Introduction

The principles and tools of sport marketing represent the essential knowledge sport managers require in order to position their sport, association, club, team, player, code or event in the highly competitive sport market. This chapter explains the principles and tools of marketing sport organisations (professional and amateur), sport leagues and codes, players/athletes, sporting equipment and merchandise, and sport events. The purpose of this chapter is to introduce the core philosophy and process of sport marketing. It will introduce some basic marketing concepts, and will outline the Sport Marketing Framework that will be used as the guiding structure for this text.

At the end of this chapter, readers should be able to:

- Explain what the terms marketing and sport marketing mean.
- Describe how sport marketing can be represented by a philosophy, a process, a set of principles, and a suite of tools.
- Identify the two different angles of sport marketing.
- Understand the relationship between the philosophy, processes, principles, and tools of sport marketing.
- Identify the components of the Sport Marketing Framework.
What is sport marketing?

The term ‘marketing’ tends to be used in a variety of ways. Some think of marketing as the use of advertising, publicity and personal selling techniques to make others aware of a product, or to attract more consumers to buy it. However, marketing is much more comprehensive than this narrow interpretation. Put simply, marketing means to be focused on satisfying the needs of customers or consumers. In turn, this means that sport marketing is focused on meeting the needs of sport customers or consumers, including people involved in playing sport, watching or listening to sport programmes, buying merchandise, collecting memorabilia, buying sporting goods like clothing and shoes, or even surfing a sport-related website to find out the latest about their favourite team, player or event. The terms ‘consumer’ and ‘customer’ are used throughout this text. A sport consumer is someone who generally uses sport products or services. A sport customer is someone who pays for the use of a specific product or service. It is legitimate to use the terms interchangeably to refer to those people who use and pay for sport products and services.

Chapter Principle 1.1: Marketing is more than promotion, advertising, personal selling or sales gimmicks.

Satisfying the needs of consumers obviously involves more than just putting together a slick advertisement or offering a temporary discount. For example, marketing involves making decisions about what different groups of consumers may need or want: the most effective way of selling a product or service, the best way of making the product or service available, the idea behind a product or service, the unique features of a product or service, and ultimately, its price. Marketing demands a process where a range of issues are considered in order to maximise the likelihood that a customer is satisfied by the product or service it consumes. These issues can be combined in order to construct a definition of marketing.

Marketing

Marketing is generally described as the process of planning and implementing activities that are designed to meet the needs or desires of customers. Marketing pays attention to the development of a product, its pricing, promotion and distribution. It aims to create an exchange, where the customer gives up something (usually money), for a product or service that is of equal or greater value. Although the term ‘product’ directly refers to tangible items, it is quite common to use it to represent the entire offering to consumers including services. Thus, it is conventional to speak of the ‘sport product’ in a global sense as a representative term for all offerings associated
with sport, whether in physical form, like sport equipment, or as a service, such as entertainment.

A simpler definition of marketing was provided by Smith and Taylor (2004, p. 5), who wrote ‘Marketing is selling goods that don’t come back to people who do’. At first this definition seems to only focus on the selling part of marketing. On the other hand, if products ‘don’t come back’, it means that customers’ needs have been satisfied and they do not want to return what they purchased in order to secure a refund. This definition implies that marketing leads to satisfied customers who will continue to use the same product in the future. Marketing aims to entice people to try products or services and then keep them as long-term customers.

Chapter Principle 1.2: Marketing aims to create an exchange where the customer gives up something for a product or service.

Sport marketing

Sport marketing is the application of marketing concepts to sport products and services, and the marketing of non-sport products through an association to sport. Sport marketing therefore has two key features. First, it is the application of general marketing practices to sport-related products and services. Second, it is the marketing of other consumer and industrial products or services through sport. Like any form of marketing, sport marketing seeks to fulfil the needs and wants of consumers. It achieves this by providing sport services and sport-related products to consumers. However, sport marketing is unlike conventional marketing in that it also has the ability to encourage the consumption of non-sport products and services by association. It is important to understand that sport marketing means the marketing of sport as well as the use of sport as a tool to market other products and services.

The two angles of sport marketing are central to understanding the full range of ways in which sport is used. The weakness, however, is that they tend to emphasise the selling part of sport marketing. Before any transaction can occur, a lengthy strategic analysis must be performed in order to determine what sport consumers want and what are the best ways of delivering it. As a result, sport marketing should also be seen as the collection of planning and implementation activities associated with the delivery of a sport product or service.

Prior to any sales, a sport product or service must hold a place in the mind of a consumer. In practice, this demands that a consumer is aware of the sport product or service and has responded to it in some way. The process of cultivating such a response is known as branding, and when a sport brand has grasped a firm place in consumers’ minds, then it is said that it is positioned.

The consequence of successful branding and the acquisition of strong market positioning is not merely a single transaction. Rather, sport marketing reflects the establishment of an ongoing relationship between a sport brand and its users.
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With the introduction of these three further points, it is possible to devise a simple working definition of sport marketing.

Chapter Principle 1.3: Sport marketing is the process of planning how a sport brand is positioned and how the delivery of its products or services are to be implemented in order to establish a relationship between a sport brand and its consumers.

Two angles of sport marketing

With a working definition of sport marketing specified, it is useful to return to the idea that there are two angles to sport marketing. To repeat, the first is that sport products and services can be marketed directly to the consumer. The second is that other, non-sport products and services can be marketed through the use of sport. In other words, sport marketing involves the marketing of sport and marketing through sport. For example, the marketing of sport products and services directly to sport consumers could include sporting equipment, professional competitions, sport events and local clubs. Other simple examples include team advertising, designing a publicity stunt to promote an athlete, selling season tickets, and developing licensed apparel for sale. In contrast, marketing through sport happens when a non-sport product is marketed through an association to sport. Some examples could include a professional athlete endorsing a breakfast cereal, a corporation sponsoring a sport event, or even a beer company arranging to have exclusive rights to provide beer at a sport venue or event.

Chapter Principle 1.4: Sport marketing has two angles: one is the marketing of sport products and services, while the other is marketing through sport.

Interactive case

Have a look at the Ducati website, http://www.ducati.com, as an example of the marketing of sport.

Consider the following questions:

1. How does Ducati market its product to sport consumers?
2. What sort of sport consumers do you think would be interested in Ducati products?
3. How does Ducati emphasise that its product is a sport product?
Now have a look at the Shell website, http://www.shell.com, as an example of marketing through sports.

Go to ‘Shell Motorsport’, then select ‘Shell and Ducati’.

Consider the following questions:

1. How does Shell market its motorcycle oil products to sport consumers?
2. How does the Shell association with Ducati influence sport consumer perceptions about Shell motorcycle oils?
3. What promotional techniques have Shell used to market their products?

Points to consider.

1. The products offered by Ducati are not limited to bikes. It also sells merchandise, promote Ducati clubs, organise the ‘Ducati Week’ for motorcycle enthusiasts and provide sport information such as the ‘Desmoblog’ and Press releases. Some of these may not be designed to make money (the most obvious example is the sport information it provides), but it indirectly encourages consumers to become enthusiastic about Ducati products.
2. Note that the Shell website offers many ‘products’ to the sport consumer. It also advertises its range of oils and provides ‘How To’ and bike travel guides, bike tips, downloads and entertaining Ducati videos. These could be persuasive to sport consumers who value technical knowledge about motorcycles, or who are committed fans of the Ducati race team.

Sport marketing as a philosophy, a process, principles and tools

While thinking about what sport marketing encompasses, it is helpful to understand that it is a hierarchical concept. That is, there are levels at which sport marketing can be considered. At the most fundamental level, sport marketing embraces a general philosophy or a set of beliefs about how to go about marketing. It is not just marketing managers or the marketing department of a sport organisation that can think in marketing terms. A marketing philosophy is about putting the needs and wants of the customer at the centre of all decisions. It is important to add that the needs of the customer must complement the goals of the enterprise. In business, the goal is to make a profit, but in sport organisations the most important goal is usually to win or attract attention to the sport or organisation. Marketing philosophy is concerned with creating a win-win situation for both the organisation and sport consumers, but it recognises that no one will win if consumers’ needs are not met. This sport marketing philosophy is adopted in this text, and is used as
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a basic assumption throughout. For example, each chapter provides a reminder of the importance of understanding and targeting customers’ needs, and working out the best alignment between an organisation’s goals, consumers’ needs, and the features of a sport product.

Chapter Principle 1.5: The philosophy of sport marketing is to satisfy the needs of sport consumers.

At a second level, sport marketing may be considered a process. It is a process because it involves a series of activities and steps. For example, sport marketing involves research, analysis, planning, development, implementation and evaluation. These processes are a common property of sport marketing and feature as the structural framework around which this text is written.

Chapter Principle 1.6: The process of sport marketing is the series of steps required to find opportunities, devise strategy, plan the tactics, and implement and evaluate a sport marketing plan.

At the third level, sport marketing may be summarised as a set of principles because it adopts numerous ideas and concepts that provide specific guidance to those undertaking sport marketing activities. In each chapter, a set of sport marketing principles are highlighted in order to provide clear guidance as to how the processes of sport marketing can be used in practice.

Finally, at the most operational level, sport marketing principles can be implemented with the aid of tools, which are analytical devices and specific activities used in day-to-day practice.

Chapter Principle 1.7: Sport marketing can be described as a philosophy (an attitude towards marketing), a process (a series of activities), a set of principles (general rules and guidelines) and tools (recommended techniques).

To summarise, this text adopts the sport marketing philosophy that consumers’ needs are met when they match features of a product or service where the ultimate goal is to cultivate a relationship between a sport brand and consumers. The text structures this philosophy around a sequence of sport marketing processes which reflect the organisation of the chapters. Within each chapter, sport marketing principles are presented to help steer the implementation of sport marketing processes. In addition, tools are offered as specific, recommended techniques. The four levels are represented in Figure 1.1.
Structure of the text

The marketing of sport may appear at first to be similar to general marketing. However, sport marketing does have differences to other forms of marketing. For example, the sport product is often highly inconsistent and unpredictable because it is not possible to predict the outcome of a sporting match or control the quality of play. In many other industries, the failure to guarantee the quality of a product would be disastrous. Another significant difference is that few products can evoke the emotional attachment and personal identification that sport commands. To be successful in sport
marketing, it is necessary to understand general marketing as well as the unique circumstances of sport.

There are two aspects of sport which are pivotal to understanding its unique circumstances: the sport market and the sport consumer. Chapter 2 introduces the special features of sport with an emphasis on the three sectors associated with sport: the government, the not-for-profit, and the corporate sectors. Chapter 3 introduces the various types of sport consumers including those who utilise sport as a consumer product and those who actively engage in sport. The chapter will also reveal the idiosyncratic motives and behaviours of sport consumers as well as the factors that influence their behaviour.

Once the sport market and the sport consumer are described, it is possible to move onto the process of sport marketing. Chapter 4 provides an overview of the four stages of the sport marketing process: (1) identify sport marketing opportunities; (2) develop a sport marketing strategy; (3) plan the marketing mix; and (4) implement and control the strategy. Figure 1.2 illustrates the Sport Marketing Framework. It is helpful because it offers a structure through which the logical sequence of sport marketing is implemented. A detailed guide to stage one is contained in Chapter 4. Stage two is provided in Chapter 5.

**Chapter Principle 1.9:** The Sport Marketing Framework provides a detailed explanation of the four stages of the sport marketing process: (1) identify sport marketing opportunities; (2) develop sport marketing strategy; (3) plan the marketing mix; and (4) implement and control the strategy.

Chapter 6 explores the first elements of the sport marketing mix. It introduces the key elements of the sport product, and outlines product-related marketing strategies. Chapter 7 specifies the second element in the sport marketing mix. The chapter is structured around a step-by-step pricing approach. Chapter 8 tackles the third dimension of the sport marketing mix. It highlights the basic concepts and issues of sport distribution and pays particular attention to the centrality of the sport venue, and media and broadcasting. Chapter 9 highlights the final component of the marketing mix. The chapter identifies the purpose of promotions, reviews its key elements, and describes promotions planning. Building on the promotion of sport, Chapter 10 presents the process of locating sponsors, the nature of sponsorship associations, the management and leveraging of relationships, and the evaluation process. Chapter 11 augments the sport marketing mix by examining sport services. This chapter introduces the specific aspects of services marketing and the idiosyncrasies of the sport service. It describes the techniques of quality service and customer satisfaction management as well as customer relationship marketing.

The world of sport marketing is changing rapidly, and the way in which the marketing mix and sponsorship are deployed is subject to constant new media platforms, technologies and opportunities. Chapter 12 focuses on the current marketing context relevant to sport. This includes the key media
technologies and their implications for the way in which sport consumers engage in the marketing process. Chapter 13 explains the final stage of the Sport Marketing Framework. It introduces readers to the activities associated with setting up feedback mechanisms for determining whether the implementation process is successful. Chapter 13 also summarises the key processes and principles which
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are addressed in the text. It concludes with a discussion of the ethical responsibilities of sport marketers.

Principles summary

- Chapter Principle 1.1: Marketing is more than promotion, advertising, personal selling or sales gimmicks.
- Chapter Principle 1.2: Marketing aims to create an exchange where the customer gives up something for a product or service.
- Chapter Principle 1.3: Sport marketing is the process of planning how a sport brand is positioned and how the delivery of its products or services are to be implemented in order to establish a relationship between a sport brand and its consumers.
- Chapter Principle 1.4: Sport marketing has two angles: one is the marketing of sport products and services, while the other is marketing through sport.
- Chapter Principle 1.5: The philosophy of sport marketing is to satisfy the needs of sport consumers.
- Chapter Principle 1.6: The process of sport marketing is the series of steps required to find opportunities, devise strategy, plan the tactics, and implement and evaluate a sport marketing plan.
- Chapter Principle 1.7: Sport marketing can be described as a philosophy (an attitude towards marketing), a process (a series of activities), a set of principles (general rules and guidelines) and tools (recommended techniques).
- Chapter Principle 1.8: The principles of sport marketing provide the rules and guidelines for the implementation of the Sport Marketing Framework process, while the tools of sport marketing are specific activities designed to help execute the principles.
- Chapter Principle 1.9: The Sport Marketing Framework provides a detailed explanation of the four stages of the sport marketing process: (1) identify sport marketing opportunities; (2) develop sport marketing strategy; (3) plan the marketing mix; and (4) implement and control the strategy.

Review questions

1. What is the basic philosophy of all marketing?
2. How is sport marketing different from general marketing?
3. Explain the difference between marketing in sport and marketing through sport.
4. What are the steps in the Sport Marketing Framework?
5. Provide a definition of sport marketing in your own words.
6. What do you think is the ultimate goal of sport marketing?
Relevant websites

http://www.ducati.com (Ducati)
http://www.shell.com (Shell)
http://www.eose.org (The European Observatoire of Sport and Employment)
http://www.sportengland.org (Sport England)

Further reading


Reference
