

What is Marketing?

Marketing is not a department—it is a life skill

it becomes who you are

you will be successful if you understand it all (fans, stakeholders, linking partners)

Definition of Marketing?

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders

What is Sports Marketing?

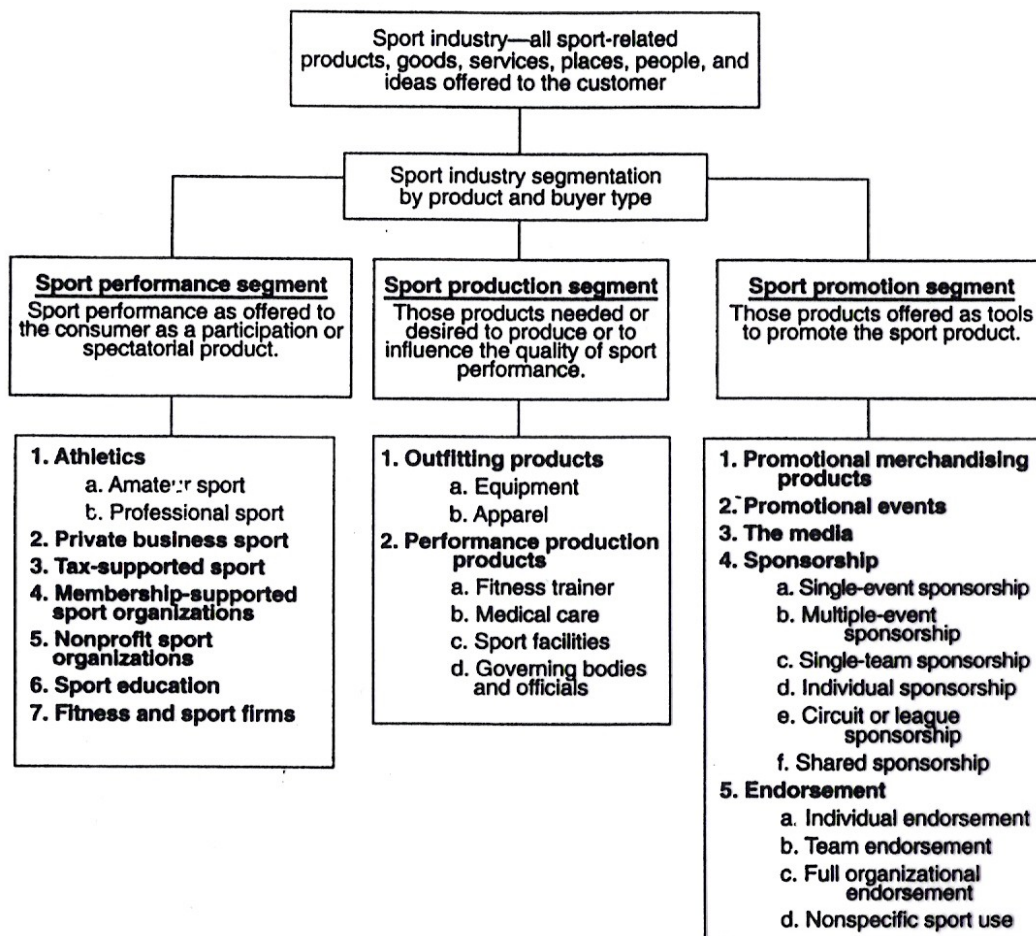


Figure 1.2 The sport industry segment model.

advertising analysis

differentiation between sport performance, sport production, sport promotion

TEST

Sport is....

Any experience or business enterprise focused on fitness, recreation, athletics, or leisure

Includes both spectator and participant sport, and neither are mutually exclusive

“Sport Marketing” is ON TEST

Sport Marketing consists of all the activities designed to meet the needs and wants of sport consumers through the exchange process

sport marketing has developed two major thrusts:

the marketing OF sport product and services directly to the consumers of sport

EXAMPLE: actual team like Blue Jays hat

the marketing of other products or services THROUGH the use of sports promotions

EXAMPLE: Gatorade commercial

Marketing Myopia: occurs when sport organizations concentrate on producing and selling rather than identifying and satisfying the needs of their consumers

Only care about selling, don't care about entertaining or enhancing products for consumers, you have to think about the consumers and their experience

EXAMPLE: local teams, can do a better job marketing to community however might not have the funds, at the end of the day need to think about consumers

ON TEST

The Unique Aspects of Sport Marketing ON TEST

- Many sport organizations simultaneously compete and cooperate
- Expert consumers
- Consumer demand fluctuates widely
- Intangible product offerings

Founders of Sport Marketing

1) PT Barnum circus, late 1800

look at the nature of the circus extended the product in the stands, concessions, lots of things going on at one time

created an interaction with consumers which was never seen before when delivering a product

2) Bill Veeck

involved in baseball—I want to get one with my fans and fans are most important

bring kids to bat

entertain and amused the crowd—interacting with the sport

3) Mark McCormack founded IMG

pioneered the strategic element of business in sport marketing

first golfer/client Arnold Palmer

through IMG they understood the value of corporate partnerships

4) Phil Knight, Michael Jordan, Nike

how influential they have been on the market place

5 P's

Product

Price

Place

Promotion

Public Relations

CNC Video: Team Canada Olympic Campaign

- Campaign allow Canadians to view them to get to know their athletes and what it takes to become an athlete and how their lives are
- SLOGAN: “Give your everything”
 - they want fans to give their everything, sponsors, etc.
- put the athletes at the front and center of the campaign
- largest campaign they have done digital, newspaper, etc.
- footage is unique athletes wanted to tell their story and share their voice

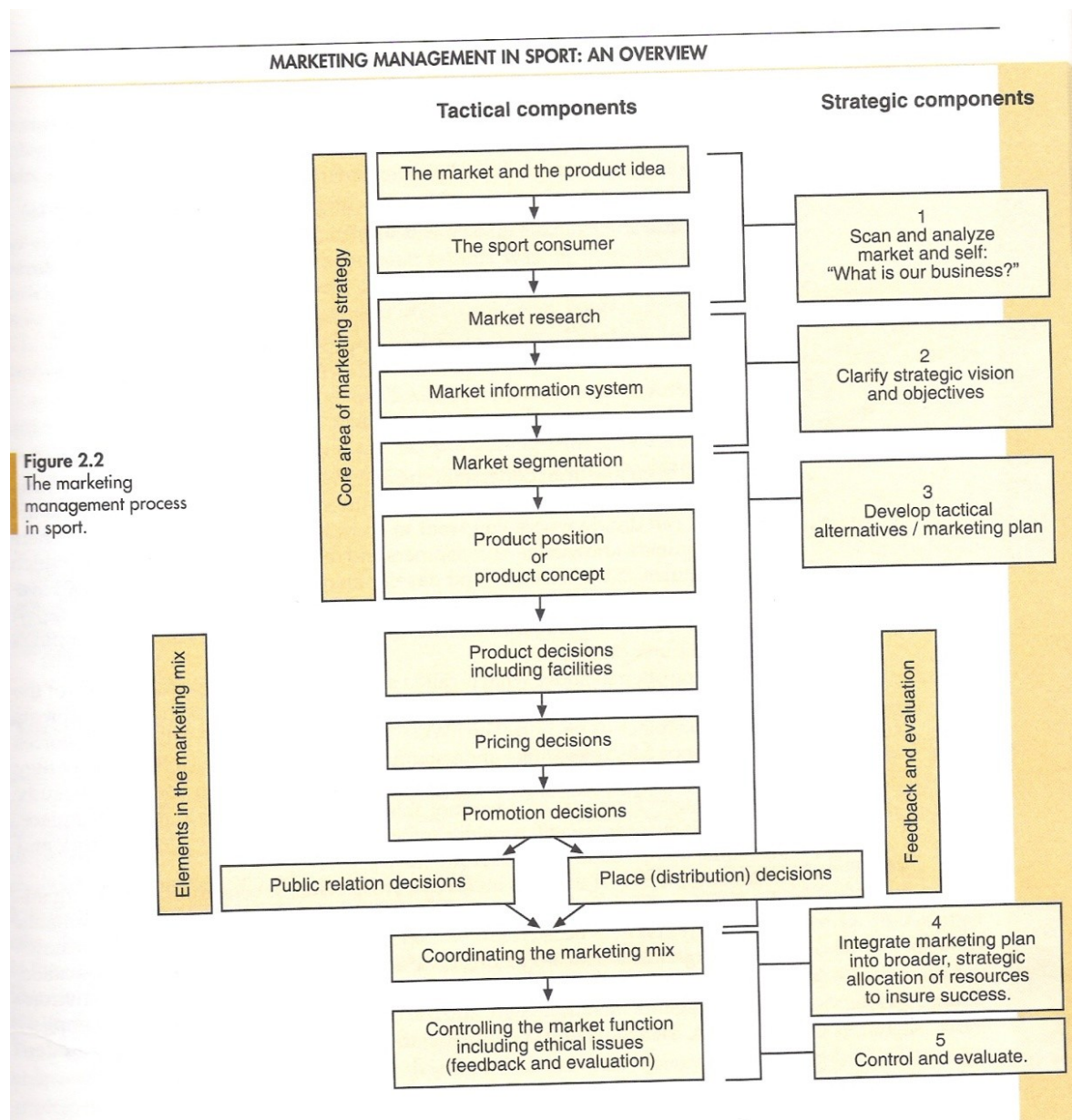
TRENDS

- 1) social media digital
- 2) cross-platform marketing traditional media, streaming online, billboards—there is so many ways to reach consumers

Implementing a Sport Marketing Program: the Marketing Management Process (MMP)

- used to develop marketing plans
- integrated into organization’s larger strategic plan(s)
- emphasizes interdependencies at all stages (backbone of marketing)
the Four P’s in the marketing mix

The Marketing Management Process in Sport Model



MMP: Strategic Steps

- Analyze the market and organization
- Clarify mission and objectives
- Develop marketing mix and plan
- Integrate marketing plan into broader organizational strategy
- Control and evaluate all elements of the plan

MMP: Tactical

- Core area of marketing strategy
- Elements in the marketing mix
- Feedback and evaluation

Strategic Step 1: Analyze the Market and the Organization “What is our Business”

- SWOT Analysis: a careful analysis of the strengths and weaknesses of the organization, and the opportunities and threats in the marketplace or beyond
- Marketing information systems (MIS)

Strategic Step 2: Clarify strategic mission, goals, and objectives

- Constantly assess assumptions about:
 - The environment
 - Organizational mission
 - The core competencies required

Strategic Step 3: Develop the Marketing Plan

- Market segmentation: determining key targets
- The escalator: developing your market
- Product development and positioning
- The sport marketing mix (5 P's)

Strategic Step 4: Integrate marketing plan into broader, strategic allocation of resources to ensure success

- Coordinating the market effort

Strategic Step 5: Control and Evaluate the MMP Implementation

Consumer Satisfaction = Product benefits - Cost

Sport Marketing (Chapter 4)

Perspectives in Sport Consumer Behaviour: “Why do people consume sport”

ON TEST

Key factors which tell HOW and TO WHAT EXTENT people are involved with and committed to sport

(SIC)

Socialization

Involvement

Commitment

Socialization

The process by which individuals assimilate and develop the skills, knowledge, attitudes, and other equipment necessary to perform various social roles

Two-way interaction (involvement) between individual and environment

Involvement

Affective: attitudes, feelings, and emotions that a consumer has toward an activity

Behavioural: hands on doing

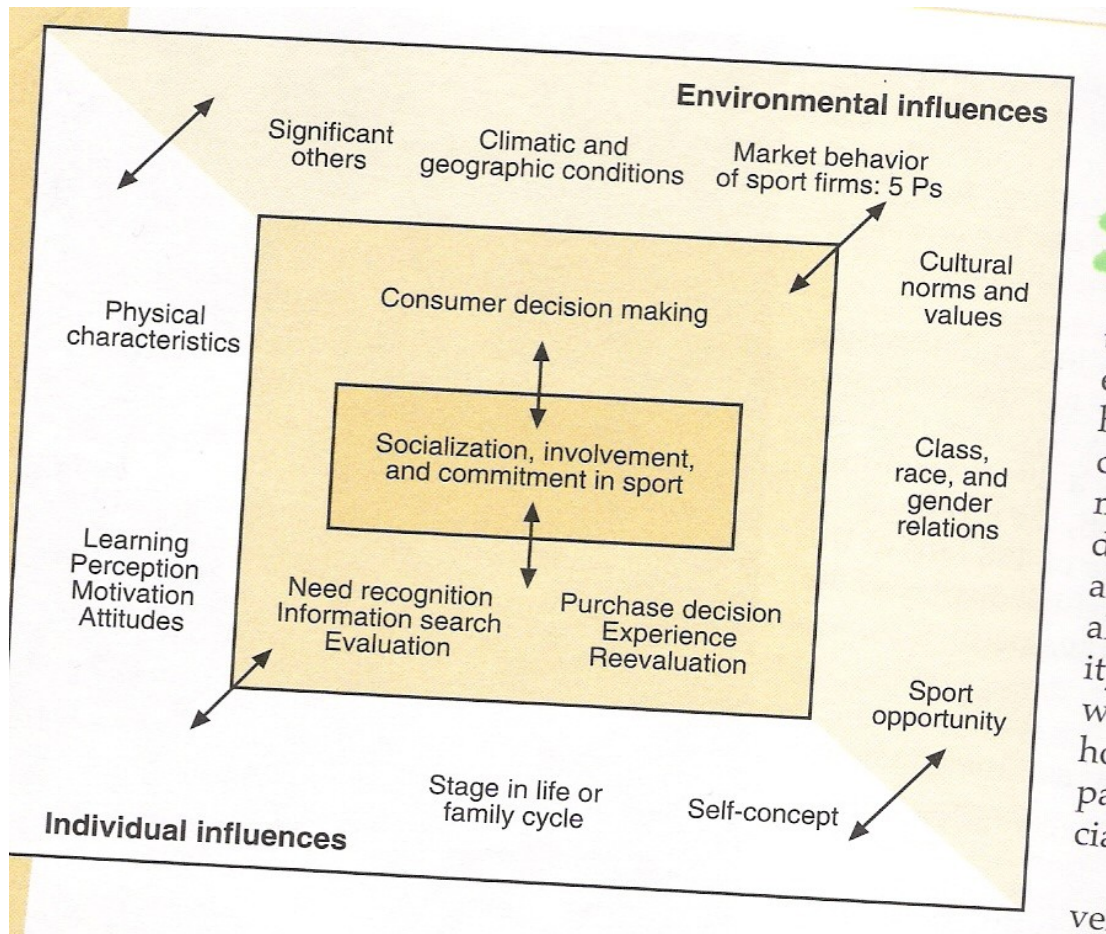
Cognitive: acquisition of information and knowledge about a sport

Commitment

Refers to the frequency, duration and intensity of involvement in a sport or the willingness to spend money

Consumer Behaviour in Sport Mode: Understanding the complex dynamic of sport consumers

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Environmental Factors

- Significant others
- Climatic and geographic conditions
- Market behavior of sport firms : 5Ps
- Cultural norms and values
- Class, race and gender relations
- Sport opportunity

Individual Factors: How a consumers makes sense of the sport world

- Learning (feel-do-learn vs. learn-feel-do)
- Self-concept (self-image, perceived, desired, reference)
- Stages in life or family circle
- Physical characteristics (real and perceived)
- Information perception (facility, risk, etc.)

Motivation (achievement, affiliation, health and fitness, fun and entertainment)

Attitude (not always trigger positive behaviour: lock in the consumer)

The Frequency Escalator

ON TEST

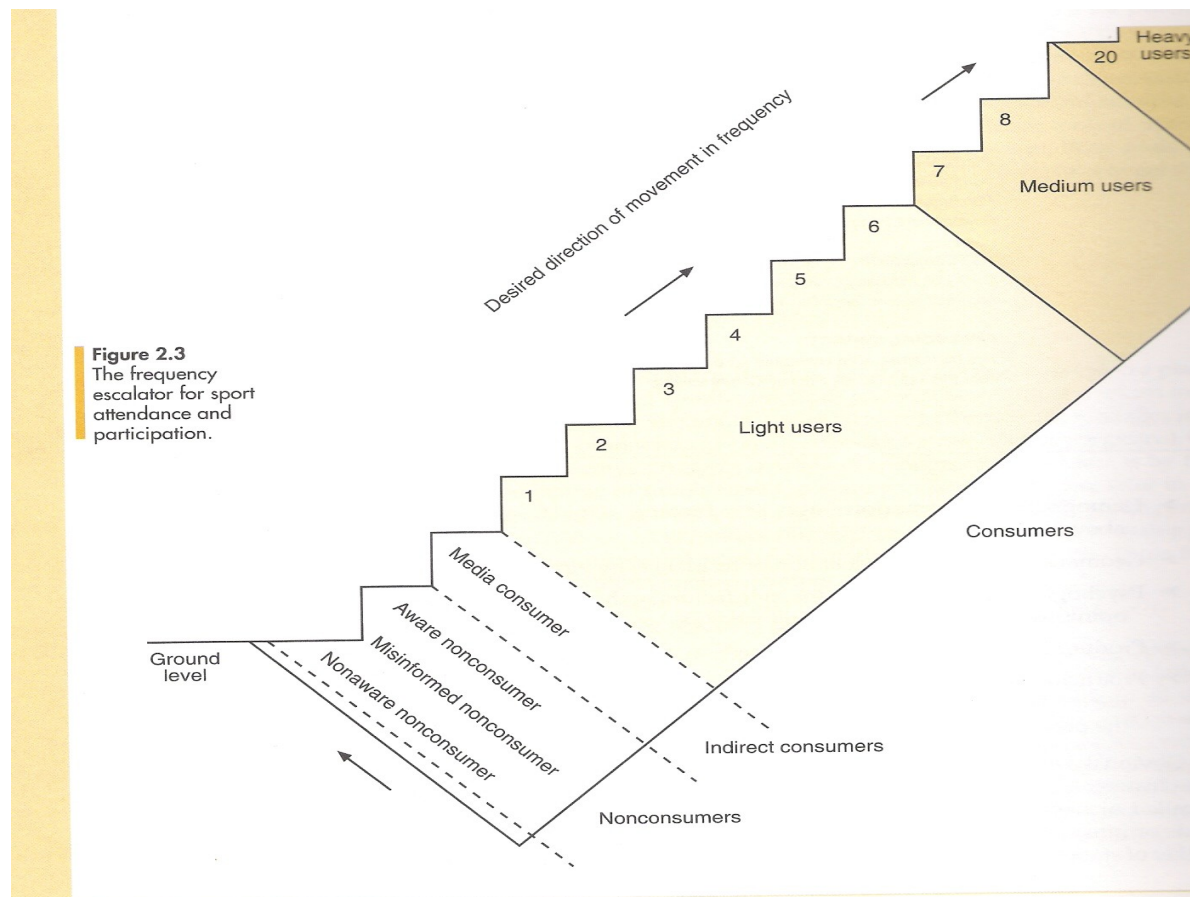
Goal of a sport marketer at the onset to bring consumers on and up the escalator

Primary consumers light, medium, heavy

Escalator how you get a consumer from begging to the end

KEY: engage them by getting them on the escalator

to get the consumer on and up the escalator and hook them in and ultimately make them heavy users (defectors)



Who is the sport consumer? Why do people consume sport?

- Questions that sport marketers ask consumers
- Types of databases available for analysis
- Strengths and weaknesses of related studies

marketers have access to most of the information now a days

TV viewership

Social media

Merchandise sales

Frequency and Scope of Consumer Studies

- Irregular, limited (commissioned, one-time, demographic(s), consumption, and attitudes)
- Irregular, broad (populations)
- Regular, limited (large scale trends, annual statistics)
- Regular, broad (national)
- Indexes (market comparisons)

Reading Sport Consumer Studies

- Definitions (what constitutes a fan or participant)
- Methodologies (interviews, observations, data collection)
- Sampling (random, stratified)

Definitions

- **Involvement and commitment:** simple awareness, interest
- **Participation:** frequent, core, expert

- **Multiple measures:** most effective research on the sport consumer employs clearly defined, multiple measures of involvement and commitment
- **Consistent samples and methods**
- **Representative samples**

Market Segmentation

SPORT MARKETING

Frequency Breadth	High frequency (>10 times/month)	Medium frequency (5-9 times/month)	Low frequency (1-4 times/month)
High breadth (>3 activities)	"Denizens": read game stories daily; attend five games/month; buy programs; watch all away games on TV		
Medium breadth (2-3 activities)		"Growlers": Share miniplan; wear Bruins hat; watch weekly telecast	
Low breadth (1 activity)			"Cubs": Watch big game on TV

- **Market Segmentation:** a process of dividing a large, heterogeneous market into more homogenous groups who have similar wants, needs or demographic profiles to better target a product
Key Concept of Market Segmentation: creates the bridge between managerial analysis and managerial action

Issues to consider when choosing to Segment a Market (RIA)

- Responsiveness: will the product match the wants, worthwhile significance)

- Identifiably: size and purchasing power
- Accessibility: individually/collective

Segment vs. Niche

- **Niches**: arise from the sport market
 - **Example**: extreme sports
- **Segments**: imposed on the sport market

Bases of Segmentation

- Demographics: state of being
- Psychographics
- Product usage
- Product benefits

Demographic Segmentation: State of Being

- Geography: proximity, geocluster, outer rims
- Income
- Age
- Gender
- Race and ethnicity

Example: Jr. Jay Saturdays: segment to family's with young children, Raptors "We the North": geographic to the North America

Psychographic Segmentation: State of Mind

- Asserts that consumers may be divided by personality traits, by lifestyle characteristics (attitudes, interests, and opinions). And by preferences and perceptions
- Segments of the adult population (actualizers, achievers, believers, experiences, strivers, strugglers, etc.)

Product Usage

- 80% of marketing consumption from 20% of the consumers (80-20 rule)
- not all consumers consume at the same rate
- the levels of consumption and usage rates vary from sport to sport

Studies of Sport Consumers

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- levels of consumption vary from age group to age group, reflecting life cycle
- essential for sport marketers to maintain opportunities for consumers at each level

Benefit Segmentation

- assessing the benefits sought by consumers through sport consumption
- motivational factors include affiliation, achievement, status, health and fitness

The Role of Research in Sport Marketing/Promotion

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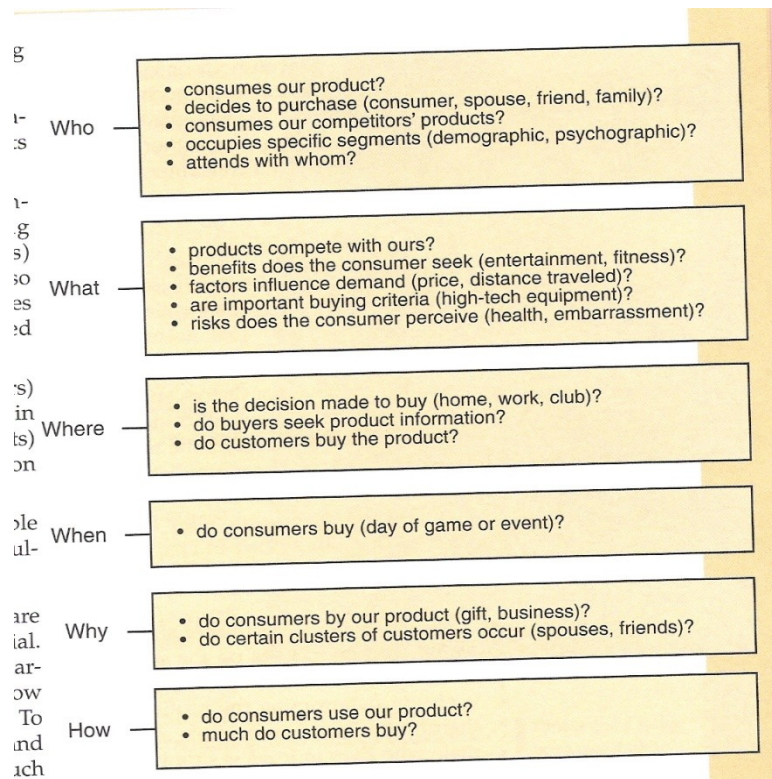
Market Research:

- an information based approach to marketing sport
 - determining the type of MIS system to use depends upon a number of factors
 - size and geographic dispersion of market
 - availability of data
 - budget
 - organizational leadership style and vision

Characteristics of an Ideal MIS

- centralization
- integrated databases
- retrieve-ability
- multiple users and simultaneous access

Marketing Questions for Sport Organizations



it appear in various forms in most types of mar-
ful prompts in helping the marketer determine
estion: What do you hope to discover in your
mation can be categorized into three main sets:
... and data

Figure 5.1
Marketing
questions for sport
organizations.

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Why should you conduct surveys?

- To establish demographic profile of audience
- To initiate data-based marketing efforts
- To benchmark and evaluate operational elements
- To gather information for sponsorship renewal and solicitation

What do you hope to find with market research? **TEST**

- *General Market Data*: nature and extent of market area, 'critical trading radius'
- Data on individual consumers
- Data on competitors

General Market Data

- Size of market: total n of individuals living or working in critical trading area
- Demographics of individuals in area (age, gender, income, ethnicity, etc.)
- Purchase behaviors and consumption patterns: psychographics
- Level of spectatorship or participation of sport by demographic category
- Future trends

Data on Individual Consumers

- names, addresses, and phone #s
- frequency of purchase/attendance, use of product type and quantity of product purchases, dates of purchase/attendance
- method of payment, location of where product was purchases, lead time
- media used/source of awareness
- patterns of consumption

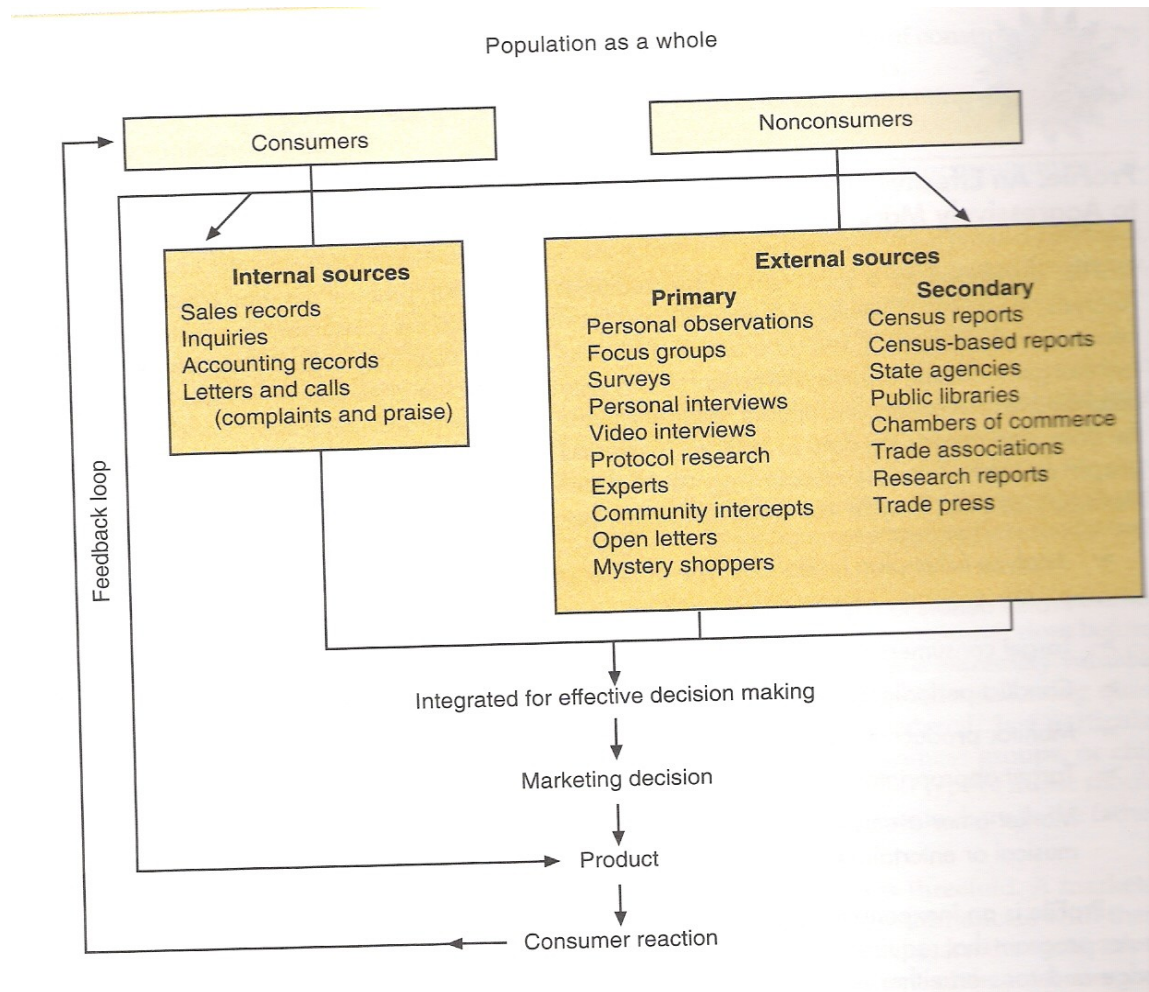
Data on Competitors

- price lists
- product lines
- promotional strategies
- description of services

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Data Sources for a MIS: Basic Design System Model



Internal Data Sources

- sales records
- inquiries
- accounting records
- correspondence

External Data Sources

Primary

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- personal observation
- focus groups
- questionnaires
- on-site, mail, computer, telephone surveys
- personal interviews
- community intercepts
- panel

Secondary

- census reports
- demographic reports
- gov't agencies
- libraries
- chambers
- trade associations

Common Problems in Sport Marketing Research **TEST**

Sampling

what is the population of the population

will randomness be ensured

how reliable will the results be

Designing the Questionnaire

applicable questions

simple, objective, preceded

demographic questions at end

related groups

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clarity

The Sport Product

Goal of sport marketers: to extend the product

What is the Sport Product?

- Inconsistent from consumption to consumption
- The 'core' game or performance is just one element of the larger ensemble
- The marketer typically has little control over the core product and consequently must focus efforts on product extensions

The Sport Product: *Its core and extensions*

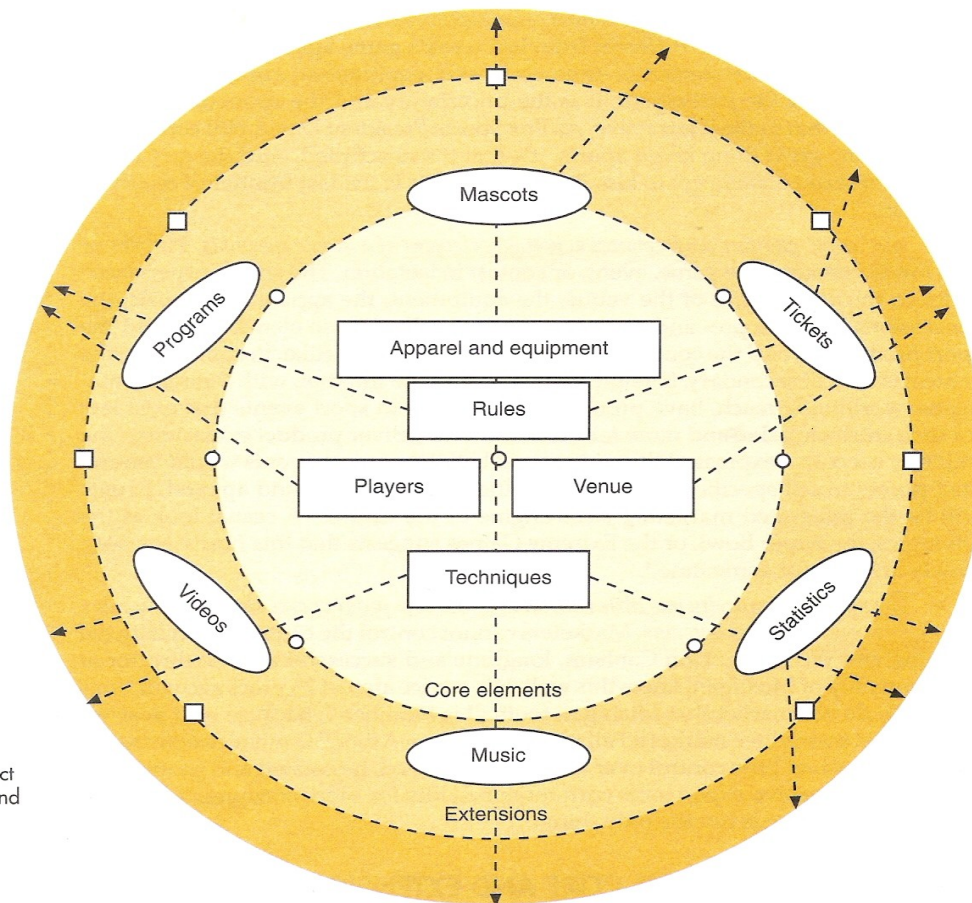


Figure 7.1
The sport product core elements and a sample of extensions.

○ - extended elements
□ - core elements

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Core Sport Product: Event Experience

- Game form (rules and techniques)
- Players (star power)
- Equipment and apparel (including memorabilia)
- Venue

Sport Product: Extensions

- Personnel and process: concessions, ticket people want to create a healthy experience through these people to consumers
- Ticket and other printed materials example: Raptors game 100 points get free pizza
- Electronic products
- The organization
- Novelties and fantasies (fan fests, fantasy camps)

KEY ISSUES: How do you make the product distinctive and attractive in your consumers minds? TEST

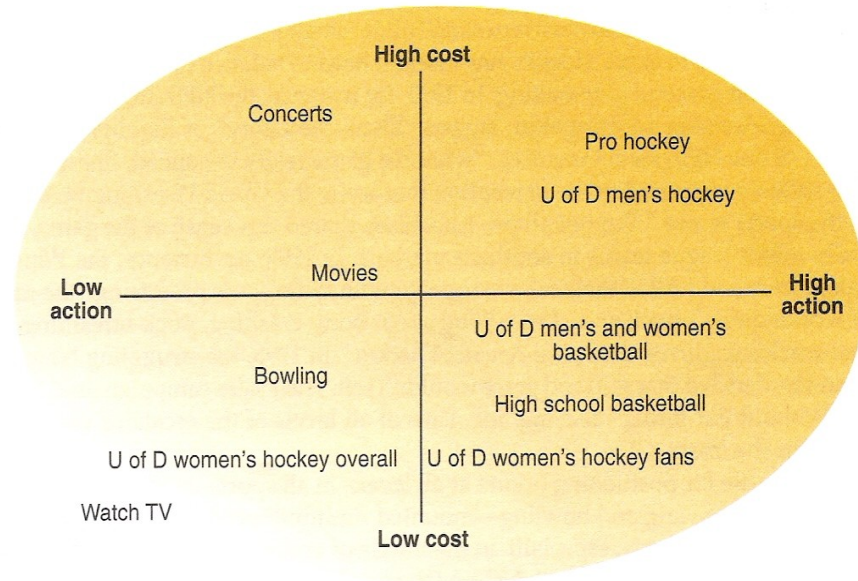
1. **Differentiation**: make the product distinct in the consumers minds
2. **Development**: generation of ideas, screening of ideas, market and business analysis, development testing, commercialization, innovation
3. **Positioning/Repositioning**: the product's position in the mind of the target consumers images and marks

How do the consumers perceive your product/service from a high cost or value, from an action or excitement level

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Figure 7.2
Product space map
of U of D women's
ice hockey.



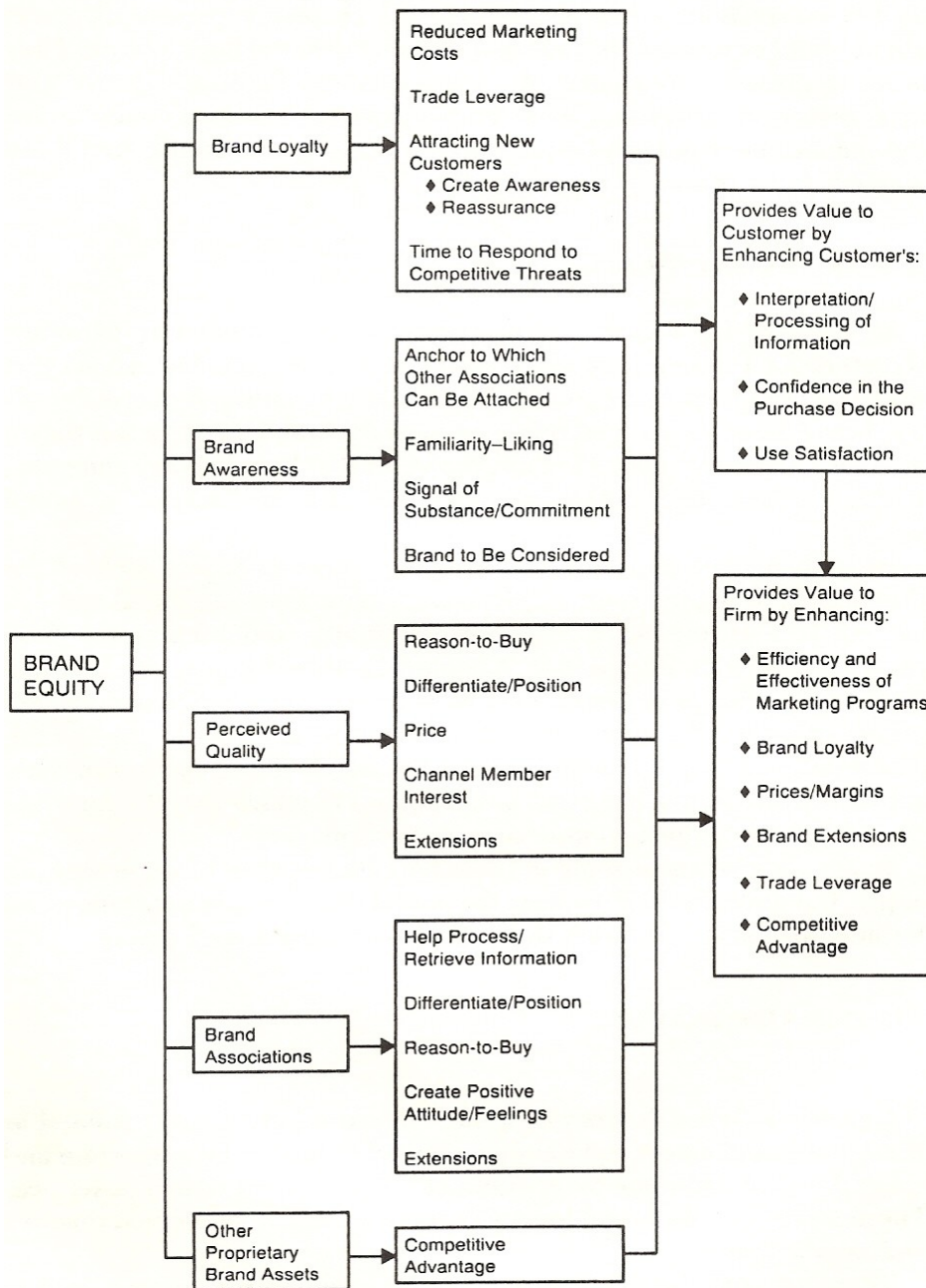
4. **Branding:** brands can be created or retained in the names of marks, designs, or images of any one or more of the product elements

5 attributes of brand equity: brand loyalty, brand awareness, perceived quality, brand associations, other propriety brand assets

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FIGURE 11-2 Brand Equity



Promotion

- 'catch-all category' for any one of the numerous activities designed to stimulate consumer interest in, awareness of, and purchase of the product
- involves the vehicles by which the marketer conveys information about the product, place, price
- positions a product and its image

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- concentrates on selling

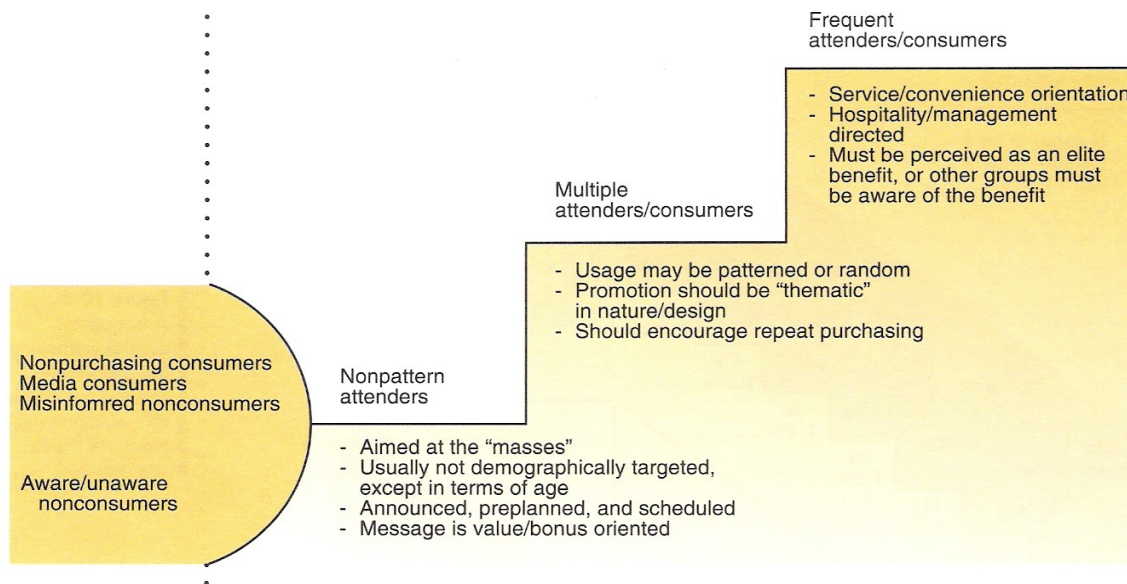
Promotion: Four Forms of Marketing Activity

- **advertising:** paid, nonpersonal sponsored message through the media
- **personal selling:** face-to-face presentation in which the seller has an opportunity to persuade the consumer
- **publicity:** form of exposure in the media not paid for by the beneficiary or with their exposure
- **sales promotion:** includes displays, trade shows, sampling, etc.

To Be Successful, promotion efforts should... (AIDA)

- Increase awareness
- Attract interest
- Arouse desire
- Initiate action

Ultimate Goal: Moving Consumer Up to Escalator



Moving Indirect/Nonconsumers up the "Staircase"

- **The nonaware consumers:** is unaware of the existence of the sport product and consequently does not attend
- **The aware nonconsumers:** is aware of the sport product but does not choose to attend

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- **The media consumer:** is aware of the sport product and does not consume it directly, but does consume indirectly
- **The misinformed nonconsumers:** is aware of the product but wishes to consume directly but does not do so because of misinformation/misperception

The Promotional Planning Model

- The most sophisticated campaigns target both existing and potential consumers, concentrating more heavily on current users
 - Level one: non-pattern attendees/light users-no established pattern
 - Level two: multiple attendees/medium users
 - Level three: frequent attendees/heavy users
 - Defectors: no longer on the escalator

Advertising

- A communication process
- Perception is reality (ensure that the message is targeted and clearly specific)
- Should accomplish: create awareness, communicate information, develop change, associate brand, create norm groups, precipitate behaviour
- Assess effectiveness:
 - Wasted circulation
 - Cost per exposure
 - Creative approach
 - Measurement look at sales during a specific time and it will indicate the effectiveness of campaign

Promotional Concepts and Practices **TEST**

- **Hallmark event:** a major one-time event developed to enhance the awareness, appeal, and profitability of a destination
- **Sales promotion**
 - Price oriented: discounting or other price manipulations

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- Non-price oriented: special events, giveaways, tangible incentives
- “Cherry picking” : consumers will come to the event just for the promotion
 - **EXAMPLE**: bobble head day at Jays game

Promotional Components

- Theme
- Product sampling
- Open house
- Coupons
- Bundling (packaging): additional benefits
- Contests and sweepstakes (glamour fun)
- Premiums and redemption’s (attract, retain): beach towel night
- Street promotions

VIDEOS

Nature of Sport Marketing: Marketing Bulls in Post Jordan Era

Strategy: went further than ticket sales (ticket value), tried to sell products, did not focus on the players

Blue Jays Video

significant inventory: selling tickets year round

average size: 4 million tickets

segment to different markets such as women, ages 25-33, 8yrs.

red and black, baseball north

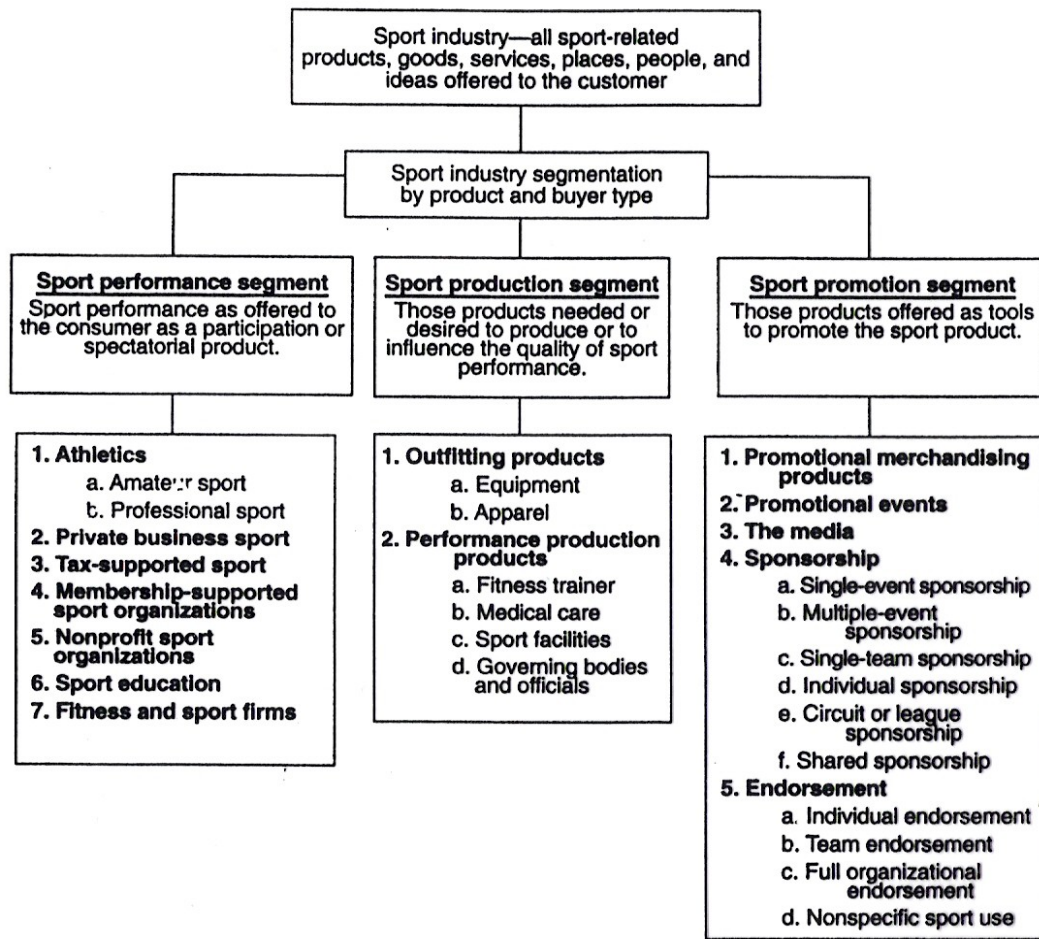


Figure 1.2 The sport industry segment model.

Sport Industry Segment Model

-three different segments: sport performance, sport production, sport promotion ***KNOW FOR TEST***

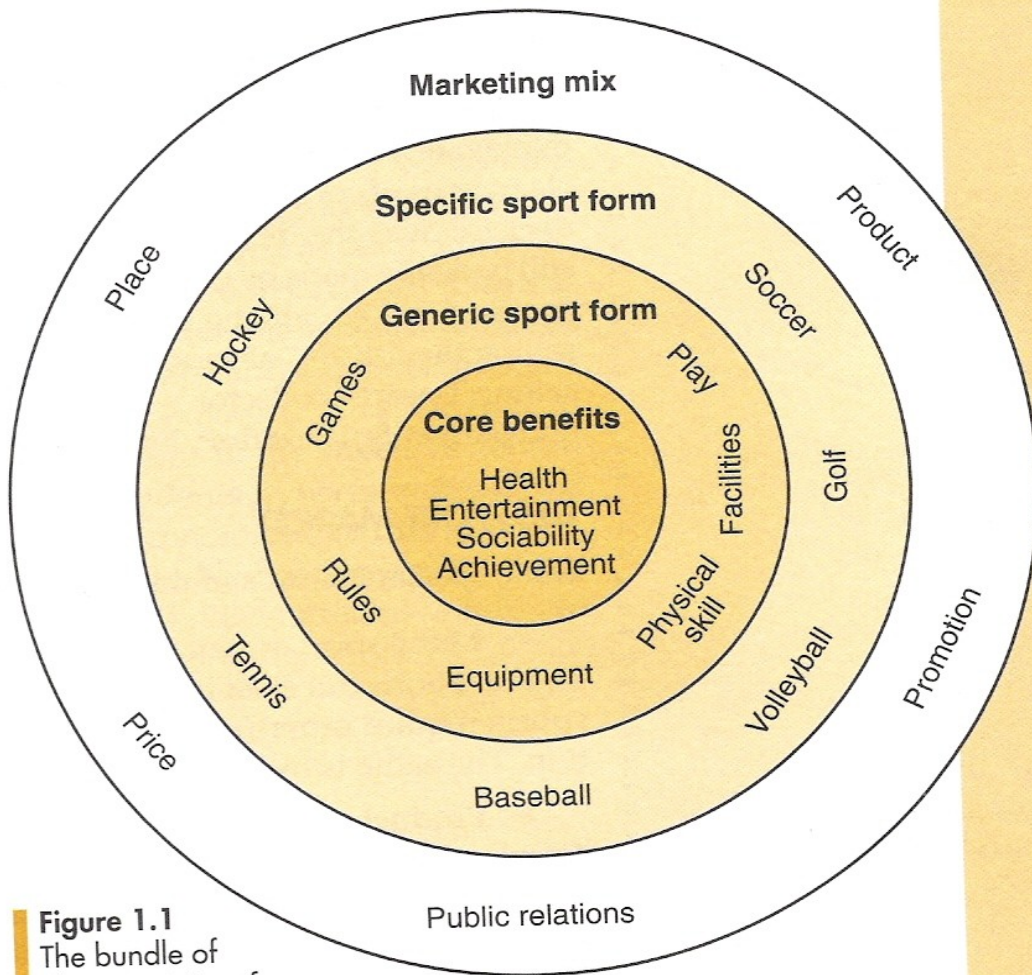
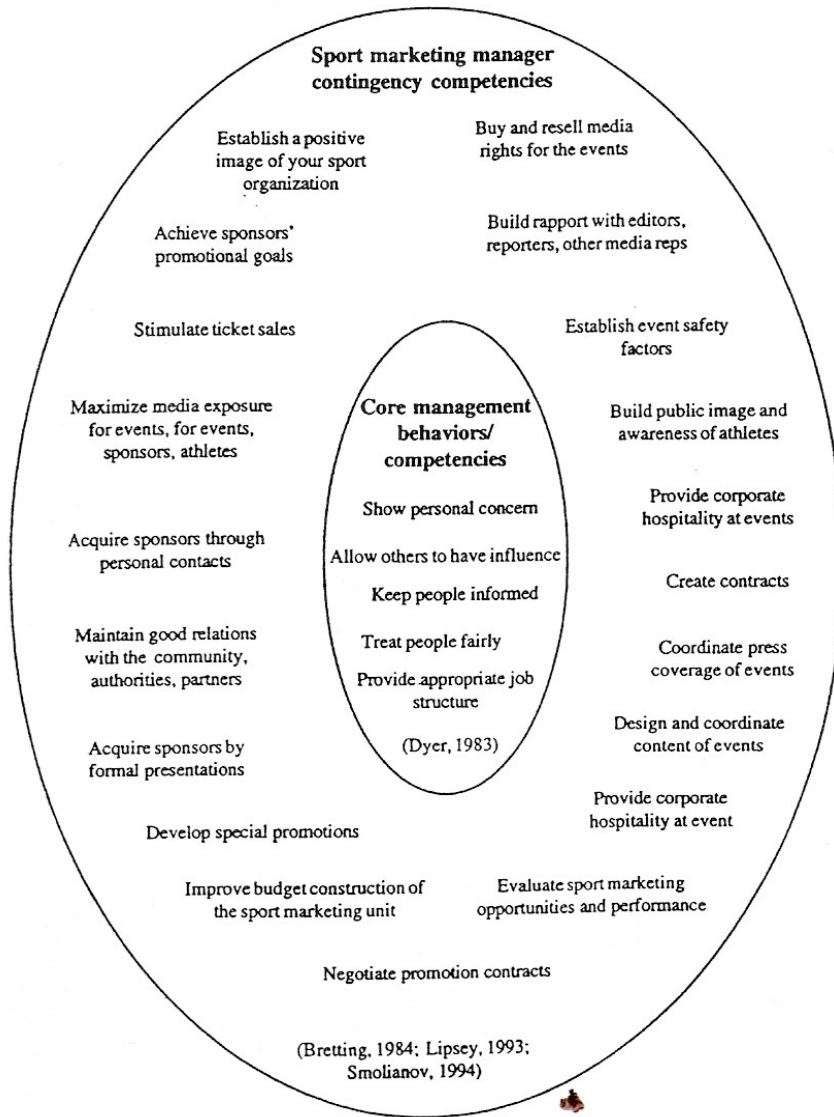


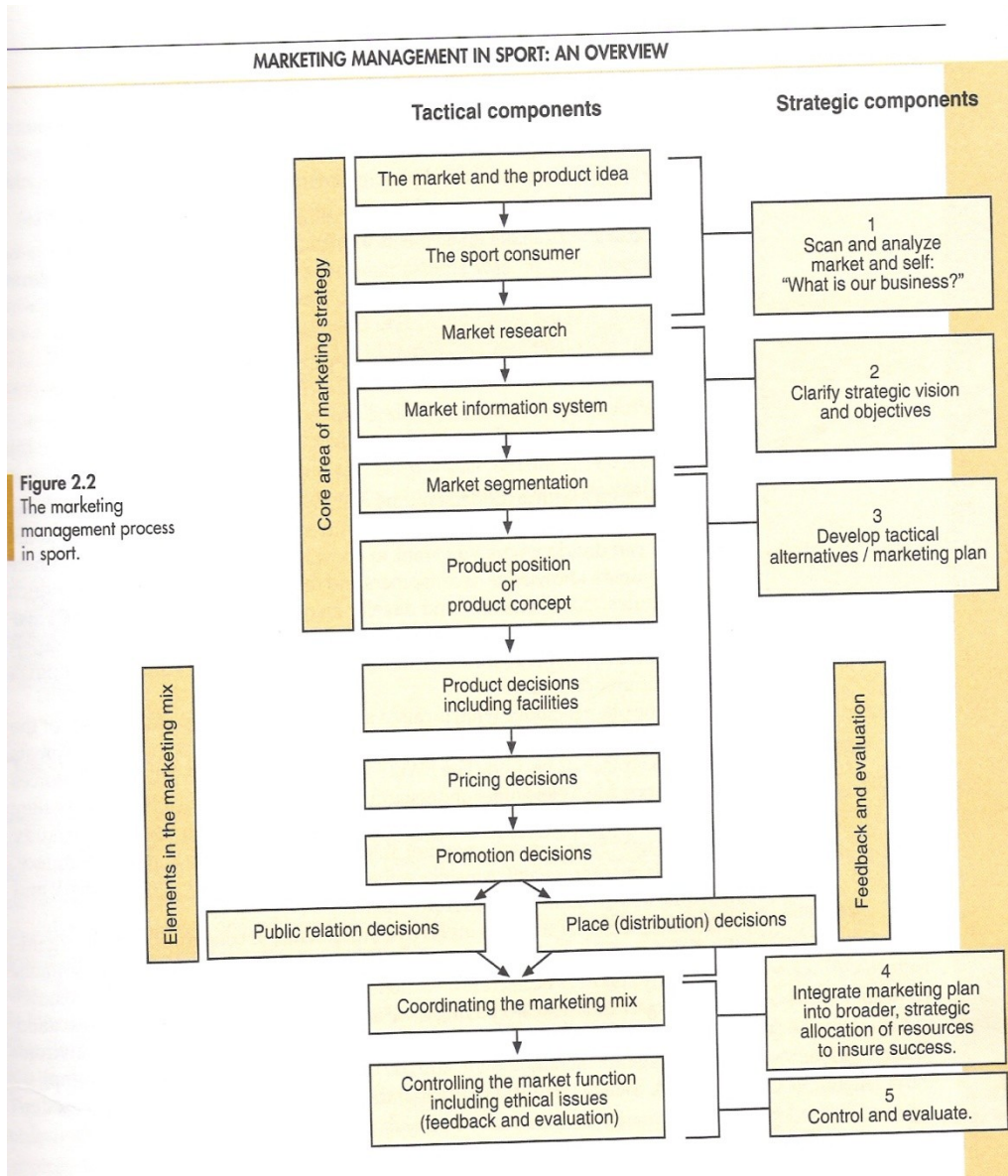
Figure 1.1
The bundle of characteristics of the sport product.

most sport marketers are not responsible for core benefits, but are responsible for the 5P's

Figure 1: The core-contingency model of sport marketing management



top 5 competences for a sport marketer



**use for project as a checklist

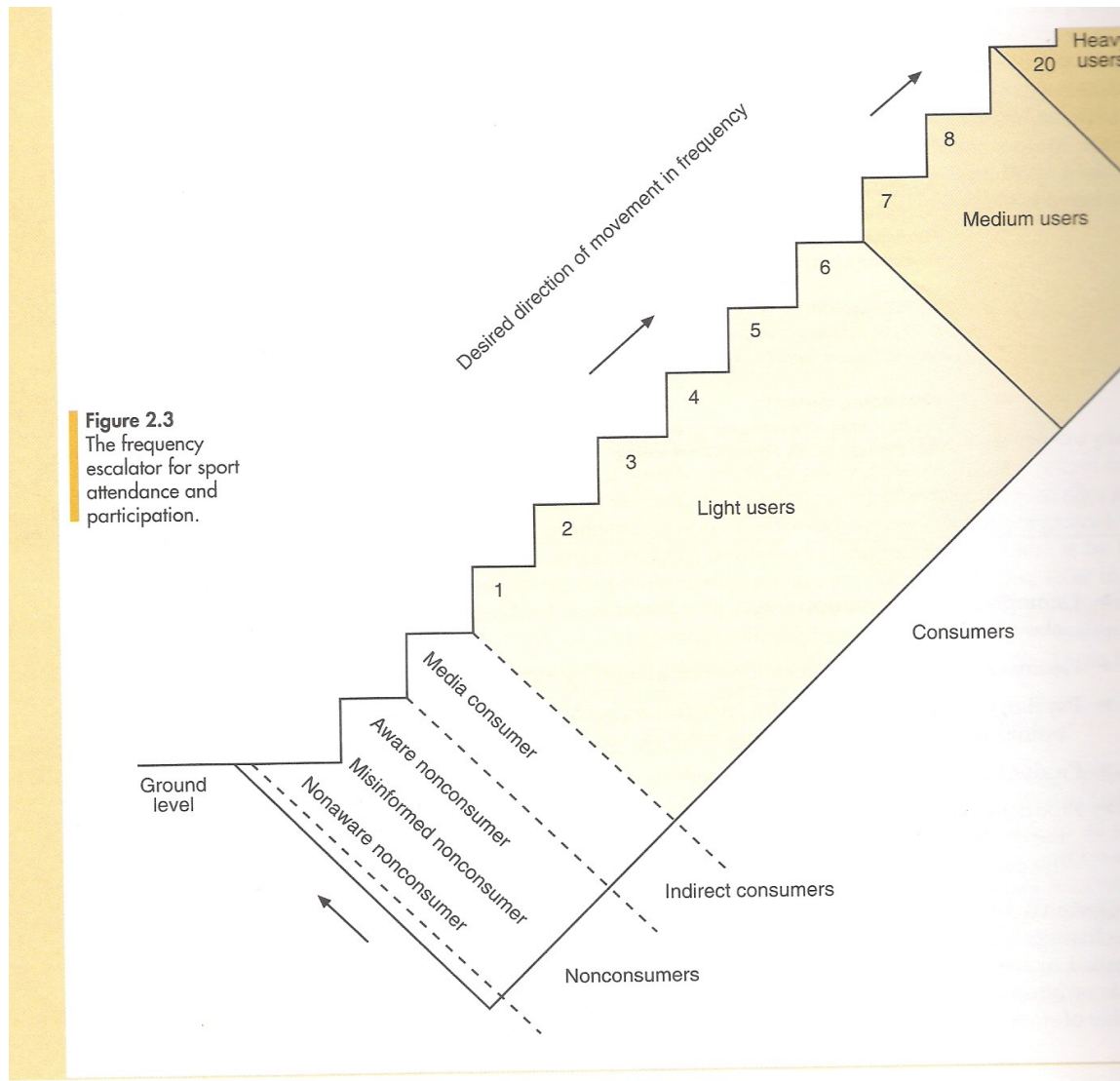
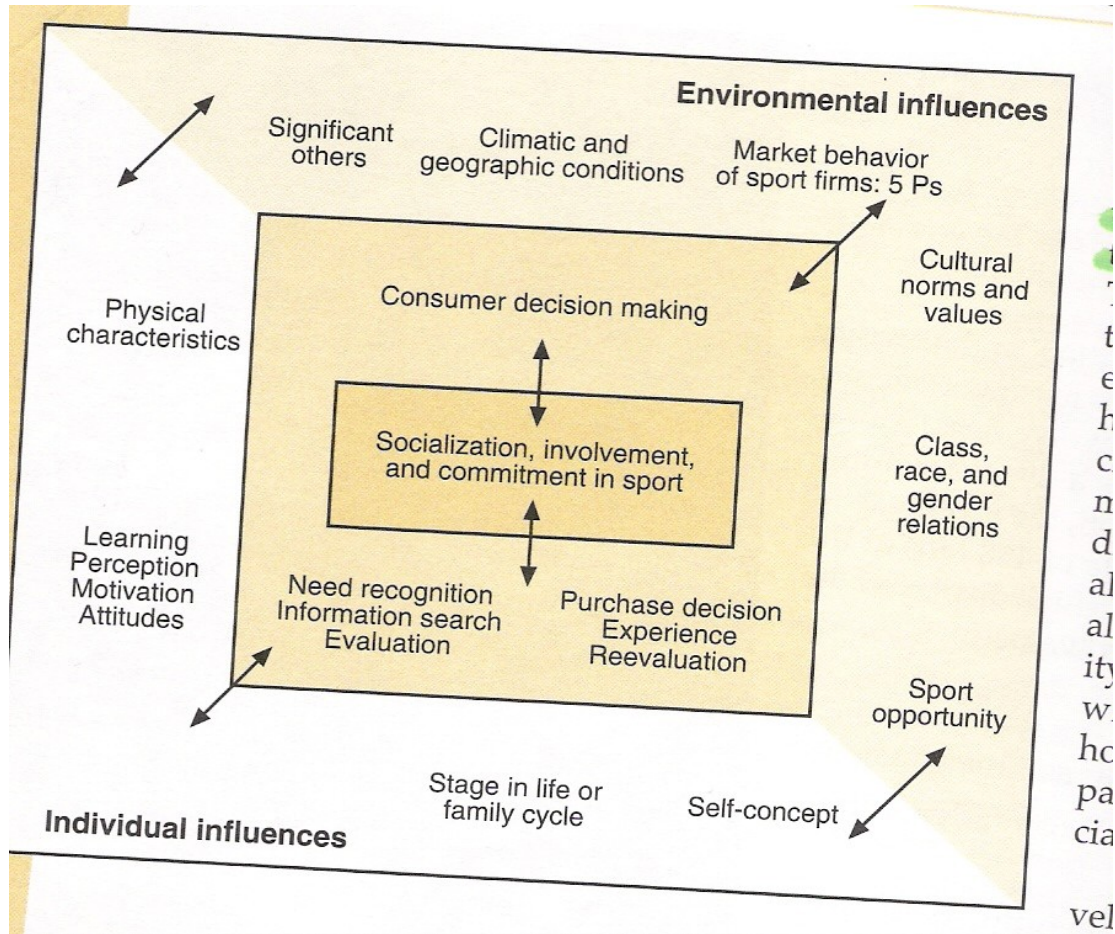


Figure 2.3
The frequency escalator for sport attendance and participation.

defectors: fan/consumer who was a consumer who no longer is, category of consumers not there information they have is very important and is very hard to get back

TEST

Consumer Behaviour in Sport Model



SPORT MARKETING

Breadth \ Frequency	High frequency (>10 times/month)	Medium frequency (5-9 times/month)	Low frequency (1-4 times/month)
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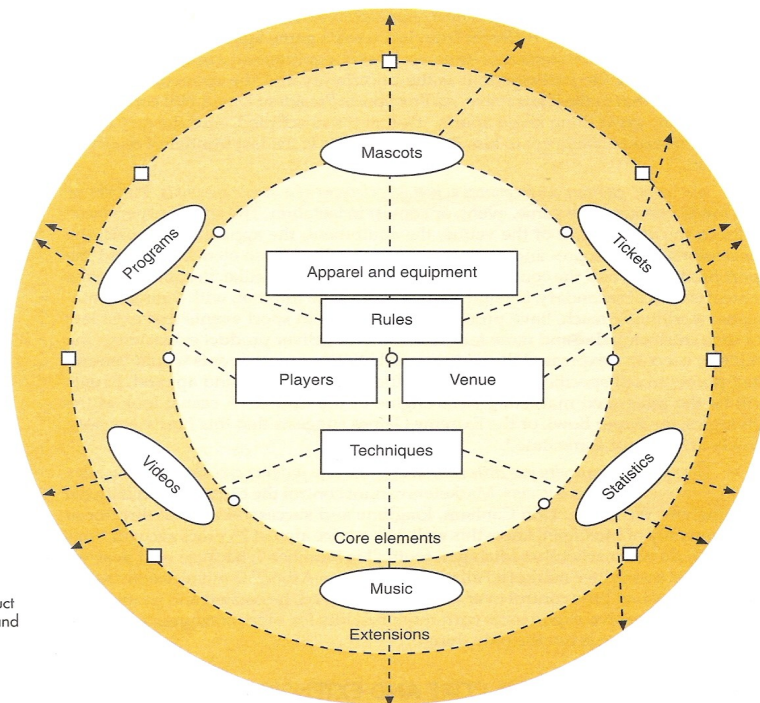




Figure 7.1
The sport product core elements and a sample of extensions.

-  - extended elements
-  - core elements

Sport Product Positioning and Repositioning

Figure 7.2
Product space map
of U of D women's
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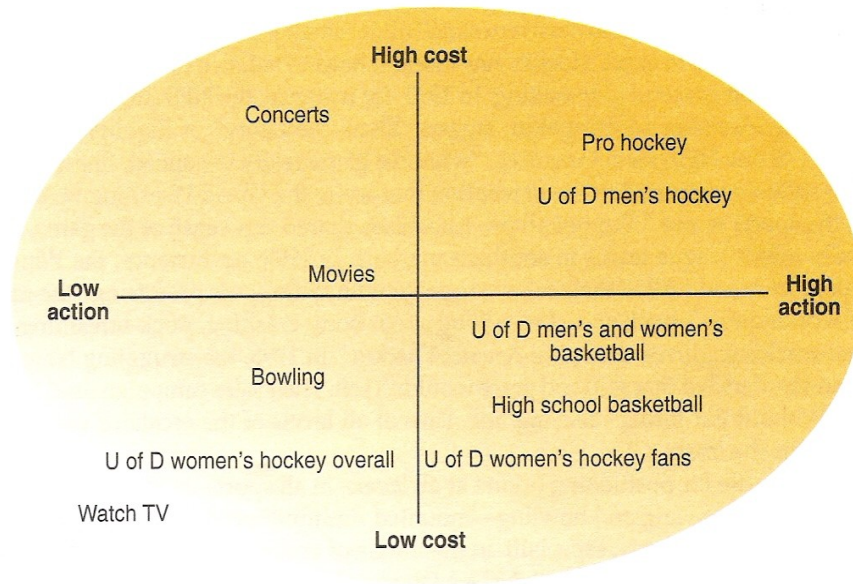
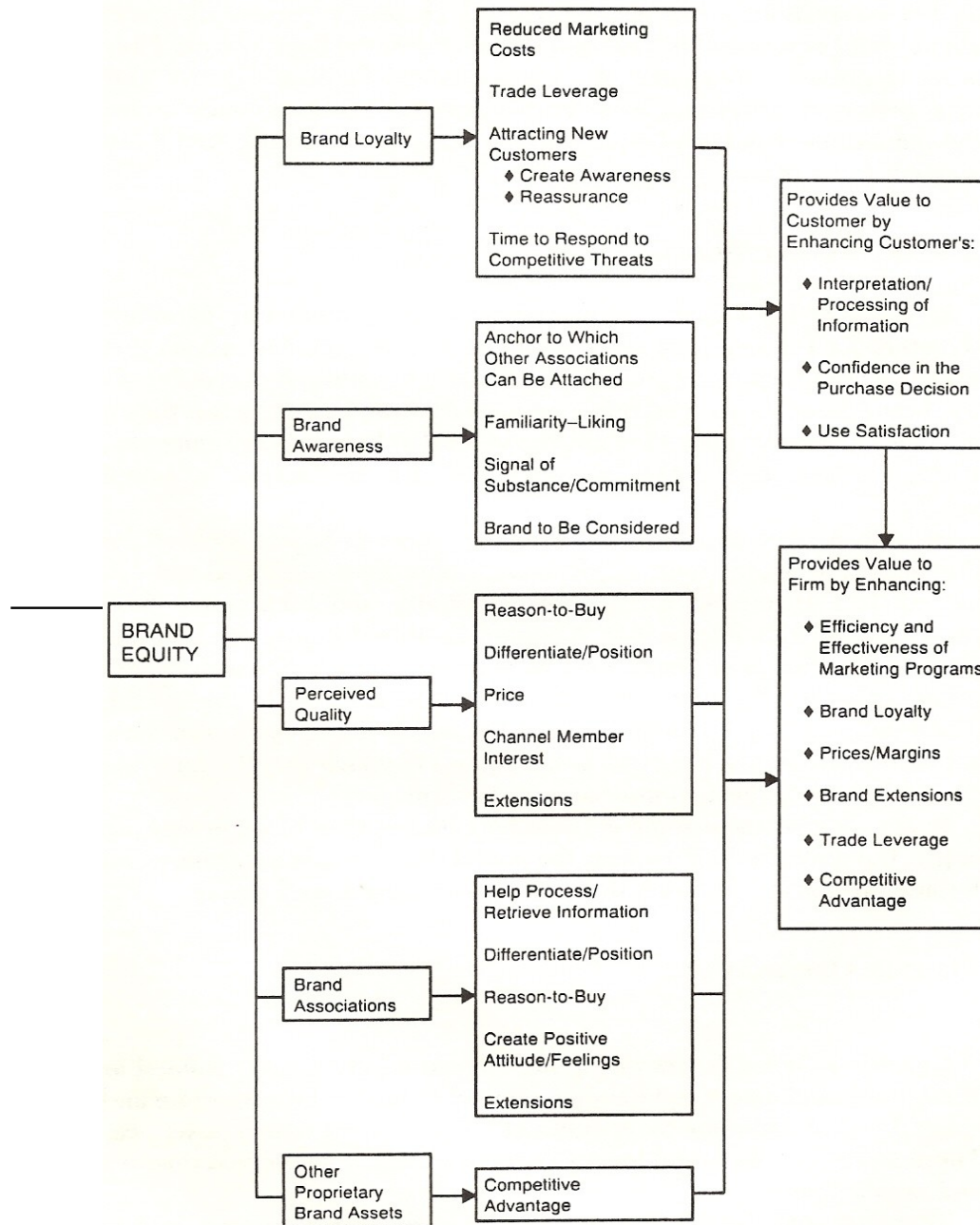
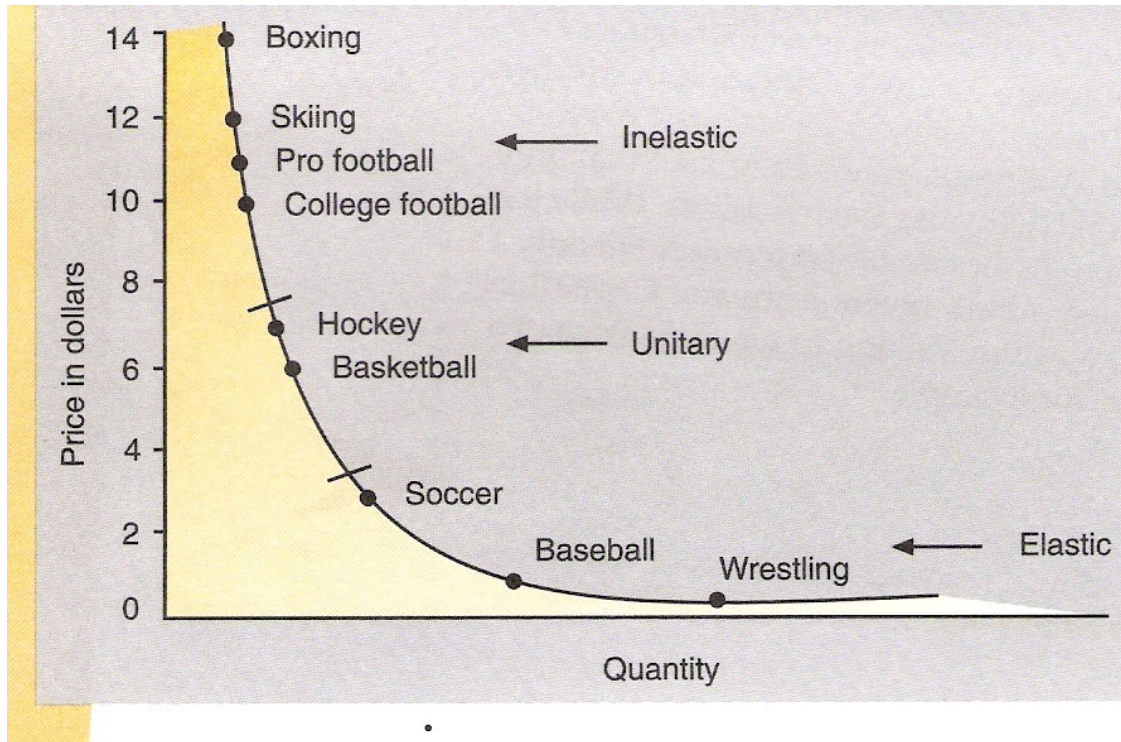


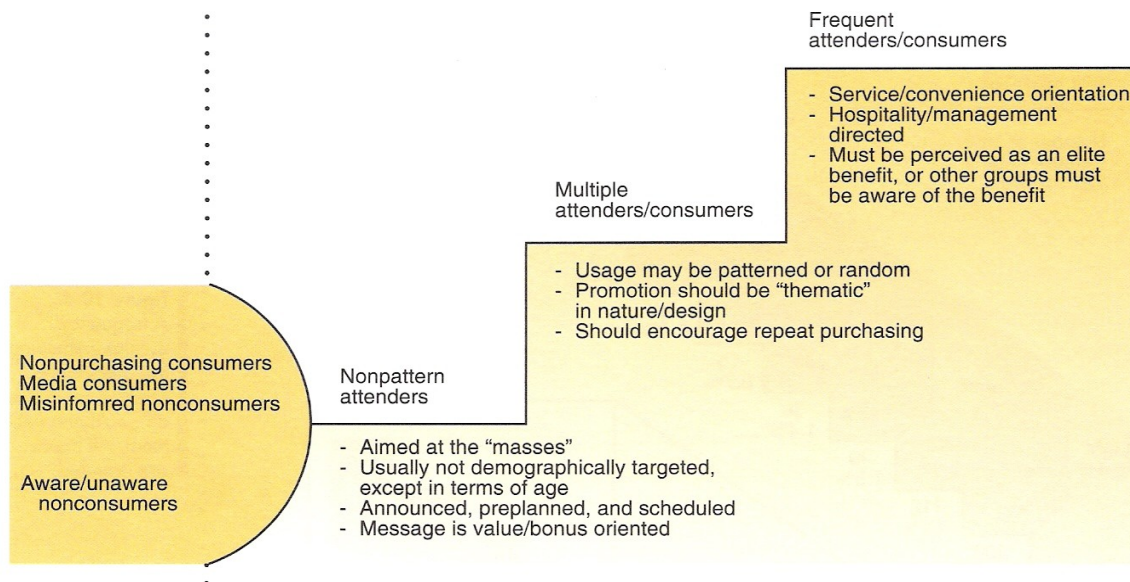
FIGURE 11-2 Brand Equity



The Spectator Sport Industry Demand Curve



Promotional Planning Progression Model



5 Ways the Sports Marketing Industry is About to Change Forever

South by SouthWest (SXSW): everything we dislike online

Endorsements and sponsorships will increasingly be handled online by online marketplaces

Social marketing will enable influential people in sports to sell products directly to their fans

Soon be able to accurately measure athlete engagements and impact

Sport influencers will work together to create a network effect

Sports agents and managers will have more solutions to monetize their clients and their teams

Sports Fans engage with Social Media

More fans have Facebook than Twitter, people are more active on game day on Twitter

Importance of multi platforms

Octagon Study

Fans engage and interactive with sport and more important and valuable than people that just watch the game

Frequency escalator: challenges that the interactive fan is equally important to the organization

Media consumer is becoming more and more valuable

Brains, Brawn, and what Boston can teach us

Advanced Analytics

Rogers NHL deal

MLSE going more global and accomplishing

5 Ways the Sports Marketing Industry is Above to Change Forever

- Endorsements and sponsorships will increasingly be handled online by online marketplaces
- Social marketing will enable influential people in sports to sell products directly to their fans
- Well soon be able to accurately measure Athlete engagement and impact (MVP Index)
- Sports influencers will work together to create a network effect
- Sports agents and managers will have more solutions to monetize their clients and their teams

Brains, Brawn, and what Boston can teach us

28 year old new assistant general manager Kevin Dubas, use of advanced analytics and reflects a seismic shift in business of Canadian sport

Many other changes to Maple Leaf Sports, different way of operating = greater global sport destination

Advanced Analytics= use of data to make better, more informed and unbiased, evidence-based decisions about player and team performance, to produce more competitive and successful on-field outcomes (Historically saber metrics)

Boston is a prime example of a city that led the embrace of analytics and sport innovation and technology
“Toronto’s sport industry is like a sleeping giant — you have fantastic properties, people and players — but you don’t have the recognition of being a global sport city.”

How Sports Fans Engage in Social Media

Catalyst PR acquired by IMG attempts to see where sports fans hangout online (which social media outlet they use)

2,100 fans ages 16-64

2x as many people use Facebook but on game day 1.5x as many use twitter instead (6 frequency, Facebook 4.3, instagram 2.6, YouTube 1.4), final score instagram most used

Google+ and YouTube are on the rise used for acquiring sports info

7/10 fans willing to take action after following or liking a brand, talk with family, share content or bought the brand

Content that gets fans engaged beyond scoreboard- Pregame excitement, nostalgic photos, bloopers, debates

Brand engagement motivated by providing discounts, show support to favorite teams, offer contest or support a charity

Octagon: The Passion Shift

Octagon introduces the Passion Shift Study to help marketers reach consumers- How fans use technology to feed passion for sport and allows brands to reach customers and fans most likely to support sponsors by outlining consumption habits for 13 different sports

Key Findings:

Who To Target, Avid fans less important than interactive fans because they are more willing to change purchase behavior.

How Fans are Fans, 8 different fan typologies from passive (couch potato) to interactive (super fan).

Technology changes how fans are fans, identifies and maps 33 ways fans consume content across 14 different sports.

Marketing in passion based word - Engaging the right fans, Digital social and mobile channels represent the key to targeting and engaging fans that are predisposed to supporting and rewarding sponsoring brands

Test 1 Review

11/05/2014

out of 65

PART A

- marketing messages
 - analyzing advertisements
 - marketing outline
 - participant sport, spectator sports

multiple choice, fill in the blanks

PART B

- true and false
 - slides and examples

PART C

- short answer worth 5 marks each
- *What is sport marketing and what are 3 reasons why it is unique?*
- *Frequency Escalator measures fans and consumers, light, medium, heavy*
- *Consumer behaviour and sports model: core internal factor SIC*
- *Promotional Planning Progression Model: how to develop promotions for a light, medium, heavy user*

PART D

Fill in the Blanks

Sponsorship/Ambush Marketing

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- **Sponsorship:** a cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes) in return for access to the exploitable commercial potential associated with that property

Two main activities:

- 1) exchange between a sponsor and a sponsee whereby the later receives a fee [or payment in kind] and the former obtains the right to associate itself with the activity sponsored
- 2) the marketing of the association by the sponsor

A bit of context

- historically uni-directional
- significant source of revenue for sports organizations, at all levels
- increasingly complex and strategic component of marketing communications
- contractual, relationship driven
- not always the case..
 - sponsorship goes back to 6000 years Greeks
 - form of patronage to earn favour with the higher authorities
 - would sponsor races to be looked more favourably upon and more higher upondone to look better
 - Commercial Sponsorship 1861, cricket team travelled to Australia
 - Opportunity for someone to make cash of off others

1960's: exchange, wanted signage and they want to be seen and knownlooking for marketing opportunities

last 50 years: everywhere we look there are marketing messagesrinks now vs. rinks before

So why this evolution?

1. urbanization, industrialization and the professionalization of sport
2. technological advancements
3. regulation and sophistication 1984

Impact of 1984

Birth of TOP Program

- Category Exclusivity
- Bundled rights

Growth in sport sponsorship value

- Prior to 1984: Olympic sponsorship worth approximately \$250,000
- 2010 Vancouver Games: first sponsor to sign on worth \$150,000,000

Sponsorship's Growth Since..

- Global sponsorship expenditure, 1984: \$2 billion
- Global sponsorship expenditure, 2013: \$55.3 billion

Sponsorship Today

In North America alone...

2013 Sponsorship spending: \$20.6 billion

Of which \$13.68 billion=SPORT

Increase of 5% in 2012

Why Sport?

Sport provides:

- Access to target markets
- Massive viewership and awareness

- Positive brand equity rewards

Sponsorship Today

- Strategic and relational marketing communications tool
- Defined and measurable objectives
- Property and partner continually assess the overall strategic objectives of the relationship (target market capability, sales objectives)
- Recruitment by 'broader objective' benefits including rights, visibility, networking
- Activation and leveraging
 - Have to communicate your association

Why Sponsorship

1. Value and equity of sport
Brand image and attribute transference
Leveraged association with a valuable property
2. Breaking through the clutter
sport consumer awareness, affection, interest
market segmentation, reach
3. Sales and more
-->opportunity to fulfill multiple corporate objective

Objectives

- Increase public awareness

- Influence public perception (target market, image compatibility)
- Establish association with particular market segments (matches)
- Become involved with the community (pr. Community relations)
- Build goodwill (influence business on a relaxed, personal basis)
- Generate media benefits (advertising and publicity, ROI, impressions)
- Achieve sales objectives (profitability)
- Exclusivity (product or category)
- Opportunities in hospitality and entertainment

Types of Sponsorship..

- Can be flexible
 - Sponsor a team or length of time
 - Sponsor just an event
 - Sponsor just a portion of an event (halftime show, pregame show)

Strategies integrate the brand into the game, provide a form of direct engagement, advertising

- Shirt Sponsorship 1979
- Broadcast Sponsorship

Naming Rights

Facility Entitlements- company purchases the promotional rights to an entire stadium

Stadium/arenas are renamed to publicize their sponsorships

The sponsor receives exposure in all the events that are held at the stadium during the season and off-season

Endorsements

- A statement (implied or explicit) of approval of a product, service, or idea made by an individual or organization speaking on behalf of the advertisers
- Sport figures image is used in print, broadcast media, product packaging, billboards, and collectibles
- Sport figure lends familiarity and credibility to the product

Ultimately..

- Sponsorship has undergone a progressive development as a form of strategic marketing communications post 1984
- Distinct yet inextricably linked from other SIMCM components
- Vast array of opportunities available to brands

Issues and Implications

- Returns
- Costs
 - To sponsors? To fans? Are the benefits worth the investment

Further regulation coming?

Tabaco first, alcohol next? cant sponsorship tabaco, if you cant sponsor alcohol at events then what? : beer sponsorships so large

- **Ambush Marketing:** “The marketing communications activities of a brand seeking to capitalize on the attention, awareness, fan equity, and goodwill generated by having an association with an event or property, beyond the official or authorized rights of association delivered by that event or property.”

A How-To Guide

How do brands ambush...

Imagery/wording

Colours, sounds, symbology

Timing, values, themes

Sponsorship/Ambush Marketing

11/05/2014

Leveraging an indirect or past association

Clever, creative marketing

Direct competition for official sponsor

Growth, proliferation of ambush marketing has pushed sponsorship

Competition has bred sophistication

Birth of commercial rights management, interventionist measures

Name and Shame?

“Shame on them. They’re undercutting people and companies and products and services that will go to make the ultimate success of their own athletes...”

Dave Fogelson,

Reebok Spokesman, 1996

Event Enforcement?

- On-site regulation
- Controlled marketing environments
- Intensified athlete marketing restrictions
- Enhanced contractual relations

Legislation

“Advertising agencies are requested not to create or establish false or unauthorized commercial links with non-Olympic partners or sponsors in publicizing their products and services. The businesses are urged to work together with their clients to avoid using Olympic symbols for commercial ends without authorization.

From August 1 to 27, 2008, any unauthorized use of images of athletes, coaches and officials participating in the Beijing Olympic Games in ads should be put to a halt.

Media publications are advised to carry ads of Olympic partners or sponsors on their Olympic channels, and not allow non-Olympic partners or sponsors to appear on the channels."

BOCOG Press Release,

June 3rd, 2008

Legislation in Practice

"The 2003 Cricket World Cup was the first major event... where [the amended acts were] rigorously enforced. Two schoolteachers took a group of students to a match at the Maritzburg Oval. Because Pepsi was the event's official sponsor, the children with Cokes in their lunch boxes were barred entry until they peeled off the Coca-Cola labels and scraped off the logos from all the bottle tops and lids"

Vassallo, Blemaster & Werner (2005)

Licensed and Branded Merchandise/Pricing/Sales

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We the North

“how it is a well driven campaign”

- art and science of marketing coming together that marketing is coming together and that the team is doing well

Lululemon Taunts Buffalo Fans

Lululemon mark moments on the floor of the two most horrific moments in hockey from Buffalo team

Licensed and Branded Merchandise

extension of sports marketing product

Understanding the Licensor-Licensee Relationship

What is Licensing?

- A contractual method of developing and exploiting intellectual property (names and logos) by transferring rights of use to third parties without the transfer of ownership

Why Licensing Works

- Due to nature of the sport industry (intangible)
- Take experience home
- Show support
 - **Example:** t-shirts
- Mutual benefit:
 - Marketers: consumers buy the products over other brands due to the logo
 - Leagues get considerable marketing clout

The Licensing Process

Licensed and Branded Merchandise/Pricing/Sales

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- **Licensee**
 - Pays licensor initial one time licensing fee
 - Takes on production issues
 - Pay royalty fee to licensor
 - Manufactures products

Risk to Licensees

Up front license payment

production issues

risk of manufacturing

sales depend on success of team

trends come and go

Licensor Types

- Sport organization
- Professional Sport Leagues
 - Properties Division approve licensees, police trademark, infringement, distribute licensing revenues, marketing and sponsorship

Other

Example: Olympic

Licensing Agencies

Keys to Success for League-based Licensing Programs

- Coordinated efforts
- Quality control
- National distribution of product

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- Segmentation of national market
- Trademark assurances

Possible Licensees

- Players union
- Individual sports
- Collegiate sports
- Retail

Revenues

- Significant part of sport industry
- Winning season leads to more sales
- Sales of licensed sport product increasing
- Helps pay for increasing player salaries
- Accommodating to fans

Current Trends

- Expand merchandise offerings
- Slowing sales (labour issues, oversupply)
- Branded apparel
- International sales
- New, redesigned logos
- Retro marketing

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Pricing Strategies

What are the basics of pricing?

- In sport, there is a vast range of products that require pricing
- These elements are prices according to range of variables
 - Location
 - Images
 - Time

Price is **critical** in the marketing mix: **ON TEST**

Price is most readily changes

Effective tool (when demand is elastic)

Highly visible

especially for consumers sport is discretionary spending and if you feel that it is worth the price then will attend

Price in the minds of the consumer

Core Pricing Issues (cost, value, and objectives):

Satisfaction= benefit-cost S=B-C

- Cost (of total attendance) versus price (ticket)
- Value and price
 - Consumers perceive a higher price to indicate higher quality
 - Consumer perceptions link price and value (product values include: convenience, aesthetics, risk, availability, durability)

Push and pull of pricing objectives

Efficient use of resources, fairness, participation, opportunities, positive user attitudes, profits

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Standard Approaches to Pricing

- Production costs
- Market conditions – supply and demand
- Competitors prices – those competing for the same dollar
- Organizational objectives, including profit and distribution agents
- Product or event frequency

Standard Pricing Approaches

Break even analysis

$FC+VC=TC$ (total cost)

Cost Plus Pricing

cost + desired profit = price

Market Approach

what the market will bear

Caption pricing

offering a price “per head”

real want to insure you get customers in the venue—attendance driven

The Spectator Sport Industry Demand Curve

*get chart

Special Factors:

- **Market Demand:** sensitivity of market to price change

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- o Elasticity of Demand= $\% \text{ change in quantity demanded} / \% \text{ change in price}$
- o Inelastic Demand a $\% \text{ change in price}$ results in a smaller $\% \text{ change in quantity}$
- o Elastic Demand a $\% \text{ change in price}$ results in a larger $\% \text{ change in quantity}$
- o Penetration Pricing pricing in the lower range of expected prices (elastic markets)
- o Skin Pricing pricing high in expected range of pricing (inelastic markets)
- o Lead time
 - required for a purchase
- o Use segmentation
- o Time and place “smoothing”
 - Prime vs. non-prime
 - Must indicate to the consumer there are savings
- o Responding to competitors
 - Marketers must identify competitors
 - Tactics involve a combination of price and quality

Sales

- **Sales** is the revenue-producing elements in the marketplace
- Selling is composed of:
 - o Identifying the customer
 - o Getting through to them
 - o Increasing their awareness and interest
 - o Persuading them to act on that interest

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Sales-Oriented Organizational Structure

- Reporting structure
- Relationship between departments
- Organizational style/philosophy
- Sales developmental process within the department
- Composition of sales staff

What do I have to sell?

- Naming rights
- Electronic inventory
- Miscellaneous inventory
- Signage inventory
- Tickets to hospitality inventory
- Promotions inventory
- Print inventory
- Community programs

Sales Approaches

- Telemarketing
- Direct mail
- Personal selling
- After-marketing
- Selling a new team/league

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Innovative Promotional Approaches

- Education can sell the fan base
- Couponing is not just for groceries and fast food
- Packaging
- Profitability and group sales
- Use volunteers and charitable groups
- Fun is good

Sales Summary

- Sales is the **revenue producing** element
- **Two way communication:** listen and talk
- **Various methodologies** of selling
- sales personnel must understand the products they are selling, the prospective consumers to whom they are selling, and the appropriateness and benefits of each methodology they choose to complete the sale

Sponsorship and Endorsements/Place and Product Distribution/Marketing Effecting/Public Relations and Social Responsibility in Sport

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Sponsorship and Endorsements

Promotional Licensing

- umbrella term that encompasses sponsorship
- “The acquisition of rights to affiliate or directly associate with a product or event for the purpose of deriving benefits related to that affiliation or association”
 - this relationship is used by the sponsor to achieve broader marketing objectives
 - communication process

TEST

sponsorship fits under the 5 P Promotion

core of sport marketing consumers are making decisions

core of sponsorship is the corporate consumer/partnerships

Evaluating and Ensuring Sponsorship Effectiveness TEST

Affinity marketing: “an individual's level of cohesiveness, social bonding, identification, and conformity to the norms and standards of a particular reference group”

Frequency, loyalty, relationship, database

Ambush marketing: a planned effort (campaign) by an organization to associate themselves indirectly with an event in order to gain some of the recognition and benefits associated with being an official sponsor

Endorsements

- The commercial result of:
 - Athletic accomplishment
 - Public recognition
 - Opportunistic marketing

Global leading endorsers: Tiger Woods, Michael Jordan, Beckham, Serena Williams

Endorsement Trends

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- Accomplishment is the catalyst
- Enduring personalities whose legends 'fit' their sports
- International sports recognition
- 'Positive' role models

Factors in Endorsement Opportunities

- exposure of sport
- established prescience of athlete within sport
- feasibility tie-in to consumer question

Reality of Endorsements

- expensive, risky think long and hard who you want to partner with and if it will lead to future success
 - date the athlete, get to know them, to ensure before you use them for endorsements
- only the most popular athletes get the deals
- favor high visibility sports

Entitlement/Naming Rights

- number of impressions or exposures
- sponsorship and cross-promotional activities
- tax-deductible expenses
- brand exclusivity
- public relations and community image
- related amenities

Sponsorship and Endorsements/Place and Product Distribution/Marketing Effecting/Public Relations and Social Responsibility in Sport

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Place and Product Distribution

Place and Distribution

- important, long-range applications
- most difficult to change of the 5 'P's'
- broad range of sport product elements that require distribution ...
- integrated, long-term strategy
- influenced by topographical and geographic factors
- crucial to the experience of every consumer

The Facility: Key Ingredients

Accessibility

90% of consumers are within 20 minutes

Trade Area or 'Drawing Radius'

demographics, duration, commitment, perceived quality

Parking

Surrounding Area

design, politics, sense of safety

Design and Layout

Amenities

smart seats, upscale concessions, technology

Personnel

may be the major force

Sense of Security

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Marketing Channels

- various channels by which marketers deliver the product
- **Channels:** sets or configurations of organizations linked to deliver a product
- vary by product line or sales territory
- standard elements:
 - manufacturers
 - wholesalers
 - retailers

Ticket Distribution System: Beyond the Box Office

team retail outlets

partnerships with ticket firms

partnerships with other consumer retail outlets

payroll deductions

various 'mediums'

telephone systems

Electric Media: A Changing Media Landscape

- Television
- Radio
- Digital technology

Questions about Electric Media and the Changing Media

What are some general trends and considerations for today's electronic media?

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What are some of the basic technology and terminology for electronic media?

How can the sport industry use electronic media to market and promote products?

How are radio and television networks and electronic mediums constructed?

Public Relations and Social Responsibility Sport

PR=MR+CR Public Relations = Media Relations + Community Relations

- **Public Relations:** communication with the intent to foster a positive image in a non-sponsored framework
 - **Example:** PGA Professional Golf Association, Right to Play, Steve Nash **TEST**
- **Media Relations:** designed to formulate and shape favorable public opinion via mass media (reactive, proactive, interactive)
- **Community Relations:** attempts to generate goodwill

Public Relations: Functions

- inform and communicate
- shape and enhance image
- promote employee relations
- gain political support
- recruit and develop business
- launch new products
- generate/collect feedback
- cope with crisis

Social Media

- The application of the marketing mix to social issues.
- Involves:

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- changing attitudes, beliefs and behaviours of organizations for a social benefit
- the social change is the primary purpose of the campaign

Cause-Related Marketing

- the support of a social cause that a firm generate through financial transactions with its customers
- firms donate a certain percentage of their income or profits to a specific nonprofit cause

Corporate Reputation

- A complex mix of characteristics, such as ethos, identity and image, that go to make up a company's public personality
- Corporate reputation hinges on investor confidence, unlike brand reputation which is contingent on customer confidence and reflected in sales.

Corporate Citizenship

- The obligation an organization has to be ethical, accountable and reactive to the needs of society
- This definition suggests that socially responsible firms undertake:
 - eliminating negatives
 - doing positives

Corporate Social Responsibility

- The commitment to improve community well-being through discretionary business practices and contributions of corporate resources
- The broad concept that businesses are more than just a profit-seeking entity, and also have an obligation to benefit society
- Continuing commitment by businesses to behave ethically and contribute to the economic development while improving the quality of life of the workforce, their families, the local community and the society at large

CSR Trends

- Increased giving (Tsunami effect, celebrity causes, sport context)

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- Increased awareness and reporting
- Establishment of CSR to 'do good'
- Shift from obligation to strategy

CSR Challenges

- Choosing an appropriate social issue
- Selecting an appropriate initiative to address the issue
- Developing and implementing strategic programs
- Measurement and evaluation

Why be 'good sports'?

- Increased sales and market share
- Strengthen brand positioning
- Improved corporate image and clout
- Increased ability to attract, motivate and retain employees
- Decreased operating costs
- Increased appeal to stakeholders

sport provides a good opportunity to give back

Example: teddy bear toss to give back

Marketing Effectiveness

Controlling the Marketing Mix

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Marketing Mix Management

- Each element of the marketing mix is interdependent, yet each has the ability to influence others.
- The only way the sport marketer can ensure marketing effectiveness is to control all parts of the marketing effort.

Marketing Management Process

	Product	Price	Place	Promotion	Public relations
Product		Price = value	Images interact	Product position	Consumer receptivity
Price			Images interact	Choice of media	Sincerity of public relations
Place				Images interact	Images interact
Promotion					Completely interdependent
Public relations					

.....

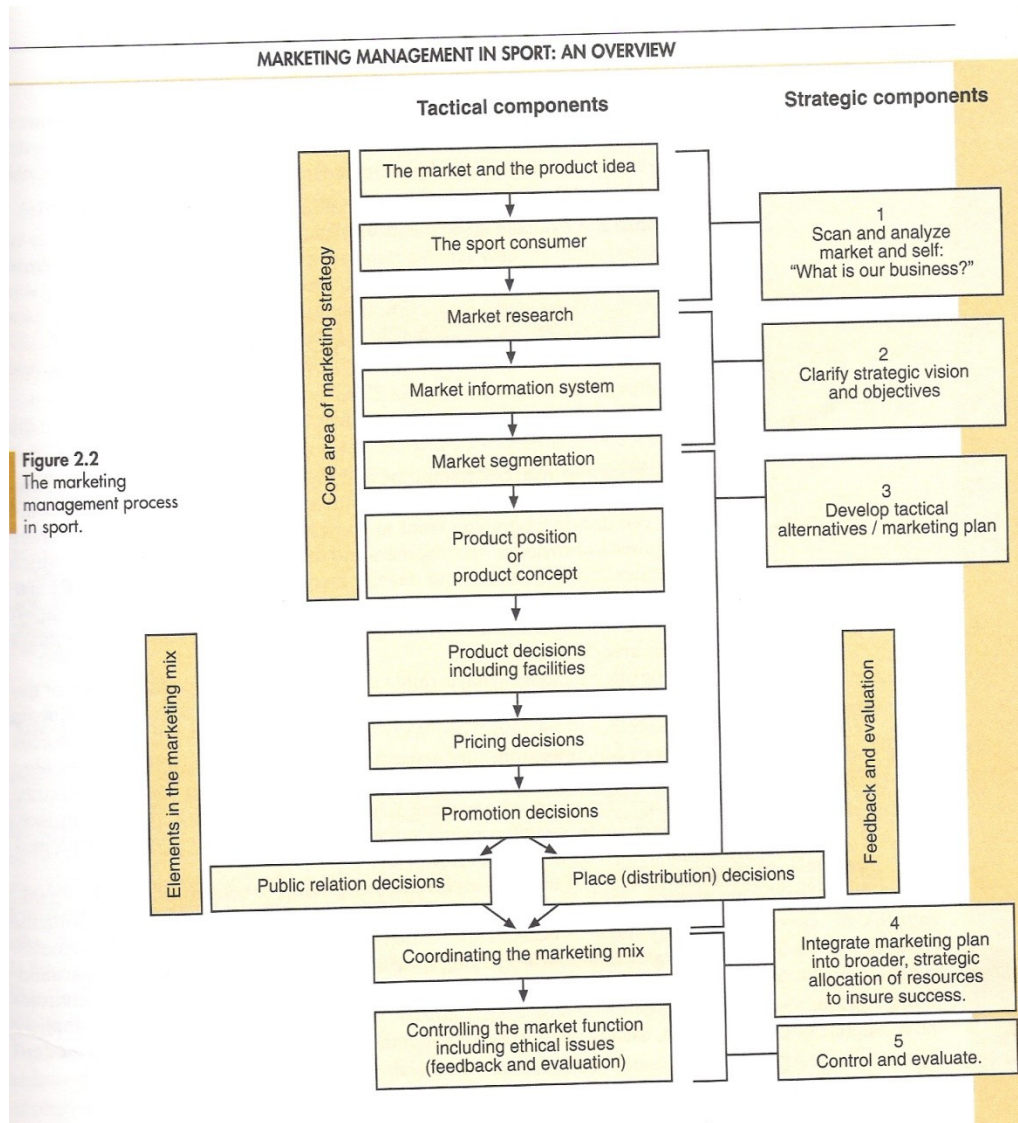
Figure 16.1
Cross-impact matrix for the five Ps of sport marketing.

do all strategies fit together

- A **sound control system** can nurture and preserve the credibility and consistency of the image that consumers hold of both the product and the organization.

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how all the pieces theoretically look and feel and conceptually how they lead to marketing plan

Marketing Mix Management

- The key to controlling the marketing mix of a sport organization lies with the ability to set a clear direction for all the units and the personnel.

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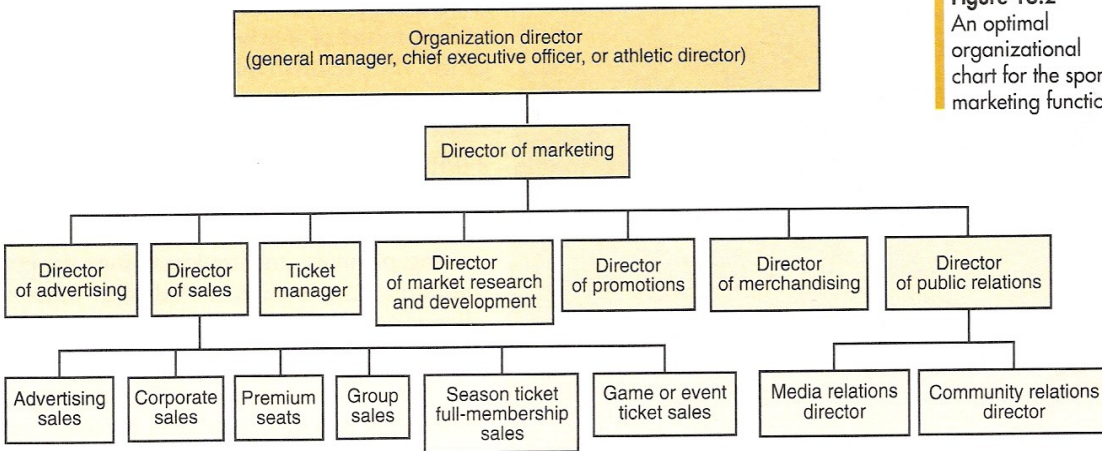


Figure 16.2
An optimal organizational chart for the sport marketing function.

Mix Management Marketing

- An effective marketing control system must be part of an ongoing planning system that has at least four components:
 - mission statements and objectives that are established in light of the current market position and economy
 - an organizational structure that acquires resources to meet objectives
 - performance standards that are used to measure employee performance
 - methods to adjust strategy, structure, and personnel in light of performance

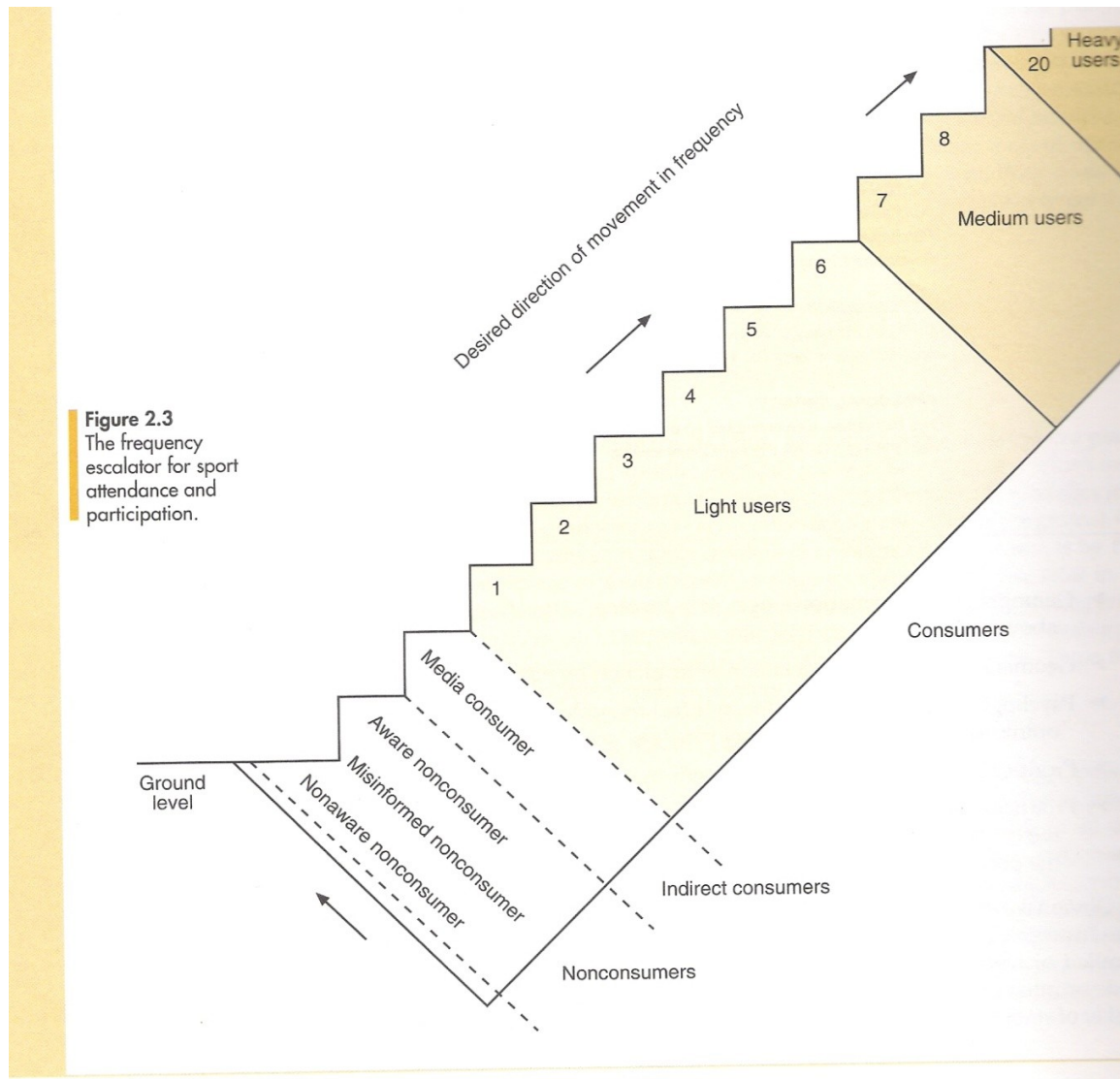
Marketing Mix Management

- Control is the key ingredient in organizational success, and begins the greater organizational objectives.

Marketing Frequency Escalator

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Marketing Final Thoughts

- There are many considerations and challenges facing contemporary sport managers and marketers.
- Only those with the unique insights and marketing knowledge to understand and interpret new consumers and markets will survive.

Test 2

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- Out of 75 marks with 5 bonus questions
 - Part A: Multiple Choice: **20 marks:2 marks each**
 - Part B: Add Analysis: **25 Marks** *Review Add Analysis Sheet*
 - **Key ingredients for PR**
 - Part C: Short Answer **30 Marks**
- Definition of Ambush Marketingnicks slides
- What is Sports Marketing and why is it unique
- Understanding the MMP and specifically the strategic pieces (5)
- Sport marketing mix-> 5 P's what they are and how they are
- Public Relations: definition of PR, definition of 3 pieces/examples -> right to play, Steve Nash, PGA
- Promotions strategy for light and heavy users: Mass Marketing etc.
- Functions of Marketing Control System

SHORT ANSWERS:

NUMBER 1

- **Ambush Marketing:** “The marketing communications activities of a brand seeking to capitalize on the attention, awareness, fan equity, and goodwill generated by having an association with an event or property, beyond the official or authorized rights of association delivered by that event or property.”

NUMBER 2

“Sport Marketing” is ON TEST

Sport Marketing consists of all the activities designed to meet the needs and wants of sport consumers through the exchange process

sport marketing has developed two major thrusts:

the marketing OF sport product and services directly to the consumers of sport

EXAMPLE: actual team like Blue Jays hat

the marketing of other products or services THROUGH the use of sports promotions

EXAMPLE: Gatorade commercial

The Unique Aspects of Sport Marketing ON TEST

- Many sport organizations simultaneously compete and cooperate
- Expert consumers
- Consumer demand fluctuates widely
- Intangible product offerings

NUMBER 3

Implementing a Sport Marketing Program: the Marketing Management Process (MMP)

- used to develop marketing plans
- integrated into organization's larger strategic plan(s)
- emphasizes interdependencies at all stages (backbone of marketing)

the Four P's in the marketing mix

MMP: Strategic Steps

- Analyze the market and organization
- Clarify mission and objectives
- Develop marketing mix and plan

- Integrate marketing plan into broader organizational strategy
- Control and evaluate all elements of the plan

Strategic Step 1: Analyze the Market and the Organization “What is our Business”

- SWOT Analysis: a careful analysis of the strengths and weaknesses of the organization, and the opportunities and threats in the marketplace or beyond
- Marketing information systems (MIS)

Strategic Step 2: Clarify strategic mission, goals, and objectives

- Constantly assess assumptions about:
 - The environment
 - Organizational mission
 - The core competencies required

Strategic Step 3: Develop the Marketing Plan

- Market segmentation: determining key targets
- The escalator: developing your market
- Product development and positioning
- The sport marketing mix (5 P's)

Strategic Step 4: Integrate marketing plan into broader, strategic allocation of resources to ensure success

- Coordinating the market effort

Strategic Step 5: Control and Evaluate the MMP Implementation

Consumer Satisfaction = Product benefits - Cost

CS=PB-C

NUMBER 4

Marketing Mix

- Product
- Price
- Place
- Promotion
- Public Relations

NUMBER 5

- **Public Relations:** communication with the intent to foster a positive image in a non-sponsored framework

Examples:

PGA Professional Golf Association:

Right to Play: Through playing sports and games, we teach children essential life skills that will help them overcome the effects of poverty, conflict and disease so that they can create better futures and drive lasting social change in their communities and beyond.

Steve Nash

NUMBER 6

KEY ISSUES: How do you make the product distinctive and attractive in your consumers minds? TEST

5. **Differentiation**: make the product distinct in the consumers minds
6. **Development**: generation of ideas, screening of ideas, market and business analysis, development testing, commercialization, innovation
7. **Positioning/Repositioning**: the product's position in the mind of the target consumers images and marks

How do the consumers perceive your product/service from a high cost or value, from an action or excitement level

NUMBER 7

- An **effective marketing control system** must be part of an ongoing planning system that has at least four components:
 - mission statements and objectives that are established in light of the current market position and economy
 - an organizational structure that acquires resources to meet objectives
 - performance standards that are used to measure employee performance
 - methods to adjust strategy, structure, and personnel in light of performance

6. Marketing control system

- The only way the sport marketer can ensure marketing effectiveness is to control all parts of the marketing effort
- Control system can nurture and preserve the credibility and consistency of the image that consumer hold of both the product and organization
- Ability to set a clear direction for all the units and personnel
- Must be part of an ongoing planning system that has at least four components
 - Mission statement and objectives that are relevant to the current market
 - Organizational structure that acquires resources to meet objectives
 - Performance standards used to measure employee performance
 - Ability to adapt → adjust strategy, structure, and personnel in light of performance