

# Sports Marketing Revision

## Topic 1 – Definition & Role of Sport Marketing

### Marketing defined:

- “a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging the value with others”
- “activities designed to satisfy the needs and wants of consumers through the exchange process”

### Sport Marketing Defined

- “the specific application of marketing principles and processes to sport products and to the marketing of non-sport products through association with sport”

### Sport Marketing is More Than...

- Selling
  - Some corporate executives describe sport marketing as selling goods and services to generate a profit but sport marketing is more than selling
- Advertising
  - People working in advertising might consider sport marketing as advertising tickets for the Super Bowl. Sport marketing is more than advertising
- Promotions
  - Those who promote halftime events might define sport marketing as the promotion of events. But sport marketing is more than promotions
- Sponsorships
  - Many will tell you that sport marketing exists only because of the phenomena of sponsorship. But sport marketing is more than that.

### Marketing Orientation

- A market oriented approach means a business reacts to what customers want
  - Decisions based on information about customers’ needs and wants
- A product orientated approach means the business develops products based on what it is good at making or doing
  - Usually criticised because it often leads to unsuccessful products
- Most markets are moving towards a more market-oriented approach because customers are more knowledgeable and require better variety and quality
- On the other hand some products are argued to create a need or want in the customer, especially products with a high technological content.

### Market Oriented Approach

1. Customer focus → must understand customer needs
2. Competitor orientation → must know competitors sources of advantage, position and strategies
3. Team approach → everyone is focused on developing and delivering customer solutions

Sport Marketing can be described as:

- A philosophy → attitude towards marketing
- A process
- A set of principles
- Tools

Philosophy of Sport Marketing

- The philosophy of sport marketing is to satisfy the needs of sport consumers
- A marketing philosophy is about putting the needs and wants of the customer at the centre of all decisions
- Set of beliefs about how to go about marketing
- Performance and goals of sport organisation vary from business orientated organisations
- In sport organisations the most important goal could vary:
  - To win
  - Attract attention
  - Participation

Two Angles of Sport Marketing

1. Marketing 'of' sport:
  - Products and services marketed directly to sport consumers
  - Examples:
    - Sporting equipment, professional competitions, sport events and local clubs
    - Advertising or publicity to promote and athlete, season tickets and developing licensed apparel
2. Marketing 'through' sport
  - Where a non-sport product is marketed through an association to sport
  - Examples:
    - Professional athlete endorsing a product like a breakfast cereal
    - Corporation sponsoring a sport event
    - Beer company arranging to have exclusive rights to provide their beer at a sport venue or event

History, Development and Trends in Sport Marketing

Structural Changes:

	Values	Revenue Focus	Structural Focus	Management Focus
<b>Stage 1:</b> <b>Kitchen table</b>	Amateurism Volunteerism	Member funds Social club income	Management committee	Sustaining operations
<b>Stage 2:</b> <b>Commercial</b>	Viability of sport Member services	Gate receipts Sponsorship	Management portfolios	Marketing the club
<b>Stage 2:</b> <b>Bureaucratic</b>	Efficient use of sport resources - Accountability	Corporate income Merchandising	Division and departments	Improving club efficiency
<b>Stage 3:</b> <b>Corporate</b>	Delivering outputs Building the brand	Brand value Broadcast rights	Board policymaking Staff operations	Increasing club value Regulating constituents

Revenue Sources:

- Participation
- Membership
- Broadcasting

- Sponsorship
- Licensing
- Matchday/gate
- Donations

#### An Industry View

- Marketing (3.0) is now about:
  - Movement built on things bigger than benefits
  - Role of marketers is to create a movement behind your club, team, union, organisation

#### Themes of Current Approaches to Sport Marketing

- Consumer and relationship marketing focus
- Co-creation and the role of consumer in value creation
- Fan development and engagement as priorities
- One size does not fit all – customisation and recognition of unique value
- Function and emotional aspects to sport consumption
- Building and leveraging sport brands (often outside of core sport activity)
- Data being a core dimension – engagement is ‘art’ and ‘science’
- New media opportunities provide new ways to communicate and share content

#### Customer Centric Marketing

- Relationship vs. Transactional
  - Relationship marketing – focuses on customer retention
  - Transactional marketing – focuses on increasing market share
  - Shift from transactional to relationship marketing
  - Relationship marketing involves greater thought in product/service development and interaction with customers in satisfying their needs
  - Can result in better market situations for both buyers and sellers.

#### Industrial (B2B) vs. Consumer (B2C) Marketing

- With the sport market various Business to Consumer and Business to Business relationships are identified
- How B2B are different:
  - Functional interdependence
  - Product complexity
  - Buyer-seller interdependence
  - Complexity of the buying process

#### Globalisation

- Tendency of businesses, technologies or philosophies to spread throughout the world, or the process of making this happen
  - Sport has realised that the market extends beyond local grounds
  - With the increasing resources and enabled pathways, sport has gone “global”
  - The methods to internationalise have many social and business implications

## Engagement in Sport Marketing

- Three interrelated dimensions (Brodie et al., 2013):



- As consumers' extent of cognition, emotion and behaviour increase so does engagement and, from there, a series of positive outcomes for brands, organisations and events.

## Framework and Uniqueness of Sport Marketing

### 7P's of Sport Marketing

- Product
- Price
- Place
- Physical evidence
- People
- Process
- Promotion

### 4c's of Sport Marketing

- Consumer
- Costs
- Convenience
- Communication

### Why is the Sport Product Unique?

- Intangible, experiential and subjective nature
- Strong personal and emotional identification
- Simultaneous production and consumption
- Dependence on social facilitation
- Inconsistency and unpredictability
- Core product is beyond the marketer's control

### Why the Sport Place is Unique

- Many organisations simultaneously compete and cooperate
- Many consumers consider themselves experts
- Demand tends to fluctuate widely
- Sport and entertainment has an almost universal appeal and pervades all elements of life

### Why Sport Price is Unique

- Pricing the product traditionally is difficult
- Often based on consumer demand
- The price of the product is quite small compared to the price paid by the consumer
- Indirect revenues are frequently greater than traditional operating revenues

### Why Sport Promotion is Unique

- Widespread media exposure is a double edged sword
- Media and sponsors emphasize celebrities

### The Sport Industry

- Government – departments of sport and recreation, at State, Federal or National Level
- Media – print, television, cable, satellite and the internet
- Educational providers – universities and providers which teach sport management, recreation, sport design etc
- Researchers – those who study the sport market, consumers, exercise physiology and sport medicine
- The transport and construction sector – contributes the building of venues
- Corporations and private enterprises – contribute through sponsorship, partnerships and revenue provision
- Volunteers – those who support clubs and associations
- Manufacturers/apparel/goods/venues/travel – providers of sports specific goods and services.

### Sport Market Structure



### Defining Sport Consumers

- Marketing means being focused on satisfying the needs of customers or consumers'
  - Sport customers or consumers may:
    - Be involved in playing sport
    - Watch or listen to sport
    - Buy merchandise
    - Collect memorabilia
    - Buy sporting goods like clothing and shoes
    - Surf a sport-related website
  - A sport consumer is (Generally) someone:
    - Who generally uses sport products or services
    - Who pays for the use of a specific product or service

### The Sport Marketing Framework

- Provides a detailed explanation of the four stages of the sport marketing process:
  - Identify sport marketing opportunities
  - Develop sport marketing strategy
  - Plan the marketing mix
  - Implement and control the strategy

## Topic 2 – Sport Consumers, Sport Consumption and Market Research

*Sport Consumers*: an individual who purchases sporting goods, uses sport services, participates or volunteers in sport and/or follows sport as spectator or fan.

Sport Consumers are end users. There are four categories of sport consumers:

1. Sporting goods consumers
2. Sport services consumers
3. Sport participants and volunteers
4. Sport supporters, spectators and fans

### Unique Features of Sports

- Emotion and Passion: Sport can elicit an emotional response in its consumers that is rarely found in other businesses
- Identification: sport identification is the driving power behind direct (purchase) and indirect (e.g. sport sponsorship) revenue generation
- Loyalty: Sport consumers (particularly those satisfied) have high degrees of repurchase behaviour, WOM etc.

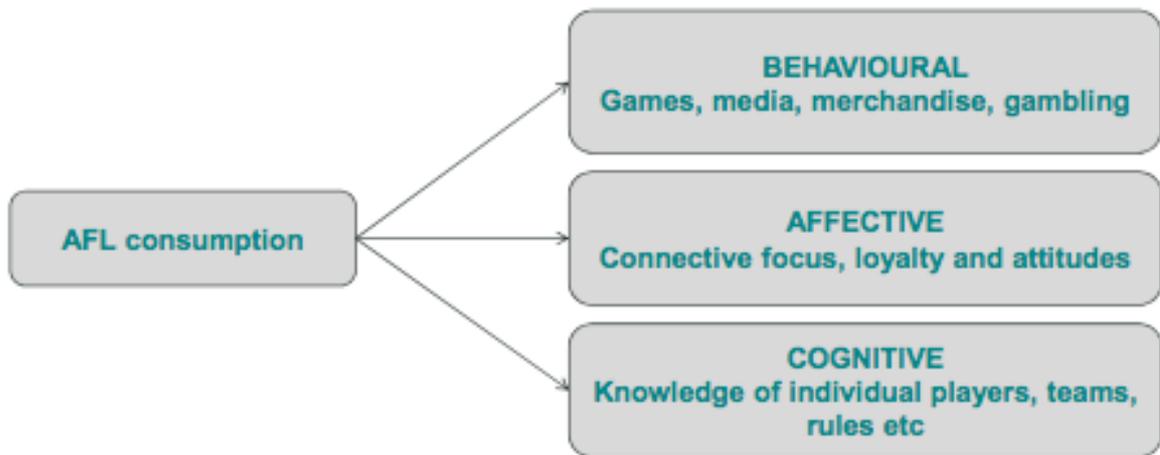
*Sport Consumer Behaviour*: a process through which individuals select, purchase, use and dispose of sport related products and services

- Search for info
- Learning
- Recognising
- Remembering
- Choosing among alternatives
- Purchasing
- Consuming/using
- Disposing
- Satisfaction/dissatisfaction
- Complaining/WOM

Classifying Sport Consumption: sport consumption is complex given the “sport consumption experience meets a number of important psychological, social and cultural needs” Smith & Steward, 2007.

### For professional sports:

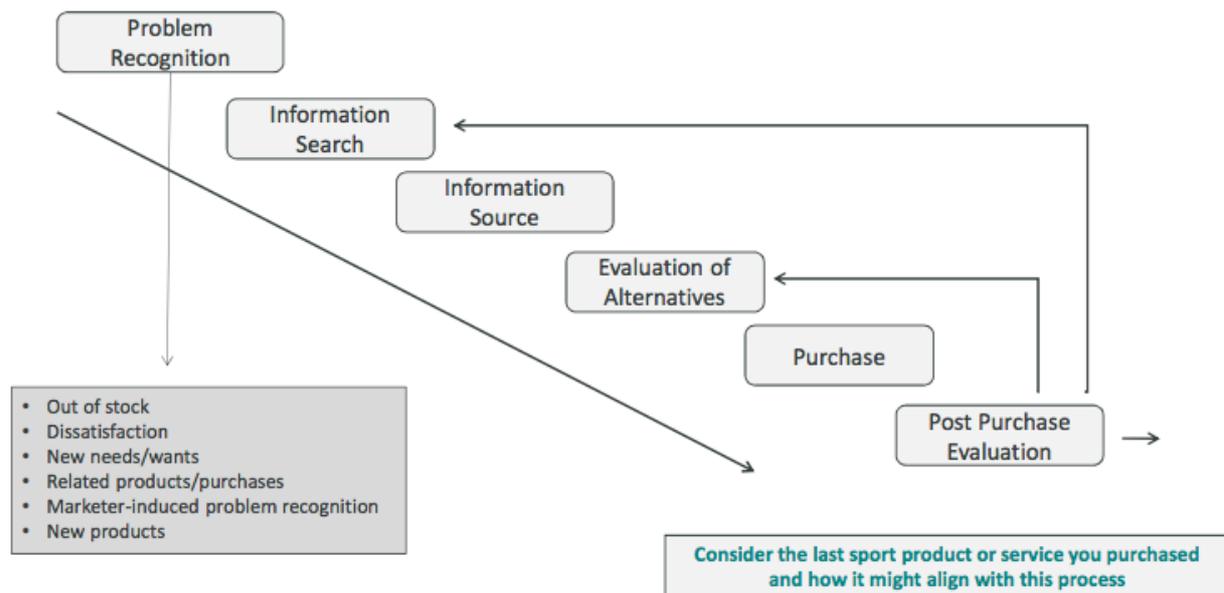
- Behavioural consumption: (considers live participation or spectating, sport watched through various media and includes merchandise or other physical forms of purchase)
- Affective consumption: (considers an individual's connective focus or loyalty to teams, players or the sport itself which are subject to change)
- Cognitive consumption: (refers to individual knowledge of individual players, teams, rules, leagues and processes with the sport including statistics, strategies and characteristics of play)



**Traditional Models**

Stages	AIDA	Hierarchy of effects	Innovation adoption	Information processing
COGNITIVE ↓	Attention	Awareness Knowledge	Awareness	Presentation Attention Comprehension
AFFECTIVE ↓	Interest Desire	Liking Preference Conviction	Interest Evaluation	Yielding Retention
BEHAVIOURAL	Action	Purchase	Trial Adoption	Behaviour

Consumer DM Process



## Involvement in Decision Making

### High involvement:

- Expensive, complex and high risk products or service
- Make full and extended use of the DM process and exert greater mental effort and evaluation of information
- Marketing should include technical or support information and reinforce the wisdom of purchase choice

### Low Involvement:

- Products or services which are socially or psychologically less important
- Information is acquired passively and decision made with limited experience or evaluation of information
- Marketing and advertising is less important and may focus on message promoting repetitive themes, familiarity or the use of relevant sales promotions.

## Sport Consumer Motives

- An economic view suggests that people behave rationally and use sport products that meet their needs for quality and value
- Sport consumers attend games, follow certain sports and buy certain products for a multitude of reasons
- We know sport consumers do not necessarily behave rationally because of their emotional connections

### Motivations to consume sport:

- Psychological
- Socio-cultural
- Self concept

## Psychological Sport Fan Motives

- Stimulation
  - Sport provides sensory stimulation and can generate excitement and anxiety which, in turn, stimulate the production of adrenaline
- Escape
  - Sport provides an escape from the ordinary routine of everyday life and a distraction from stress
- Aesthetic pleasure
  - Skillful play and memorable moments offer aesthetic (or visual) pleasure
- Drama and entertainment
  - An engaging contest can offer a theatrical experience, enhanced by the scale of many sporting venues, the sight of thousands of fans in club colours, and the use of lively half-time entertainment.

## Socio-cultural Sport Fan Motives

- Family and social interaction
  - Sporting events provide opportunity to spend time together in an organised and pleasurable way

- Alternative activities may easily substitute for the sport experience if social interaction is important
- Cultural connections
  - Sport can help fans connect to their national, racial, ethnic, or sub-culture that they belong to
  - Sport can also provide meaningful symbols, rituals and 'mythical images'
- Economic benefits
  - Consumers may be motivated by the possibility of gaining money through gambling on sport. This is not part of the game itself, but one of the extras provided by the social setting

#### Social-concept Sport Fan Motives

- **Belonging and group affiliation**
  - Sport consumers may feel a need to belong to a group, and to identify with something bigger than themselves
- **Tribal connections**
  - Team sports like football provide strong tribal connections, with athletes acting as the tribal heroes, and rituals like pre- and post- game ceremonies
- **Vicarious achievement**
  - Vicarious achievement refers to a sense of accomplishment that is felt second-hand, through the success of someone else.
  - Some fans may experience an increase in self-esteem when their team is winning, or a decrease if the team performs poorly.
  - Examples: BIRGing and CORFing

#### External Factors Influencing Consumption

External factors which will influence attendance include:

- The type of sport involved
- The balance of the competition
- How uncertain the outcome is
- The likelihood of their team winning
- The venue and facilities
- Weather conditions
- Prices
- Personal income levels
- Special experiences that are being offered
- Promotional factors
- The availability of alternative activities.

#### Internal constraints

- Physical
- Low priority