

SEMINAR 7 SPORT MARKETING

"Just do it!"
Nike Advertising Slogan

What is marketing?

Marketing is a complex function that is important to the overall success of sport organizations. Some corporate executives might describe sport marketing as selling goods and services to generate profit. But it is more than just selling, it is also advertising, public relations, community relations. According to Pitts and Stotlar (2002) sport marketing is “the process of designing and implementing activities for the production, pricing, promotion and distribution of a sport product or sport business product to satisfy the needs or desires of the consumers and to achieve the company’s objectives” (p. 79).

Sport marketing

Sport differs from other products, goods and services in many aspects requiring a unique approach.

1. Sport is *intangible*. You cannot touch the actual competition that takes place between two football teams. You can, however, touch products associated with the experience, such as equipment, seats in the stadium, hats, T-shirts, videos etc. What you can experience is the emotional high of the sport participants before a game, the thrill that sport spectators experience during a match, the satisfaction of athletes when overcoming challenges etc.
2. Sport is *subjective* and *heterogeneous*. The impressions, experiences and interpretations about a sport experience may vary from person to person. Two people who attended the same hockey game will have a markedly different experience.
3. Sport is *inconsistent* and *unpredictable*. It may include injuries to players, the emotional state of players, the momentum of teams and the weather. Sport marketers have little control over these aspects.

Given these factors we are going to have a look at what aspects should be considered in making decisions about packaging, promoting and delivering sport.

FACT: the sport industry in the USA has been estimated to generate approximately \$213 billion USD per year in revenues, making it the sixth largest US industry. (Broughton, Lee and Nethery, 1999).

What is a mission statement and why is it crucial?

Every sport organization exists for a purpose. This purpose has to be clearly stated in the company’s mission statement, which represents the core values of the organization. As sport doesn’t exist in isolation, rather, various societal trends affect sport, therefore the mission statement must reflect the values of the society while maintaining its ethical standards.

Developing a sport marketing plan

Marketing plans serve road maps for an organization’s marketing activities. They are comprehensive strategic frameworks for identifying and achieving an organization’s

marketing goals and objectives. Having a well-developed marketing plan is key to the marketing success of sport organizations. These elements are well established in the marketing industry and are universally known as the four Ps

- **P**roduct
- **P**rice
- **P**lace
- **P**romotion

However, to prepare a comprehensive plan for achieving marketing goals marketers must consider factors beyond the four Ps. You are going to learn about the 10-step process for developing a sport marketing plan called the 10 Ps – purpose, product, projecting the market, position, players, package, price, promotion, place and promise.

Step 1: Identify the Purpose of the Sport Marketing Plan

Step 1 involves clarifying the purpose of the sport marketing plan and linking the plan to the organization's mission and core values. Marketers must have clearly defined and measurable goals and objectives. **GOALS** are general summary statements of expected results. (e.g. to increase attendance by 5%). **OBJECTIVES** are the specific activities that enable the marketer to obtain the expected outcomes. (e.g. increase preseason ticket sales by offering discount prices).

Step 2: Analyze the Sport Product

In step 2 the marketer analyzes the sport product and determines whether the product is a tangible good, a game event or a service. The sport product is three dimensional, composed of

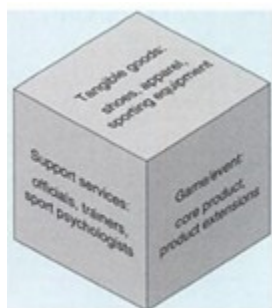


Figure 9.3 Three dimensions of the sport product.

1. tangible goods (e.g. clothing: shoes, hats, T-shirts, equipment: bats, mountain bikes, barbells)
2. support service (game official, athletic trainers, sport psychologists)
3. the game/event (3.1. core product: type of sports, participants and team 3.2. product extensions: mascot, music, cheerleaders etc.)

Step 3: Project the Market Climate

As sport is deeply influenced by market conditions assessing the sport climate is an important step which requires examination of internal and external factors.

Internal factors – factors inside a sport organization (i.e. players, owners, team management, staff)

External factors – factors outside a sport organization (i.e. media, sponsors, advertisers, spectators, sport governing bodies)

SWOT analysis

An assessment of the internal strengths and weaknesses of an organization and the external opportunities and threats faced by an organization is called a SWOT analysis (Rowe, Mason and Dickel, 1986). A SWOT analysis usually highlights the manner in which internal and external factors might influence the success of a marketing plan. It includes four elements (1) strengths, (2) weaknesses, (3) opportunities, (4) threats.

Example:

In 1994 Major League Baseball (MLB) had the best year. A SWOT analysis of the future market climate of MLB might be the following:

strengths	history, tradition (America's national pastime)
weaknesses	game too slow and too long, lack of TV spectators resulting in loss of sponsors and advertisers
opportunities	improve marketing of star players, stimulate team rivalries, new stadiums
threats	popularity of other professional sports such as basketball and football, lack of interest in baseball among youth, women and minority ethnic groups

Step 4: Position the Sport Product

Positioning is establishing a sport entity (a brand) in the minds of consumers in the target market. Its purpose is to differentiate the sport product from competing products by creating a distinctive image of the product. (sport logos, symbols, radio TV advertisements, public service announcements, new articles etc.)

Branding is the process of using a name, design, symbol, or any combination of them to help differentiate its products from the competition. Consumers eventually associate a brand name with a specific product, like BRAND: Nike, PRODUCT: shoes.

Step 5: Pick the Players: Analyze and Target Consumers

In step 5 the marketers analyze the market and target particular consumers. This approach means grouping consumers according to factors, like the size of the target group. For instance a target market of 100 students for a football event that attracts over 100 000 consumers is not sufficient. On the other hand, a target market of 100 students for a fitness club with a membership of approx. 200 is an acceptable size and may have a significant effect on the overall marketing success of the club.

Step 6: Package the Product

Packaging the sport product includes presenting the product in the best possible way to encourage selected target audiences to purchase it. Because consumers differ, marketers must present the product in different ways. E.g. they might package the game as family entertainment and offer family ticket plans, or package it as a good place to make business contacts – business ticket plans. For instance music, halftime promotions and entertainment contribute to overall packaging of a basketball game.

Licensed merchandise

Since huge sales are made on teams' licensed products, licensed merchandise is another very important aspect of sport marketing. Many sport teams offer goods such as hats, T-shirts, jackets, watches, memorabilia, decorative items.

Sponsorship

Sponsorship involves an agreement between sport organization or event and a corporation where the corporation pays a fee to the organization to get rights to affiliate with it. Sponsorship can increase sales, change attitudes, build a positive relationship with consumers.

Step 7: Price the Sport Product

Step 7 is determining the value of the product by assigning it a price. It is the most visible and flexible element because of discounts, coupons etc. When developing a price four factors should be considered (Pitts and Stotlar, 2002):

1. **Consumer** – analyze all aspects of the consumer, incl. demographics, purchasing behaviour etc.
2. **Competitor** – analyze consumer's perception of the product's value, compare it with the competing products, analyze competitor's prices.
3. **Company** – analyze the costs involved in producing the product (materials, equipment, salaries and set a min. price to cover costs.
4. **Climate** – analyze external factors (pricing, government regulations, political situation).

The pricing strategy must appeal to as many consumers as possible. For example, sport franchises set different prices for main season, charitable organizations, group ticket buyers or single ticket buyers. They may also change their existing prices, e.g. lowering their prices during an economical recession, or based on the results of the team's performance.

Step 8: Promote the Sport Product

Step 8 involves communicating the image of the product to the selected target audiences by communicating the desired image of product, informing the target audience and persuading them to buy the product. It is a good idea to use a promotional mix tool (radio, TV, newspapers, personal selling, sponsorship, PR.)

Step 9: Place the Sport Product

Step 9 is analyzing the place of the sport product. Place refers to the location of the sport product (stadium, arena), the point of origin (ticket sales at the stadium), geographic location of the target market (global, national, regional, state) and other channels (time, season, month). To ensure a favorable effect, the sport facility must be easily accessible (highway connection, parking, ramps), be attractive and clean.

Step 10: Promise of the Sport Marketing Plan

Step 10 is evaluating the extent to which the marketing plan met its promise to help achieve the organization's mission. The feedback is provided from outside and inside of the organization. It should focus on determining the extent to which the plan helped the organization to achieve its mission.

Questions and tasks:

1. What is marketing?
2. In what way are sport products different from other products?
3. Prepare a SWOT analysis of your favourite/local sports club.
4. Briefly summarise the 10-step process for developing a sport marketing plan.

(Adapted from Contemporary Sport Management by Janet B.Sparks, Jerome Quarterman, Lucie Thibault)

SEMINAR 7 STYLISTIC DIFFERENTIATION

With respect to the functional styles, vocabulary can be subdivided into bookish (literary), which is typical of **formal styles**, and **colloquial** vocabulary which is typical of the lower style in oral communication; besides there is always present in the language a stylistically **neutral** vocabulary which can be used in different kinds of style. Consider the following examples:

- *child* (neutral) – *kid* (colloq.) – *infant* (bookish, official) – *offspring* (bookish, scientific);
- *begin, start* (neutral) – *get going, get started, come on!* (colloq.) – *commence* (formal).

Task 1.1 Point out stylistic differences within the groups of synonyms.

I think – I gather – I presume – I take it – I guess it – me thinks;

boy – youth – lad – young male person – youngster – teenager;

Silence, please! – Stop talking! – Shut your trap!

friend – comrade – pal – buddy – acquaintance;

Hurry up! – Move on! – Hasten your step!

Task 1.2 Replace the colloquial expressions by more neutral ones.

(a) What do you think of her? – She's jolly! – Really? – Oh, yah! She's fun, to be sure! A bit too fat for my taste, though. – Oh, come on, you're being too choosy. She's just right. – Doesn't look like it to me, anyway.

(b) I take it, he screwed his life himself, the jerk. Took to drinking, and things. He sure did. But then, again, come to think of it, who wouldn't with that stupid ass of a woman around all the time? He just couldn't make it.
