

Alexandru Lucian MIHAI

The Doctoral School of The Bucharest University of Economic Studies, Romania

THE SPORT MARKETING MANAGEMENT MODEL

Theoretical
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Abstract

Sport marketing involves marketing fundamentals applied in one industry, the sport business industry. The development of sport marketing fundamentals is therefore based on basic marketing principles. The practice and activities of sport marketing are also based on basic marketing activities, but are modified and adapted to the sport business industry. Therefore, sport marketing is based on its primary and parent discipline - marketing.

Sport marketing is one of the most important functions of a sport business. This is because the sport marketing activities will define the business. The growth of the sport industry is phenomenal and shows no signs of slowing.

Also, sport marketing is a process. A process is a continuous cycle. Therefore, marketing is a function that never ends. The sport marketing management model is an illustration of the elements and process of sport marketing. It should serve as a guide for managing the company's marketing functions. The model illustrates the elements of marketing, the succession of elements and functions, the process of managing, and the interdependence of the elements

This paper presents an overview of the model, sport marketing management, each element and the process.

Introduction

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 (Smith and Stewart, 2015).

Enterprise marketing management looks to systematically link sport marketing efforts to all essential functions within an organization. This realignment seeks to put sport marketing efforts and customer service at the center of the efforts of the sport enterprise. Enterprise sport marketing allows the sport marketer to develop deeper customer understanding while delivering more personal and compelling sport marketing throughout the sport consumer life cycle. This is accomplished by improving a sport organization's ability to acquire, retain and grow customer value, establish the corporate value proposition and brand, as well as efficiently manage the strategic planning process and marketing resources including people, time, inventory and content (Schwarz, Hunter and LaFleur, 2013).

MISSION AND OBJECTIVES

Every business exists for a purpose. Each company strives to stay consistent with its purpose in order to enhance its chances for success. The company's purpose may be found in its stated **mission**. For example, an intercollegiate athletics program's mission may be "to provide athletic participation opportunities for the college student." In another example, a city parks and recreation department's mission might be "to provide the means for leisure pursuit for the city's population." The company will offer products with the intention of meeting the company's mission. The mission, then, is the reason it exists. All marketing activities must begin with a clear understanding of the company's mission and the company's current situation.

The stated mission must be accompanied by the company's **objectives**. The objectives provide specific and concrete direction whereas the mission statement often may be broad and ambiguous. The objectives should state the exact direction that management wants for the company. For example, whereas the mission of the college athletics department is to provide athletic participation

opportunities for the college student, its objectives will be detailed concerning specifically what the athletic department wants to achieve within a given period of time.

All individuals involved with a sport organization must be involved in the process of writing mission and vision statements, as well as developing goals and objectives. This is to ensure that all members of the sport organization will be committed to carrying out the plan acting in accordance with the organizational philosophy (Schwarz, Hunter and LaFleur, 2013).

Privately owned sport facilities like gymnasiums and recreation centers will have profit as their main objective. This would also be the main aim for sport equipment and apparel manufacturers. In fact, the corporate or professional sector of sport is interested primarily in profits. Any other objectives that these organizations might develop would remain subservient, or a means to achieving a greater profit. In theory, a privately owned professional club may want to sign up more club members, but only so that they can make more money. However, most business managers understand that the fastest route to profit in professional sport is to win (Smith and Stewart, 2015).

On the other hand, many sport organizations will not have profit as their main objective. For example, sport clubs and community-based clubs will have performance and participation objectives. National sport associations and government sport agencies may also be interested in promoting messages about healthy lifestyles. Generally speaking, sport organizations that are member-based are set up as non-profit organizations and therefore will not set profit as their main objective. It is still important for them to make sure they are earning enough money to cover their costs, or perhaps a little more to spend on developing new services or buying new equipment. However, for them, profit should be a means to an end, not their primary objective.

SPORT MARKETING RESEARCH AND ANALYSIS

Information gained from marketing research is a significant element when forming decisions and strategies for the marketing mix. Research will provide vital information in the four key areas the marketer studies: the consumer, the competitor, the company and the climate (the 4 Cs).

This world seems small, because electronics, communication systems, and transportation are phenomenal. The amount of information produced and disseminated through communication systems is massive. In fact, the last decade has been labelled the Information Era. Moreover, we are currently in a time that is literally changing the entire face of

business. A factor largely responsible for this is the Internet. The marketer must achieve the ability to conduct research, obtain information, analyze the results of research and the data gathered, envision uses for the information, and formulate strategic decisions based on the research and information. In addition, the marketer must have or create a system to manage the information and research.

Sport marketing research is a system of gathering and analyzing information. What types of data and how data are gathered is specifically organized and determined by what question is in need of answering. For example, if the company's product isn't selling, the question becomes: "Why isn't this product selling?". Research is then designed to gather and analyze data to try to answer this question.

The sport marketer will need the information gained through research to formulate decisions and strategies concerning every aspect of the company and its marketing plan. Marketing research usually focuses on one problem. At the same time, broad databases may be established and maintained concerning specific aspects of the company or the company's consumer markets and competitors.

The massive amount of information requires a sophisticated information management system. This is usually called a marketing information system, or MIS. The purpose of an MIS is to collect, store and retrieve specific information. An MIS can be as simple as a few index cards or as complex as a state-of-the-art computer system. Some of the determining factors include the company's capability for funding a system, the amount and type of information to be managed, and the ways in which the marketer will need to use the information.

Sport organisations can no longer rely on general sport market research to inform decision - making. Sport organisations can conduct their own market research, engage a specialist to assist in questionnaire construction, data analysis or interpretation, or contract a consultant to deliver product-specific information. Organisational decisions should be based on the needs and expectations of the consumer, and the only way they can be ascertained is to ask about them. While the phrase 'use it or lose it' is a sport cliché, when applied to market research there is not a more appropriate sentiment (Shilbury, Westerbeek, Quick, Funk and Karg 2014).

The market research process principally consists of five distinct phases. In order to guide the complete process, and to achieve maximum results with limited resources and time, the first step in the process is to clearly define the research problem and set a number of measurable objectives. The research problem and objectives often are a direct derivative of the marketing mission of the organisation - for example, increase

new participation for a marathon event by 20 per cent or increase membership renewals by 10 per cent. The second step in the process is to develop a research method - that is, to determine which data sources are needed (primary or secondary), and which methods of data collection (see below) are best used in the context of the research. The third step then involves the research planning and data collection, who collects the data, when and where. When all data are collected, they need to be analysed. Data analysis, as the fourth step in the process, can involve the crunching of quantitative data with the help of statistical analysis software programs or the interpretation of more qualitative (e.g. interviews) research data. The final step in the research process is the presentation of the findings in a report so that the research objectives are achieved and the research problem is answered as accurately as possible (Shilbury, Westerbeek, Quick, Funk and Karg 2014).

CONSUMER, COMPETITOR, COMPANY, CLIMATE (the four Cs)

Everyone in a sport business must possess vast knowledge about many different things. These factors have direct and indirect influence on the company that must be used or referred to when making decisions and developing strategies. The sport business should develop a way to constantly study and analyze them. Most all of these can be categorized into four categories: the consumer, the competitor, the company and the climate.

The sport marketer must constantly study and analyze existing **consumers** and the potential for new consumers. This will afford the sport marketer the knowledge to develop new products, change existing products, set new goals, and make other strategic decisions for the company.

Studying the **competitor** involves studying closely related competitors and the particular industry of the business. The information about consumers must be analyzed along with information about competitors. Every business operates in a variety of environments and not in a vacuum. The sport marketer must continuously study and analyze the competition to gain an understanding of what competitors are doing, what they are capable of doing, and how these activities might impact upon your business. With this information the marketer will be able to change existing strategies, if needed, and formulate new strategies.

The study of the **company** is vital to success. One example of a method of company study is a SWOT analysis. SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. Other criteria that should be considered are mission and objectives, financial strength, production, product management, pricing objectives and strategies, distribution strategies, and promotion

strategies. Further, all of these factors can be compared to competitors.

An important responsibility of the sport business management team is to analyze the **climate**. Climate, also referred to as environment or atmosphere, refers to the current situational factors in a society that can affect the sport business. These include economic, social and cultural, political, ethical, trends, technological, community, education, corporate, and legal aspects of society. With an analysis of each of these in specific relation to its effects on the sport business, the sport marketer must determine how each can influence the company.

SEGMENTING THE SPORT MARKET. TARGET MARKET SELECTION. POSITIONING

Segmenting, targeting, and positioning are essential for every sport business. Without these, the sport business puts itself in serious jeopardy of failing. Segmenting, targeting and positioning enable the sport business to develop strategies appropriate to different sets of consumers.

Segmenting, also called segmentation, is differentiating groups of consumers based on unique characteristics. Through segmentation, the company identifies and understands the common characteristics of the consumers in that segment and can determine how to address their unique demands. Targeting, also called target marketing, is the selection of consumer segments (also called target markets) for which selective marketing-mix strategies are developed. Positioning is the way a company uses its marketing mix to influence the consumer's perception of a product. Such moves may influence what the consumer thinks about the product's quality, value, status, convenience, and many other factors.

Market segmentation involves two parts. First, the market must be divided into sub-groups based on a common feature. This can be done with the help of market research. Second, the target segment needs to be determined because the segment(s) chosen need(s) to be substantial enough to justify all the efforts associated with developing and implementing the marketing strategy. It is equally important that the segment identified is different from the general market. If the needs of all the consumers in the total market are very similar, it might not be necessary or profitable to try to break them down any further (Smith and Stewart, 2015).

The marketer must direct the company in deciding which segments the company is capable of serving. The segments chosen become the company's target markets. A **target market** is a segment of consumers who are homogeneous and who have purchasing power and the willingness to buy. Target markets should be the basis for all

marketing strategies. It is the target market for which a product is produced and offered, a specific price is determined, where to offer the product is selected, and promotion strategies are formulated.

When **positioning** the product, the sport marketing professional must take into account six distinct markets for sport: three are considered primary markets and three are considered secondary markets (Schwarz, Hunter and LaFleur, 2013):

- Primary markets
 - Participants: athletes, coaches, and game officials.
 - Spectators: stadium attendees, television viewers, radio listeners, and newspaper or magazine readers.
 - Volunteers: social hosts at sport events, statisticians, and team managers.
- Secondary markets
 - Advertisers: use sports to target and communicate their products to large groups of spectators.
 - Corporate sponsors: use sports to target and communicate positive and distinctive images about their products to large groups of spectators.
 - Athletes' endorsements of products and licensed products: personalities and celebrities or distinctive symbols, logos, or trademarks encourage consumers to perceive products as popular or prestigious.

SPORT MARKETING MIX STRATEGIES

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 your 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.

Market position, also called positioning, refers to the way a company uses its marketing mix to influence the consumer's perception of a product. Such moves may influence what the consumer thinks about the product's quality and what the consumer is getting for the money, features not found on another similar product, status, convenience, and many other factors.

The centerpiece of a marketing mix is the **product**. The product should be understood as a concept and not simply as a singular item. A sport product is any good, service, person, place, or idea with tangible or intangible attributes that satisfy consumer sport-, fitness-, or recreation - related needs or desires. The consumer is looking for functions and benefits. The product is the

satisfaction agent for those. The product is something that will satisfy something that the consumer needs or wants. Price, place, and promotion strategies are designed specifically for the product in order to increase the probability that the product will sell.

Price is the exchange of something for something - that is, one item of value for another item of value. The price of something can have a tremendous effect on a consumer. The consumer's decision to buy something can be affected by many factors. Some of those factors include what the consumer can afford to pay, if what the consumer gets for the money is of value, if the consumer thinks she or he is getting "a good deal," friends' attitudes, family influences, how the product compares to another similar product in terms of features and other factors, and the product's warranty and extended services.

Setting the price for a product is a very important decision for the sport marketer because price affects the product's success, status quo for the product, and the consumer's perception toward the product. The decision should be based on many factors such as knowledge of the consumer and what the consumer will pay, cost to the company to produce and offer the product, profit-making strategies of the company, the competition's prices, and supply and demand within the product market.

Place is where and how a company gets a product from its production or origination point to a place where the targeted consumer can have access to it. Sport industry products include people, places, goods, services, and ideas. Goods that are typically manufactured in a factory must be transported from the factory to the market. Some products such as services must be delivered to the marketplace to the consumer in a different way. Sports activities are very different because a sports event does not exist until a person manufactures it - that is, basketball is an intangible and doesn't exist until someone plays basketball. It is a product like a play in a theatre or a live concert by a current famous musician that is manufactured and consumed simultaneously.

Place, or distribution as it is also called, requires knowledge of type of product, how best to get that product to the consumer, or how to get the consumer to the product, efficient and effective distribution channels, packaging, and other factors. Analysis will lead to better decisions.

The marketer's purpose for **promotion** is to encourage the person to purchase the product. Therefore, the message must be developed in such a way that it serves three functions: First, it gets the attention of people; second, it gets across a message or educates the people; and third, it tempts the people to purchase the product. The promotion may be any one or more of a variety of promotional methods and strategies. The sport marketer may

choose any one or a combination of promotional methods and strategies. The promotional message and strategies are put together to speak to a specific kind of person - a market segment. The sport marketer uses research data about the consumer and the competition to create strategies and the promotional message.

SPORT MARKETING EVALUATION AND CONTROL

The evaluation requires obtaining feedback (from inside and outside the organization) about the marketing plan. The feedback must then be analyzed and evaluated. The evaluation should focus on determining the extent to which the plan helped the organization achieve its mission by acting in accordance with the core values of the organization (Schwarz, Hunter and LaFleur, 2013).

Sport marketing control is an on-going monitoring and review process that seeks to keep the strategic sport marketing plan on track during its implementation. Its basis is one of measurement: to establish whether what it set out to achieve has been successful - if it is not successful, why not; and if successful, what in particular made it so. Sport marketing control is a pro-active measure that can identify whether the strategic sport marketing plan is still appropriate in the ever-changing external environment. If it is not, then corrective action is necessary to put the plan back on track.

Sport marketing control is dependent upon accurate and timely feedback on sport consumer reactions to the sport marketing mix. The MIS (marketing information system) provides the necessary data to evaluate success. This process can begin during sport marketing tactical implementation (iteratively), but really should occur at the end of the implementation phase (past hoc) thus enabling the complete picture to emerge. This is a feed-forward process to enable lessons learnt to be included in future plans (Blakey, 2011).

CONCLUSIONS

All sport marketing activities are developed with specific and strategic decisions based on research and information. These activities are typically based on a strategic process, or model.

The sport company must study what the consumer wants and provide it. Although this seems like an easy rule to follow, there are many functions that must be performed and receive critical analysis and proper management in order for successful marketing decisions to be developed.

Complicating the task of producing what the consumer wants is the company's capacity to manufacture it, distribute it, and offer it. In addition, the company must consider its values and objectives and decide if it can ethically offer the products. Therefore, careful management of the

marketing functions and critical analysis before decision making can increase the company's chances for success. The incorporation of a marketing management strategy is critical.

The concept of competition in business is the idea that a sport business is competing against another business to win the consumer. Winning in business means staying in business at a successful level. Success is defined by the sport company and is usually measured by achieving the company's objectives.

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Appendices

Figure 1:
The Sport Marketing Management Model

