's sports on air. Therefore, Astro needs to give the best value and sport contents available that worth paying by consumers. Another problem faced is to ensure exclusivity of Astro sports pack from other competitors in broadcasting industry such as RTM and TV3. According to Simon (1992, p. 6), he stated that organisations must be able to manage the integration of market and technology as equally driving forces. With the technology advancement, sports pack can be integrated into incredible pack that competitors doesn't have such as watching sports game in high definition (HD) instead of standard definition (SD).

The internal factors that influence the successful of sports marketing program are also been questioned on the level of its effectiveness. Major challenges for managers according to Eleri R. Thorpe and Robert E. Morgan (2007) are on how manager direct the efforts of talented employees in given time frame and how manager guarantee that aims mission of intended marketing strategy is clearly understood by employees. As consumers not only looking forward for the international sports team, it is also another drawback because Astro needs to fulfil the local consumers' taste by broadcasting local game on air in the sports package.

## OBJECTIVES OF STUDY

The objectives of conducting this research are:



To discover the success factors sport's marketing strategies in pay TV industry in Malaysia.

To identify how sports marketing strategies will be able to cater and fulfil the differences in consumers' preferences.

To reward consumers with feeling of belonging through CSR and ground events organized by the Sports Marketing team.

To identify the benefits gained when subscribers pay monthly fees to subscribe to Astro sports pack as compare to watch sports at non-pay TV station.

#### RESEARCH QUESTION

In conducting this research, the questions below need to be answered through observation, interview the internal parties or from consumers' feedbacks.

How Astro sports marketing strategies able to cater and fulfil the consumers' preferences in terms of gender, cultural and income level differences?

What can Astro sports marketing team do to make customers have the feeling of belonging through corporate social responsibility (CSR) and ground events to reward loyal customers?

How Astro can provide freedom of choice in choosing the most updated sports content in any platform through the adaptation of marketing strategies and marketing mix?

What are the benefits received or caused-related marketing effected the subscribers when they subscribes to the sports package and pay the monthly fees throughout the years in comparison with watching sports game broadcasted in non-pay TV?

## SIGNIFICANCE OF STUDY

This study can be significance not only to the organization itself, but to customers and to the nation. Firstly, the researcher intended to discover the success factors of Sport Marketing strategies in pay TV industry in Malaysia for the benefit of the organization that helps to overcome the barriers and undesirable outcomes by learning all about the current subscribers and potential subscribers of sports pack. Secondly, this study also addressed to create awareness and positive identity that diverse Astro sports pack with other competitors in sports channel especially in non-pay TV.

Another benefit of this study is to create more purchasing powers of consumers in deciding what give the best values for their money. They usually tied up with emotions when considering the purchase decisions. Therefore, through effective marketing strategies, it helps to derive consumers to make purchasing.

As Astro is the main Asia pay-TV broadcaster and number one in Malaysia, it assist our country to come out with the technological advancement through the launching of High Definition channels that brings international; sports game lives together in HD direct to customers. It creates international brand image mutually will increase positive image of the nation.

## LIMITATIONS OF THE STUDY

This research is conducted to identify what are the factors that sports marketing strategies can be successful in retaining the existing sports pack subscribers and attracting potential sports pack subscribers in pay TV industry in Malaysia. Thus it will be restricted only to observation, interviews and secondary data such as annual report. Observation that will be made internally in the organization itself (Astro) by interviewing the samples which is the top level manager in sports marketing team and the employees.

Through observation during the ground events and corporate social responsibility done by the team, it helps to determine the success factors.

Besides that, the external samples such as Astro's customers', sports viewers regardless they are Astro subscribers or not on and consumers with difference genders and income level can be used to obtain results on the level of effectiveness of sports marketing strategies. Those vendors including event agency and producer of sports merchandises who have collaborated with Astro to sustain the premium sports packs can contribute in giving feedbacks and opinion regarding the success factors of Astro Sports Marketing through interview and supporting documents.

## DEFINITION OF TERMS

### Sports

Sports can be clearly defined as an organized, competitive, and skilful physical activity and it is governed by set or rules and customs. For example of sports are football, badminton, and tennis.

## Marketing

Marketing is a management process through which goods and services move from the concept to customer. As practice, it consists in coordination of four elements called 4P's which are development of product, determination of price, advertising and publicity namely promotion and selection of distribution which is place.

## Subscribers

As stated in [www.thefreedictionary.com](http://www.thefreedictionary.com), subscribers is defined as to contract to receive and pay for a certain number of issues of a publication, for tickets to a series of events or performances, or for a utility service. In this study context, the subscribers are those who subscribes to Astro sports pack.

## Consumers' behaviour

In study conducted by Olympia Business School on Consumer behaviour, they had identified that consumer behaviour means how individuals make decisions to spend their available resources (time, money, and effort) on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it.

## Demographic Factors

Demographic factors are characterized by statistical socio-economic characteristic or variables of a population which includes age, sex, education

level, income level, marital status, occupation, religion, birth rate, death rate, average size of a family, average age at marriage.

### Pay TV

Pay TV, premium TV or premium channels refer to subscription-based television services, usually provided by both analogue, digital cable and satellite but also increasingly via digital terrestrial and internet television. In this study context, researcher is referring to Astro as the premium pay TV industry in Malaysia.

### ARPU

ARPU is defined as a measure of the revenue generated per user or unit. Average revenue per unit allows for the analysis of a company's revenue generation and growth at the per-unit level, which can help investors to identify which products are high or low revenue-generators.

### SUMMARY

This study is conducted to identify the success factors of sport marketing strategies applied by the marketing team in pay-TV industry. By using the qualitative measures to conduct this study, it will focus more on finding evidence to answer the research questions. Data will be collected through primary data collections which are interview and observation. Besides that, secondary data collection also will be used such as from the annual report. This study is conducted within the organization itself and consumers' feedbacks and point of view towards marketing strategies of sports marketing. Researcher used Judgment Sampling method and Convenience

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Sampling method. To analyze the findings and data, it will be analyzed through Content Analysis, event Analysis and Phenomenology Analysis and there is no computer software involved in analyzing the data.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **CONSUMERS' DIFFERENCES AND PREFERENCES**

Different consumers have their own perceptions towards the need of subscribing to the Astro sports package. Through segmenting customers into geographic, demographic, psychographic and behavioural attributes, it helps to identify potential markets for upselling the sports pack. According to Helen Reijonen and Tommi Laukkanen (2009), the advancement in information technologies has enabled enterprises to collect more and in-depth information about their customers and make it useful for strategic business purposes. Besides that, through consumers' socialization, it will also affect the acceptance of sports packages regardless of gender and culture. In research conducted by Luiz Moutinhon and Pedro Dionísio and Carmo Leal (2008) in the process of socialization can be seen as a deliberate act of identity construction - the neophyte member begins to deliberately adopt mannerisms, attitudes, and styles of dress, speech, and behavior that he or she perceives to be characteristic of established members. Consumers also will be influenced by the brand image of TV broadcaster in order for them to decide whether to subscribe or not with the pack. Peter Drinkwater and Mark Uncles (2007) examined the impact of program brands on consumer evaluations of television and radio broadcaster brands and came out with findings stating that a successful program on a particular TV/radio station, <https://assignbuster.com/company-overview-astro-all-asia-networks/>

consumers are likely to improve their perceptions of quality of the broadcaster. That is, the broadcaster brand image is likely to be enhanced.

#### SPORTS MARKETING GROUND EVENTS AND CSR

Sports package offered by Astro is currently the premium pack that offers the best sports in the world. Thus, all the sports fans in Malaysia depending on level of income who don't want to miss the live game broadcasted in sports channel will definitely subscribe to the sports package. According to Luiz Moutinhon and Pedro Dionísio and Carmo Leal (2008), in sports activities have always constituted an essential component of free time occupation TV in contemporary societies and in Europe, broadcasting and live attendance of sport games join together every year millions of supporters. The 2006 World Cup was seen in 154 countries by a total of 354,000 million spectators. This showed that the sports game broadcasted in TV has its own superiority to attract more viewers to subscribe to Astro sports pack.

However, to retain the customer loyalty from withdrawing the sports pack, the important of ground events and corporate social responsibility needs to be done. In study done by Anne-Marie Hede examined how special events, such as sporting, cultural, political, historical, religious or commercial/business events, provide opportunities for attendees to have memorable experiences communities to build social capital and for governments to induce new income into their economies through increased tourism and business activities. She also point out that large events such as

the Olympic Games can customize product features and develop selling techniques tailored to local customs and cultures.

## MARKETING STRATEGIES

Marketing strategies is the most important principle that needs to be determined to cater target market. With appropriate marketing mix 4P's including product, price, place and promotion adapted; it helps to ensure success for sports marketing in pay TV industry. In research conducted by Anthony R. Bennet (1997), he stated that when organizations apply the marketing mix principle to market making, targeting the customer, it will involves giving value in relation to quality, value for money, reliability, product performance, cost effectiveness, fitness for purpose and so on. Water Wymer (2011) in his research Developing More Effective Social Marketing Strategies stated that social marketers have tended to limit their choice of set of social marketing strategies to various applications of 4P's aiming to change individual behaviour and attitudes.

However, some barriers may arise that caused marketing strategy to fails. Another research conducted by Water Wymer (et. al) if the social marketing strategy fails to remove an environmental barrier, the social marketing program's effectiveness will be lessened. In relation to this, Anthony R. Bennet (et. al) came out with a findings that channeling an organizational resources into the provision of products and services, it is argues that such strategic focus, on behalf of the organization concerned, will ultimately achieve the objectives set out.



Organizational marketing activities will be influenced through publicity and helps to enhance brand image. According to Harlam E. vSpotts and Marc G. Weinberger, both communications activities might play a central role in developing and shaping the corporate brand.

## BENEFIT AND CAUSE-RELATED MARKETING EFFECTS

The first question that always lingers in customer's mind is whether the money they are paying is worth the value they receive when subscribing to the premium sports pack. In study conducted by Rob Docters, Raul Katz, Jerry Bernstein and Bert Schefer (2010), customers must first learn about the product and service, use and appreciate the value and lastly reassessment the value and benefits they gained. This research also came out with findings that familiarity of products will lead to usage and enjoyment of product and service. Besides that, through enjoyment of usage, it will leads to higher utility and satisfaction.

Individuals also may derive the strength and sense of identity as they are socializing through groups. This can say to be a benefit when they gather together and use sports content as mean to socializing. According to Leal Luiz Moutinho, Pedro DionÃ±sio and Carmo (et. al), individuals are unable to form self-images in the absence of a social identity derived from group affiliations. Stronger identification leads the individual to attribute desirable characteristics of the group to the self, and to assume a greater similarity with other group members.

## **CHAPTER 3**

### **RESEARCH DESIGN**

#### **PURPOSE OF THE STUDY**

The purpose of this study is to determine to what extent that the Sports Marketing team has done its strategy to get Malaysian households to subscribe to Astro sports pack which currently the most expensive pack among all pack is offered by Astro. Up until now, it has 1.53 million subscribers of sports pack. Since it's a customer base type of business, Sports Marketing has done excessive marketing strategies including content, pricing, package quality and customer loyalty to ensure the success.

#### **TYPE OF STUDY**

In conducting this study, the researcher has chosen the Qualitative method to discover the success factors of sports marketing strategies and it does not involve any measurement and statistical data. This type of study is more to finding the answer through evidence and providing textual description on the study. It is done through naturalistic and participant observation and also through interview.

#### **SAMPLING**

Throughout the research, the sampling techniques used in conducting this study are firstly Convenience Sampling Techniques, which involve in engaging the most accessible subjects mainly, the sports pack's subscriber. Secondly, sampling technique use is a Judgment Technique by selecting the most productive sample to answer the research questions. Researcher

decided to choose the Sports Marketing team itself in MBNS, vendors that engage with the events organized by the team, and feedbacks from useful potential candidates through their experience and public attitude towards the study.

## DATA COLLECTION

In collecting data for this study, the primary method used is by internal observation throughout the meetings, ground events and planning of marketing strategies. Besides that, it also can be collected through interviewing the respective sports marketing team regarding the on-going process of marketing strategies and their perceptions toward customer acceptance of their marketing effort. Vendors and event agencies that engage directly with the sports marketing team also can provide data through interview on their point of view and also external observation. Lastly, another way of collecting data is through the secondary data which is the Astro Annual Report.

## CHAPTER 4

### FINDINGS

#### CONSUMERS' DIFFERENCES AND PREFERENCES

In Malaysia, there are many consumers' differences that need to be taken aware before we want to market our products or services. Seeing that we are rich with multiracial, religions and ethnicities, sometimes we have a tendency to forget that all of us have differences in tastes and preferences.

According to the Vice President of Astro Customer Marketing, Madam Molina Musa, in depth identification and segmentation of target market according to <https://assignbuster.com/company-overview-astro-all-asia-networks/>

their demographic, psychographic and behavioural factors must be clearly acknowledged in order to ensure we achieve our target. Organizations must identify and target the most attractive market segments to ensure they can serve their products and services effectively.

During the process of segmenting the target market for Astro sports pack, there are several key points to ensure the marketing team does not make any mistake thus affecting the marketing process. The segments that they are targeting first must be identifiable or easy to define and measure such as the income level. Second is it must be sizeable or large enough to be worth going after, this means that the market size is big to respond. Third is accessible which mean the market must be easy to reached when the company is doing promotion and through distribution such as media infrastructure and facilities. Another important factor is the market must be stable which means there's no war and crisis. The market also must be responsive to the marketing strategies and take action towards it such as by making purchasing. These key points also is supported in a book titled "Global Marketing".

In pay TV industry, the first and foremost important target market that they are aiming is depending on age, income level, lifestyle, viewing pattern and either they are housewives (HWs) or Professionals, Managers, Executives or Businessman (PMEBs). However, according to Nik Mohd Faidz, 29, Assistant Manager of Astro Customer Marketing, the main target for sports channel is to target those who are in PMEBs category. PMEBs usually are those who are age between 25 to 60 years old, and their main viewing time will be after office hour which is between 8 pm to 12 am and their ARPU is above RM100, <https://assignbuster.com/company-overview-astro-all-asia-networks/>

which means they will spend more than RM100 to pay for the pay TV services.

Another factor that ensures success for the sports marketing team to up sell the sports pack is when they are able to segment their target market according to their area whether they are from rural or urban, age, gender, behaviour and culture. For those who are living in urban area such as Kuala Lumpur, Johor Bahru, Georgetown Penang, they are more likely to watch international sports tournament such as Barclay Premiere League for football, NBA All Star Game for basketball, Formula One and maybe The President Cup for golf. Hence this type of consumers' preferences will opt to watch Astro Supersports, ESPN, Golf channel and STAR sports or Eurosport.

In contrast, those who are living in rural area such as in Kelantan and Kedah, they are more interested to watch Malaysian sports tournament such as Badminton, Malaysian Bowling tournament, Malaysian Football. Therefore, they will opt to Astro Arena since the channel only shows local sports updates and it is free. This statement is agreed by Venu Ramadass, the Astro ARENA president. ARENA also offers customers the 24-hour nonstop coverage of major regional and local sporting events as well as in-depth and extensive news coverage of matches and developments concerning local sports and athletes. However, during the big event that will attract all sports fan regardless where they come from, such as Thomas Cup, World Cup, they will definitely choose those channels that shows the live broadcasted matches. The differences and preferences of consumers can be furthered explain and summarized in the diagram below.

## Diagram 1. 0

## CREATE AWARENESS THROUGH GROUND EVENTS AND CSR

Another factor that leads to success of Astro Sports is through the excessive ground events organized by the team to create relationship between subscribers and the organization. It is one of the marketing team's manners to encourage direct participants and involvement to get connected with subscribers, says Mr. Herman Aziz, Assistant Vice President for Customer Marketing in Greenfield segment. For Ground event here means events, road shows, tours, and concerts or street party held during the live match or to reward loyal customers. For example, during the Astro Barclays Premiere League (BPL) Viewing Party, Astro marketing has allocated roughly about RM100, 000 to run twelve ground events that associate with BPL live match.

Latest, during the match between Manchester United and Liverpool, held on 6th March 2011 at Bola Bistro, Sunway Giza, Damansara, Astro has specially invited thirty lucky astro sports pack subscribers and twenty seats were allocated exclusively for both media and VVIP. According to Rakesh, Manager of event agency, Rhythm Production who was appointed by Astro Sports team to manage the ground events, the main purpose for inviting media is to gain positive feedback and to get them covered positive news to be featured in newspaper, sports magazine and television. VVIP that were invited usually those top managers from Astro team and sponsors such as Panasonic, Maxis and MYEG.

Astro also will get the sportsmen, locally or internationally to involve with these kinds of road shows or tours so subscribers can get connected with

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sports player. For example, during the Master Football Asia, Astro has collaborated Football All Asia as one of the top sponsor to sponsor the tickets to lucky subscribers to watch the game played by star players from Manchester United, Liverpool and EPL All Stars such as Andy Cole, Robbie Fowler and David Seaman. Another example is during Astro Arena ground event in Malaysia, they will bring along the local sports men and also their ambassadors to join and interact with subscribers such as the famous Malaysian goalkeeper, Khairul Fahmi.

Corporate Social Responsibility (CSR) also plays an important role to ensure the success for marketing programme. Known as corporate citizenship, it is functioning as a company's responsibility towards society and environment by encouraging a positive impact through activities. It must be aligned with ethical standards, country law and norms to avoid any negative effects in a business environment. With collaboration with the loyalty team and community affairs, Astro sports marketing can deliver the message directly to subscribers. For example, Astro sports marketing organized a "Kem B. O. L. A" as one of their CSR effort to students in primary school. This "Kem B. O. LA", according Venu Ramadass, is functioning as a clinic to give intensive training to selected students with high potential in football and to motivate them as well as nurturing their sense of sportsmanship and competitiveness

Another clinic was organized by Astro incorporation with BMW team to give intensive training to those amateur tennis players. It was called Astro Tennis Clinic that was held recently, in March 2011. Besides clinic and intensive training, Astro sports marketing and loyalty team will work together to help

those who are unfortunate by giving free tickets to watch football matches, to participate in ground events and also charity dinner.

#### ADAPTATION OF MARKETING STRATEGIES AND MARKETING MIX

The adaptations of marketing strategies are strongly allied with the four P's which are Product, Price, Place and Promotion. In general, a business entity needs a product that has potential to be sold, at reasonable price, has a medium to deliver the product to market and promotion efforts to inform the potential buyers about the product. All these P's are inter-related with one another. According to the Assistant Vice President of Sport's Marketing, Mr. Ahmad Faisal, if one of these P's is not available, the products will not success in marketplace. He also further explain on all of the four P's functions in details as per below.

The first P is product and it can be defined as tangible or intangible goods and services that a seller offers a buyer to purchase. Tangible products here mean go