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# SPORT MARKETING MIX STRATEGIES

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## **Keywords**

*Sport marketing*

*Marketing mix*

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## **Abstract**

*This paper presents a brief overview of a significant element of the sport marketing management model called the marketing mix. The marketing mix is crucial because it defines the sport business, and much of the sport marketer's time is spent on various functions within the marketing mix.*

*The marketing mix is the strategic combination of the product, price, place and promotion elements. These elements are typically called the four Ps of marketing. Decisions and strategies for each are important for the marketer. Information for making educated decisions involving the four Ps comes from the marketing research involving primarily the four Cs - consumer, competitor, company and climate. A critical decision and one of the greatest challenges for the sport business is how to strategically combine the four Ps to best satisfy the consumer, meet company objectives, enhance market position, and enhance competitive advantages.*

## **INTRODUCTION**

The term 'sport marketing' was first used in the United States by the *Advertising Age* in 1978. Since then it has been used to describe a variety of activities associated with sport promotion.

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.

Companies in the sport industry have plenty of competitors. A sport company today must employ sport marketing as a significant business function to the extent that every facet of the company is guided by sport marketing concepts. It is the function that guides the sport business toward identifying the products that consumers need or desire, that identifies and analyzes competitors, that develops pricing strategies, that develops the promotional strategies to be used for the company's products in order to get the consumer to the product, and that identifies how to get the product to the consumer.

The sport marketer must be able to recognize and analyze business environments, determine their effects, and make strategic

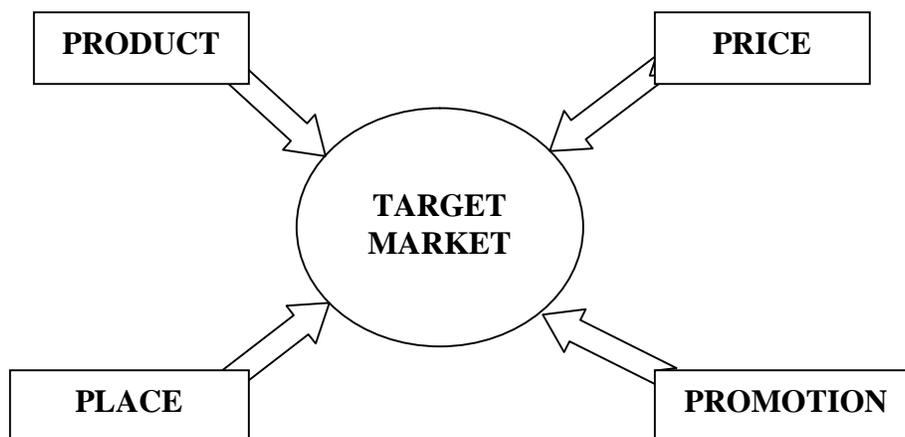
decisions that will enhance the success of the sport business.

## SPORT MARKETING MIX

After a sport organisation has divided the total market into sub-groups, chosen a segment(s) and identified a positioning strategy for that segment, they must then develop a marketing mix for each segment. The marketing mix is a set of strategies and activities that cover product, price, promotion and place (distribution). These are commonly referred to as 'The Four Ps'. The fact that these four elements are grouped into a set, or a 'mix', is important, because they should be coordinated together in an integrated fashion.

At the heart of the decision-making process regarding your mix are the research and knowledge gained about the consumer, the competition, the company, and the climate. All factors must be given careful attention. If the sport marketer ignores one or the other, this increases the chances of making wrong decisions.

Figure 1: The marketing mix



Source: adapted from Schwarz, E. C.; Hunter, J. D., *Advanced Theory and Practice in Sport Marketing*, Elsevier's Science & Technology Department, Oxford, 2008

## SPORT PRODUCT

The centrepiece of a marketing mix is the product. A product is anything that satisfies a need or wish and is acquired to do so. In relation

to sport, two important concepts have implications for sport marketing. The first is the core product, defined as the actual game, over which the sport marketer has no control. The sport marketer must be very careful not to over-promise in terms of how good the game will be or how well specific athletes may perform. The second concept is the importance of product extensions to the overall marketing effort. It is here that the marketer can ensure that acceptable levels of quality are achieved.

It is easy to think of the word product as referring to a physical, manufactured item. However, the term product can also refer to services, people, places, ideas and the benefits that a sport organisation offers consumers. Many sport organisations offer a service, such as a form of physical activity, entertainment or an experience. There is often no physical product to take away, but a sport organisation might offer some intangible benefits such as a lifestyle, a social group or even a belief system. The product can also include design, packaging and merchandise.

Packaging the sport product includes presenting the product in the best possible manner to encourage selected target audiences to purchase it. Because consumers differ, marketers must present the product in different ways. Packaging the core product of sport (the game or event itself), however, involves communicating the expectations of the product and providing information before the point of purchase. For example, sport marketers might package the game or event as family entertainment and offer family ticket plans. Or marketers might package sport as a good place to make business contacts and offer business ticket plans. A sport organization that wants to be seen as one that cares about the community might offer group discount ticket plans for social service and charitable organizations.

## **SPORT PRICING**

The price of a product represents what a consumer relinquishes in exchange for a sporting good or service. A price should also reflect the value of a product. Generally, price is thought of in financial terms, but may include other things that a customer has to give up in

order to obtain the product, such as time (e.g. waiting in a queue) or social costs (e.g. being in an aerobics class with others instead of a one-on-one instruction).

Price is the factor that is most visible and flexible, especially as a result of sales, discounts, rebates, and coupons. Creating a strategy for pricing is integral to the success of the sport organization because it has a significant impact on the success of the overall sport marketing plan.

In addition, pricing is directly affected by the external factors including government regulations, the economic climate, and politics.

The challenge for the sport marketer is to determine the right price for the consumer. The price of a product can be manipulated many ways. Promotional pricing can be used: 2-for-1 tickets to the game or 2-for-1 memberships to the fitness club, special sale prices on sports clothing for during a holiday period, special sale prices on sporting goods equipment for seasonal sports, or price breaks as the quantity purchased increases. There are also long-term price-planning strategies that the sport marketer can use.

Sport pricing is complex and critical to the success of the marketing plan. However, price is one aspect of the marketing plan that may be readily changed (i.e., increased or decreased slightly). For example, sport organizations often alter their prices to attract different consumers (e.g., students may pay a different price for event tickets than the general public pays). Sport organizations may also change prices according to the market environment (e.g., lowering prices during a recession or economic downturn) or the team's performance (e.g., increasing prices as a team's performance dramatically improves). In the final analysis, sport marketers must determine how consumers perceive the value of the product compared with all competing products and use that information to set an appropriate price. Additionally, sport marketers should seek to offer consumers a satisfying experience with perceived benefits that surpass the personal and financial costs that consumers incur.

## SPORT DISTRIBUTION (PLACE)

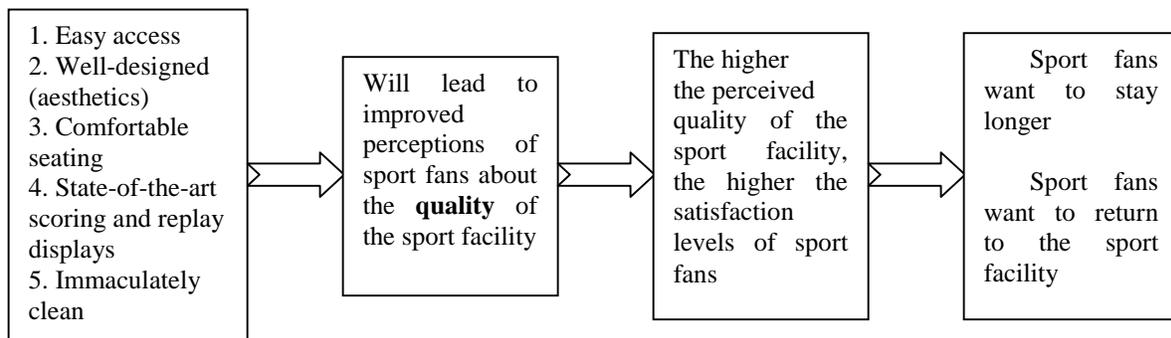
Place is the process of getting the sport product to the consumer. It is also called distribution: distributing the sport product to the consumer. The sport marketer will analyze the types of distribution methods available and select those that will deliver the product to the right place. The right place means: where the consumer is, shops, or will travel.

Place refers to the location of the sport product (stadium, arena), the point of origin for distributing the product (ticket sales at the stadium, sales by a toll-free telephone number, or internet), the geographic location of the target markets (global, national, regional, state, communities, cities), and other channels that are important to consider regarding whether target audiences may access the product (such as time, day, season, or month in which a product is offered, as well as the media distribution outlets consumers may use to receive the product experience). Factors related to the physical location of the sport can have a favourable or unfavourable effect on the marketing plan. To ensure a favourable effect, the sport facility must be easily accessible (highway systems, parking,

walkways, ramps); have an attractive physical appearance (well maintained and painted); have a pleasant, convenient, and functional environment (quick and easy access to concessions, clean restrooms, smoke-free and odour-free environment); and have safe and pleasant surroundings (adequate public safety and security personnel, attractive neighbourhood).

The Wakefield and Blodgett (1996) study found that layout accessibility, facility aesthetics, seating comfort, electronic equipment and displays, and facility cleanliness all have a significant influence on how sport fans perceive the quality of the stadium. In turn, the higher this perceived quality of the sportscape, the higher the sport fan's satisfaction with the sportscape. If sport fans are more satisfied, they are likely to stay in the stadium for a longer period (and spend more money!); also, they are likely to return more often. These relationships between the sport fan's behavioural intentions and the sportscape are presented in figure 2.

*Figure 2: Sportscape model*



*Source: adapted from Shilbury, D.; Westerbeek, H.; Quick, S.; Funk, D. Strategic Sport Marketing. 3rd edition, Allen & Unwin, Crows Nest (Australia), 2009*

## SPORT PROMOTION

Promotion is the process of promoting. Promoting means raising awareness. Therefore, a simple definition of promotion is: the process

of making people aware of something. The process may involve a variety of methods for gaining the attention of potential consumers in order to tell them something and/or to educate them about something. In addition, once the marketer has the consumer's attention, the

marketer must keep it long enough to get a message across.

In sport marketing the word promotion covers a range of interrelated activities. All of these activities are designed to attract attention, stimulate the interest and awareness of consumers, and of course, encourage them to purchase a sport product. Promotion is about communicating and educating consumers. For example, promotion might involve telling potential consumers about a product, reminding them of its benefits or persuading them that it is worth trying. Promotion involves all forms of communication with consumers, not just advertising. Promotion is best seen as the way that sport marketers communicate with consumers to inform, persuade and remind them about a product. The aim of promotion is to encourage consumers to develop a favourable opinion about a sport product which is aligned to a predetermined positioning strategy, and then to stimulate consumers to try the sport product. Promotion concentrates on selling the product.

The elements of sport promotions (also known as the sport promotional mix) include advertising, sponsorship, public relations, licensing, personal contact, incentives, and atmospherics. Advertising involves paid, non-personal communications about a sport product or service through the print, broadcast, or electronic media that are designed to attract public attention and subsequent purchase. In sport marketing, advertising may include broadcast commercials, direct mailings, facility signage, and manufactured media. Sponsorship refers to the relationship between a corporation and a sport organization as a tool to develop brand image and customer loyalty as a result of the association. Public relations is the collection of activities, communications, and media coverage that convey who the sport organization is and what they have to offer, all in the effort to enhance their image and prestige. Licensing is one of the fastest growing components of sport promotions, and involves the creation of a strategic alliance in which the manufacturer of a sport product gives permission to a second party to manufacture that product in return for specific royalties or payments.

Personal contact involves one-on-one communication between a representative of the

sport organization and the sport consumer that should result in achieving promotional objectives ranging from providing information about products and services, to generating sales. Incentives are the benefits or reduced costs that are offered to motivate a sport consumer to purchase the specified sport product or service. Atmospherics utilizes the design of visual communications in an environment, such as lighting, colours, music, to entice the sport consumer's perceptual and emotional responses to purchase the sport product or service.

There are a number of generalizations that can be made about promotion. Promotions temporarily increase sales substantially; promotion in one product category affect sales of brands in complementary and competitive categories; and promotions can result in increased traffic. Most of the generalizations are true; however, it is important to understand how to utilize these elements in order to ensure that the results are longer lasting, and lead to maintaining current and attracting new customers.

## CONCLUSIONS

In many segments of the sport industry, sport marketers are pressured to increase their product sales to generate increased revenues for their organizations. This pressure poses a challenge. Because sport marketers are involved in persuading consumers to buy, they run the risk of exaggerating or misrepresenting their products in an effort to sell them. Today and in the future, sport marketers should recognize this risk and monitor their marketing strategies to ensure that they communicate honest images and messages about their products that are consistent with the core values of their organizations.

All of the marketing mix elements are manipulated by the sport marketer for two reasons: first, to stay in business and, second, to be successful. The only way to do this is to offer products that will sell, at a price that will be paid, offered through a place where they can be bought, and made attractive to the consumer. In other words, the sport marketer needs to develop the right product at the right price offered at the right place and promote it with the right methods.

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