Sport Marketing

Week 1 - Introduction

- **Sport marketing** – social and managerial process where sport managers seek to obtain what sporting organisations need and want through creating and exchanging products and value with others.
- The exchange of value with others recognises the importance of the sport consumer.
- Term first used in 1978 (Advertising Age).

- **Two streams/dimensions of sport marketing:**
  1. Marketing of sport products and services directly to consumers, e.g. sporting equipment, professional competitions, sport events, etc.
     - Marketing activities used to help sport organisations achieve objectives and communicate with stakeholders.
  2. Marketing of other, non-sport products and services through sport, e.g. athlete endorsing a food or brand.
     - Organisation attempts to match their corporate values with sport property/person to gain attention, enhance brand image or communicate community support.

- **Key themes** –
  - Planning and implementation
  - Pricing and promotion
  - Goods and services
  - Exchange
  - Satisfying individuals and organisations

- **Negative features associated with sport marketing** –
  - Hyper-commercialisation – manage or exploit an organisation in order to make a profit.
  - Elite vs. grassroots – more funding directed towards grassroots sports? (80/20 value).
  - Diminishing sport values

- **Positive features associated with sport marketing** –
  - Constant change – development of new products/services
  - Communication – availability of content and technologies + diverse media landscape.
  - Ongoing industry development

- **Recent trends in sport marketing** –
  - Corporate social responsibility
  - Community development strategies
  - Sport development strategies
  - Pressures to fund the grassroots (Crawford Report, 2009)

- **Importance of sport marketing (Shilbury et al. 2009) ➜**

- **The sports marketing mix** –
  
  ![Sports Marketing Mix Diagram](image-url)

  **Sports product**
  Games, events, competitions, rules, merchandise and uniforms

  **Sports pricing**
  Ticketing, time spent, media spend and merchandise revenue

  **Sports promotion**
  Sponsorship, advertising, sales promotions and corporate investment

  **Sports distribution** (place)
  Media coverage, stadia, ticketing and travel

  **The sport customer**
  Individuals, corporations, players and investors

  ![Diagram](image-url)
- **Product** – good, service or idea. Complete package of benefits presented to sport consumers. 3 important variables of sport product – core benefit, actual product and augmented product (extra features).
- **Price** – financial cost of sport product, but may also include things a customer has to give up in order to obtain the product, such as time or social costs. Consumers are sensitive to price if they do not buy a product when the price is high or if they buy more of it when the price is lowered.
- **Promotion** – pivotal in shaping and cultivating brand image. Promotion elements = advertising (e.g. TV ads), personal selling (e.g. telemarketing), sales promotion (e.g. free trials, coupons) and public relations (not paid and involves publicity).
- **Place** – location where sport product or service is delivered or the method of distributing a product. Ticket sales are the most important sources of revenue for sport organisations that run competitions or events. Place elements = location and accessibility, design and layout, facilities and customer service.
- **Sponsorship** – business agreement where an organisation or individual provides financial or in-kind assistance (instead of financial support, you receive a service), in exchange for the right to associate itself with the sport property. It is an example of marketing through sport. Image transfer works best when there is a strong sponsorship affinity or there is a good fit – overlap of target markets and brand positioning strategies.
- **Services** – intangible – only exist as an experience; they can only be offered and experienced once at any point in time. Three additional P’s included – participants, physical evidence and process. Service quality – degree to which a service meets the needs and expectations of customers.

**Reading 1 – Sport Management: Principles and Applications – Hoye 2009**

- **Branding** – cultivating a positive response by consumers to the brand and the products/services offered.
- **Positioning** – sport brand has carved out a firm place in the market and in consumers’ minds.

**The Sport Marketing Framework**

1. **Identify sport marketing opportunities**
   - Analysing the internal and external environment: 5 tools for analysis = SWOT, Competitor (direct, secondary + indirect competitors), 5 Forces Competitor, Organisational and Market & Consumer Research.
   - Analysing the organisation: understanding the purpose, aims and goals of the sport organisation.
   - Analysing the market (competitors) and consumers: conduct and examine market research [quantitative (e.g. survey) and qualitative research (e.g. focus groups)].

2. **Develop a sport marketing strategy**
   - Develop strategic market direction: 4 marketing objectives an organisation might wish to pursue: higher levels of participation or involvement, on-field performance, promotion of message about the sport, and profit. Then add a performance measure to each objective set.
   - Develop a sport marketing strategy: requires 4 steps:
     1. Market is divided into sub-groups based on a common feature or features.
     2. The segments to be targeted must then be specified. Focused (one segment chosen), multiple (more than one segment chosen) + undifferentiated (no choice – market is considered a legitimate and worthwhile target).
     3. Choose market-positioning strategy for each segment identified.
     4. Determining the marketing mix

3. **Plan the marketing mix**
   - Above (Product, Price, Promotion, Place, Sponsorship + Services)

4. **Implement and control the strategy**
   - Implementing a sport marketing strategy means putting the plans into action.
   - Two actions performed – use implementation strategies and use a control process.
   - Implementation should align with both the sport organisation’s objectives and should also fit within the broader boundaries of ethical behaviour.
Week 2 – Sport Consumption (1)

- Consumption: fan side or participation side?
- **Forces that shape sport consumption** –
  - **Internal factors** –
    - Psychological motives (emotional and intellectual needs) – e.g. stimulation, escape, visual, drama, entertainment.
    - Social and cultural motives (group based experiences) – e.g. family and social interaction, cultural connections, economic motives (i.e. betting).
    - Self-concept motives (strength of fan identification) – e.g. belonging and group affiliation, tribal connections, vicarious achievement.
  - **External factors** –
    - Type of sport – individual or team / aggressive or artistic / technical or simplistic
    - Uncertainty – closeness of competition / greater uncertainty = increased interest
    - Likelihood of winning – winning teams garner greater support, i.e. Roosters fans in 2013?
    - Venue (sportscape) – setting, history, layout, services, access, comfort, sightlines
    - Weather – covered venues, time of year / season
    - Price – discounting, bundling up of products and services (i.e. transport)
    - Income levels – when incomes rising, economic conditions strong = increased consumption
    - Special experiences/events – star player / team visits, mega or major events, one-off opportunities
    - Promotional strategies – communication strategies for different market segments
    - Alternative activities – leisure and entertainment choices / rise of adventure sports / media choices / convenience of TV vs. the cost/time associated with going to a game

- **Emotional connections** –
  - Studies have found that the emotional connection people have with a sport; team or athlete becomes more complex the deeper it is examined.
  - Temporary and slight or permanent and obsessive (Funk and James, 2001).
  - These connections can vary in their intensity and their form.
  - E.g. some people incorporate their favourite team into their sense of self and create personal identity around the team.
  - Use sport or a team as a means of identifying with a town or city.
  - To strengthen a racial, class, gender or ethnic identity.
  - Loyalty is pivotal to the sport consumer experience.
  - Consumers with a more casual connection to a team can also possess high levels of loyalty. Thus, loyalty does not only mean frequent match attendance (i.e. satellite fans).
  - Loyalty can be expressed in various ways: regular attendance, reading newspapers, websites, social media, talking with fellow supporters, buying merchandise + watching / listening to games on TV / radio.

- **The Commercial Research Process (Quantitative)** –
  1. **Data (“Panel”) Providers** –
     - Recruit everyday Australians to complete surveys.
     - Top tier providers have over 1 million active users.
     - Surveys are generally completed online, e.g. Nine Rewards.
     - Users are paid via redeemable points or small cash amounts (approx. $5 an hour).
  2. **Researchers/Companies purchase data from panel providers** –
     - **Key questions include:** What is the core research question to be addressed? Who do we need to speak to? How many people do we need to speak to?
     - **Sample Detail**

<table>
<thead>
<tr>
<th>Sample Detail</th>
<th>Incidence rate</th>
<th>Sample Size</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>People who have ‘live bet’ a sport event in the last year</td>
<td>2% of population</td>
<td>1,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>People who are ‘interested’ in sport</td>
<td>60% of population</td>
<td>1,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>National sample</td>
<td>100% of population</td>
<td>1,000</td>
<td>$8,000</td>
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3. **Respondents complete a survey**
4. **The researcher receives the data file** – use SPSS.