

SPMA2P65- Sports Marketing Lecture Notes

SEPT 4th - WEEK 1

THE SPECIAL NATURE OF SPORT MARKETING

- **Sport Marketing:** All activities designed to meet the wants and needs of sport consumers through an exchange process.
- Sport Consumers are involved in sport through-
 - Playing
 - Officiating
 - Watching
 - Listening
 - Reading
 - Collecting

2 Major Components of Sport Marketing

1. Marketing of sport
2. Marketing through sport using partnerships and promotions with sport properties

What is Marketing?

- As a business orientation-
 - Marketing is finding out what potential customers want and need and attempting to satisfy them.
 - Marketing is also an attempt to generate profits by selling to fulfill customer's needs.

The Marketing Mix- The 4 P's

- The traditional components of marketing-
 - **Product-** Articulating what exactly you are going to sell.
 - A good marketer clearly defines the product or service before moving on to the other P's.
 - **Price-** Cost of the product or service
 - **Place-** Where the product or service is sold and how it is distributed.
 - **Promotion-** Methods used to promote awareness of the product or service to consumers.
 - How do customers learn about the product or service and what do they learn about it?

The Promotional Mix

- The traditional components of promotion-
 - **Advertising-** Paid promotions of the product or service through the media. (e.g. TV commercials, online ads, etc.)
 - **Publicity-** Free media coverage of the product or service. (e.g. interviews, newspaper articles, etc.)
 - **Promotion-** Providing evidence to promote awareness of the product or service; getting the word out. (e.g. Gimmicks, 2 for 1, etc.)
 - **Personal Selling-** Promoting the product or service directly with the customer. (e.g. Phone calls, emails, face-to-face interaction, etc.)

The Marketing Orientation

- **The Marketing Concept-** States that the key task of the organization is to determine the needs, wants, and values of a target market, and to adapt the organization to delivering the desired satisfactions more effectively and efficiently than its competitors while still satisfying the organizational objectives.
- Examples of Orientations
 - **Universal Studios**
 - **Production Orientation:** ‘we make movies’
 - **Marketing Orientation:** ‘we make entertainment’
 - **Kodak**
 - **Production Orientation:** ‘we make film’
 - **Marketing Orientation:** ‘we make memories’

Marketing Today...

- **Relationship Marketing:** An aspect of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement goals.
 - Long-term customer engagement goals include-
 - Customer acquisition
 - Individual sales
- Factors of Relationship Marketing-
 - 1:1 marketing (aka. One-to-one marketing)
 - Long-term buyer-seller relationships
 - Mutually Beneficial
 - Cooperative problem solving
 - Database building and tracking
 - Differentiated messaging
 - Advancements in technology

Challenges in Sport Marketing

- Marketing myopia
- Lack of quality research
- Poor sales training and techniques

Marketing Myopia

- A near sighted focus on selling products and services rather than focusing on the bigger picture of identifying and satisfying consumer's wants and needs.
- Focusing on a business's short-term growth like generating a profit rather than long-term growth like long-term buyer-seller relationships created from the business understanding and satisfying the consumer's wants and needs that are changing in the long run.
 - E.g. An organization focusing too much on seeking sales and generating profits while ignoring the wants and needs of its customers or even identifying those wants and needs.
- Ignorance of competition inside and outside of sport
- The belief that winning exonerates all other sins

Overcoming Challenges in Sport Marketing

Over the past decade:

- Industry leaders showcasing public marketing strategies
- Professionalization of marketing staff
- Increase in use and availability of external marketing consultants
- Developments of new/more publications
 - (e.g. Fanagment Project, partnershipactivation.com, The Migala report, etc)

The Sport Product

- All products are marketed to satisfy consumer wants and needs (photocopy paper, light bulbs, Internet service provider, etc.)
- Why not just study marketing?

The Uniqueness of the Sport Product

- Selling an intangible experience, unpredictable and subjective in nature
- Simultaneous production and consumption
- Dependence on social facilitation
- Inconsistency and unpredictability
- Core product beyond the marketers' control
 - Identifies personally and emotionally with the consumer
 - Marketers can't control someone's identity

The Uniqueness of the Sport Market

- Sport organizations simultaneously compete and cooperate with each other
- Strong personal identification leads many sport consumers to consider themselves experts
- Demand tends to fluctuate wildly
- Marketing isn't just about ticket sales and fan revenues, it also involves-
 - TV and media rights
 - Sponsor revenue
 - Hospitality
 - Events surrounding the event
 - Media and athletes as celebrities

WEEK 2- Sept 11th

STRATEGIC MARKETING MANAGEMENT

Sport Strategy

- Involves setting long-term goals, developing plans to achieve those goals, outlining tactical programs for execution.
- Demands recurring analysis of the organization and its environment.

Implementing a Sport Marketing program

- Sport Strategy
 - Long-term direction for a company/brand
 - Revealed in a marketing plan
- Tactics
 - Shorter-term actions within the strategy

5 Strategic Components of Marketing Management

1. Develop vision, position, and purpose
2. Clarify your goals and objectives
3. Develop a marketing plan
4. Integrate the marketing plan into a broader strategic allocation of resources that ensures success
5. Control and evaluate the plan's implementation and direction

Strategic Step 1: Develop Vision, Position, and Purpose

- Core vision and ideology
 - Companies distinguishing their core values and enduring core purpose (which should never change) from their operating and business practices (which should evolve)

- SWOT Analysis
 - Internal Organizational strengths
 - Internal Organizational Weaknesses
 - External or environmental opportunities
 - External or environmental threats
- Marketing information systems
 - Supplies timely, accurate, and usable data to decision makers

Strategic Step 2: Clarify your Goals and Objectives

- The development and reassessment of goals and objectives should come from ongoing analysis.
 - Goals and objective should be measurable and provide direction
- Clarifying goals and objectives is what sets apart the manager from the caretaker.

Strategic Step 3: Develop Marketing, Sales, and Service Plan

- Market Segmentation and determining key targets:
 - Demographic information
 - Geomarket information- Location of consumer
 - Psychographic information-
 - Product Usage rates
 - Product benefits
 - Database Marketing
 - A form of direct marketing using databases of customer data to generate and communicate personalized and effective messages to targeted consumers that promotes a product or service.
 - Relationship Marketing
- Market development using the Escalator Concept
 - A graphic representation of consumer movement to higher levels of involvement in a sport as a player or a fan.
- Product development and positioning
 - Design, redesign, and promote products to capture a special “space” in the consumer’s mind.
- The 5 P’s in the sport marketing mix

The 5 P’s

1. Product (Product development and positioning)
2. Price
3. Promotion
4. Place
5. Public Relations

Strategic Step 4: Integrate the Marketing Plan into a broader strategic allocation of Resources

- The marketer must ensure that more senior executives will support the plan.
- Structure follows strategy.
- Coordinate the 5 P's with broad support from the entire organization, top to bottom- communicate your goal
- Blend all 5 P's to build packages valued by the customer.

Strategic Step 5: Control and Evaluate the plan

- Analysis, evaluation, and control should be everyday events.
- Consumer satisfaction = product benefits – costs
 - Satisfaction- continued attendance
 - Benefits- food quality, facility access
 - Costs- lost time, dealing with unruly fans

Week 3- Sept 18th

STUDIES OF SPORT CONSUMERS

Sport Consumer Behavior

- How can you satisfy consumer's wants and needs if you know nothing about them?
 - You'd better ask some questions...

Questions that must be asked

- Who are my past, present, and future customers in terms of demographics and psychographics?
- Where do my customers live?
- How have they been exposed to my product and advertising?
- How and why did they become involved with my product?
- Why have they been committed to my product?

Socialization

- **Socialization:** The process by which people develop the skills, knowledge, and attitudes necessary to perform various social roles.
- Socialization may lead to involvement which may lead to commitment.

3 Kinds of Involvement

- **Behavioral Involvement-** Includes activities with active participation. (I.e. hands-on behavior)
- **Cognitive Involvement-** Activities resulting in the learning of information and knowledge about a sport.
- **Affective Involvement-** The attitudes, feelings, and emotions that a consumer has about an activity.

Consumer Behavior in Sport

- Two factors that affects consumer's behaviors-
 1. Environmental factors
 2. Individual factors

Environmental Factors

- Significant others
- Cultural norms and values
- Class
- Gender
- Corporate Social responsibility
- Geographical conditions

Individual Factors

- Stage in Life
- Learning
- Perception
- Motivation

5 Types of Sport Studies

1. Irregular Narrow Studies
2. Irregular Broad Studies
3. Regular Narrow Studies
4. Regular Broad Studies
5. Participation Indexes

Irregular Narrow Studies

- Often commissioned by a team, a league, or a sponsor.
 - Is often something only occurring one time (I.e. one-shot deal)
- Tends to focus on-
 - Consumer demographics (e.g. age or income)
 - Media or product consumption (e.g. favorite TV station or fast food)

- Consumer attitudes (e.g. their rating of concessions)
- Most are of them are exclusive and remain unpublished. Some are printed and distributed to either inform members of a target market or to attract sponsors.

Irregular Broad Studies

- A type of sport study that requires significant investments of time and money.
- Occasionally funded by large corporations with interests in sport.
- This type of study is conducted on national populations.

Regular Narrow Studies

- Regular, consistent studies with questions that allow for trend analysis.
- Helps the marketer discover large-scale trends such as ones that can be found in the surveys and reports of organizations such as the NCAA's and the National Federation of State High School Association's (NFHS) published annual statistics on participation.

Regular Broad Studies

- A type of sport study that use a national probability sample that measures participation and purchasing habits of sport consumers and assist in trend analysis.
- A number of firms and trade associations do similar research on long-term lifestyle trends with large national samples.
 - Reports are often spread out only to clients and can be very costly.

Participation Indexes

- A type of sport study that offers comparisons from one market to another and from any market to the national sample.
 - These comparisons typically appear in the form of an index.

Week 3- Sept 18th

THE SPORT PRODUCT

The Sport Product

- The sport product is any bundle or combination of qualities, processes, and capabilities that a buyer expects will satisfy their wants and needs.
- It is inconsistent in nature.
- The game itself is only a small part of the ensemble.
- The sport marketer has little control over the core product.

The Event Experience: The Core Elements

- Game form (rules or techniques)
- Players
- Equipment
- Venue

The Game Form

- Rules and techniques
- Special features that may make a sport product especially attractive to certain consumers.

Players: Star Power

- A presence that transcends the actual playing.
- Star talent, or its absence can make or break entire leagues.
- Beware! If you market a player, he/she may get traded, injured, arrested, no-show, etc.

Fan Behavior

- Can be just as much part of the event as the game form
- Daniel Bryan “YES!” chants
- Wave
- Riots
- Fans can text message Guest services

Equipment and Apparel

- Needed to compete
- Tangible
- Enhances experience
- Separates players from non-players

Venue

- It is the place for distribution
- Teams and franchises are closely aligned with their venues.
- Memories are created
- Communities are created
- It may provide significant revenue streams during and outside of game days.

Sport Product Strategy

- Differentiation
- Product development
- Product position

- Brands and branding

Product Differentiating

- Attributes that makes one product different from another
- e.g. LPGA tournament vs. NFL game
 - Game form
 - Viewing situations
 - Proximity to action
 - Interaction with players

Product Development

- Generation of ideas
- Screening and implementation of ideas

Positioning

- It is how customers locate brands in the market.
- It defines the market that will be targeted
- It assists the sport marketer in understanding how customers see their market.
- Based on that information, the marketer can maintain position or attempt to reposition the product.

Brand Equity

- The added value a certain product has by virtue of its brand name.
- Components of strong brand equity:
 - High name recognition or awareness
 - Strong mental or emotional associations
 - Perceived brand loyalty
 - High customer loyalty

MANAGING SPORT BRANDS

Brand

- It is the name, logo, and symbols associated with the sport organization.
- They collectively serve to provide a point of differentiation from the marketplace's other sport products.
- The brand is "like a badge that lends you a certain identity."
- The brand names, logos, marks, and colors of a sport organization serve as a starting point in the brand management process.

The Key Goal of Branding

- To create such as strong impression in the consumers' minds that when they see or hear something that includes a brand's name or see its logo, marks, or colors, they experience intense positive feelings.
- The positive feelings are known as brand equity.
- Be wary of negative feelings towards the sport organization.

Benefits of High Brand Equity

- Less drastic revenue declines when the team loses.
- Ability to charge price premiums
- More corporate interest
- Licensing and merchandising opportunities to create brand extensions (use of "a brand name established in one product class to enter another product class")

2 Steps to Develop Brand Equity

1. The creation of awareness about the brand (the ability of a consumer to name the brand's existence when its product category is mentioned)
2. The creation of a strong brand image (the cumulative impact of all the brand associations- i.e. all the words/phrases that come to mind when you think of a particular brand)

Sources of Brand Association with Teams

- Logo, marks, nickname, mascot
- Owner
- Players
- Head coaches
- Rivalries
- Entertainment package surrounding the game or event
- Stadium or arena in which a team plays

Associations Formed Based on the Benefits of Consumption

- Nostalgic
- Social
- Identification with a team
- Identification with a city

Brand Association Formation for Sponsors

- One motivation for companies to sponsor sports is to either enhance or reinforce the brand associations with their company.

- The image of a sport entity can help create strong, unique, and favorable associations for the sponsor.

Brand Association Formation for Athletes

- Because pro athletes can make money from corporate endorsements, having strong, unique, and favorable associations is very important for them
- Athletes can create strong positive or negative associations:
 - On the playing court or field
 - Off the playing court or field

WEEK 4- Sept 26th

MARKET RESEARCH IN THE SPORT INDUSTRY

Sources of Information

- Syndicated Data
- Custom Research

Syndicated Data

- Census
- Demographic Profiling
- Audience Measurement
- Broadcast Exposure Research

Custom Research

- Quantitative- Numeric data
 - Online
 - Intercepts
 - Telephone
 - Direct Mail
- Qualitative- Non-numeric data
 - Interviews
 - Focus Groups
 - Ethnography
 - Social Media
 - NetNetworking nography

Users of Market Research in Sport and Entertainment

- Professional Sport Leagues

- Sport Properties
- Sponsors

MARKET SEGMENTATION

- **Market Segmentation:** The process of dividing a large heterogeneous market into more homogeneous groups of people, who have similar wants, needs, or demographics profiles, to whom a product may be targeted.
 - Narrows the marketing group to a specific group you are targeting.

Purpose of Segmenting

- Specialize
- Focus on the most likely to buy
- Meet wants and needs without exhausting resources
- Provide product, price, promotion, place, and public relations in the right way

Identifiability, Accessibility, Responsiveness

- **Identifiability-** Can a marketer identify a segment?
- **Accessibility-** Can a marketer access the segment?
- **Responsiveness-** Will the segment be responsive to marketing efforts in terms of wants and needs, and is it worth targeting the segment?

4 Bases of Segmentation

1. State of Being (demographics)
2. State of Mind (psychographics)
3. Product benefits
4. Product usage

State of Being (demographics)

- Where a person lives
- Income
- Education
- Age
- Family Status
- Number of children
- Profession
- Gender
- Sexual orientation
- Race and Ethnicity

State of Mind (psychographics) Values and Lifestyle Typology

- Innovators
- Thinkers
- Achievers
- Experiencers
- Believers
- Strivers
- Makers
- Survivors

Product Benefits

- What does the customer want from the experience or product?
- Socialization
- Excitement
- High Performance
- Entertainment
- Affordability
- Affiliation
- Recognition

Product Usage

- Remember the frequency escalator
- Repeat business is key to success (e.g. season- ticket holder vs single game attendee)

User Group Segmentation Spectator/Potential Spectator

- Nonaware nonconsumer
- Misinformed nonconsumer
- Aware Consumer
- Media Consumer
- Light User
- Medium user
- Heavy User
- Detector (no longer on the FE)

Week 5 – Oct 1st

SALES AND SERVICES

Sales

- The revenue-producing element of the marketing process.
- Involves the application of persuasive skills.
- May be supported by print, audio, or video messages designed to promote the product as essential, the best, or desirable.
- In some cases, the salesperson might offer the opportunity to sample or experience the service or product.

Inventory Items: What may a sport organization have to sell?

- Tickets and hospitality
- Promotions
- Electronic Media (advertisements on your broadcasts)
- Naming Rights
- Signage
- Print
- Community Programs
- Experiences (e.g. fantasy camps, batting practice, lunch with players, etc.)

Ticketing Department Sales Structure within a Team

- Entry level sales positions (inside sales)
- Group sales
- Season ticket sales
- Premium sales
- Luxury Suites

Traits of a Good Salesperson

- Belief in the product
- Belief in yourself
- Seeing a lot of people (sales-call volume)
- Listening to the customer (but realizing that what the customer wants isn't necessarily what she is telling you)
- A sense of humor
- Knocking on old doors
- Asking everyone to buy
- Following up after the sale with the same aggressiveness you demonstrated before the sale
- Common sense
- Timing

- Intrinsic motivation
- Sales commissions
- “It factor” (personable, charismatic)
- Aggressive
- Not afraid of the phone
- Understand your product
- Understand the marketplace
- Be nice, courteous, understanding, and helpful

Most Commonly used Sales Strategies

- 4 Sales Strategies-
 - Telemarketing (Inside sales)
 - Direct mail
 - Email marketing
 - Personal selling
- All 4 demands “leads” and contact info. Maintaining a good database is crucial.

1) Telemarketing (Inside Sales)

- Incoming calls
- Outbound calls
- Following-up with leads
- Customer service
- In-house vs Outsourcing

2) Characteristics of Direct Mail

- Effective if you know your target audience
- Targeted, personal
- Con- lose the personal 1- 1 connection
- Promote a discount, coupon, incentive
- Measurable

3) Characteristics of E-Mail Marketing

- Email ticket offers, merchandise
- Newsletters
- Soliciting opinions
- Questionnaires
- Thank-you correspondence
- Invitations to special events
- Video message from a coach, player, etc.

- Special causes the organization has been a part of

4) Personal Selling

- Face-to face- engage in dialogue.
 - Database marketing
 - Relationship marketing (Integrate the customer into your organization by creating and sustaining a relationship)
 - Benefit selling (Potential client has a problem; your sport organization sells solutions)

Lifetime Value

- A heavy user (full season ticket, full membership, etc.) isn't just worth something this year; the relationship could last decades.
- It's much, much easier to keep a heavy user happy than it is to turn a non-user into a heavy user.
- KEEP ALL YOUR HEAVY USERS HAPPY.

Total Inventory Plan

- Season tickets (full and partial): 50-65%
- Advance sales- 15-25%
- Group sales- 10-25%
- Walk-up Sales: 5%

PRICING STRATEGIES

Pricing

- **Price:** The exchange value of a good or service in the marketplace.
- Price is the most manipulated part of the marketing mix.
 - Easily changed
 - Effective tool (Want to reposition a brand? Move folks up the escalator? Increase revenue? Price is a good place to start.)
 - Highly visible
 - Determining factor whether to buy

Typical Considerations when Pricing

- Production costs
- Market conditions
- Competitors
- Organizational objectives
 - Are 2 million fans at \$15 a ticket better than 1 million fans at \$30 a ticket?

- Brand strength/equity (can affect demand elasticity)

Secondary Ticket Market

- Re- sale market
- Prices are often below box office price
- Empowers fans to buy where and when they want
- Implications toward season ticket holders

Other costs of consuming sport product

- Imagine a family going skiing for a day or heading to a big-league game. Admission price is just a fraction of the total cost.
- What other costs are associated with attending?

Team Marketing Report's Big-League Fan Cost Index

- Four "average-price" tickets
- Two small draft beers
- Four small soft drinks
- Four hot dogs
- Parking for one car
- Two game programs
- Two adult-sized caps

Aftermarketing

- Relationship between marketer and consumer after marketing a sale are complete.
- Customer Lifetime Value (CLV)
- Customer service and retention programs
- 5:1

Price and Value

- Beware discounting tickets!
- If too cheap, people think your product must stink.
- Tickets are part of the cost/value equation.
- Consider non-price promotions like a "free" firework show, post-game concert, or giveaways like hats or bobblehead dolls.
- Such non-price promotions can be "free" for the sport organization, if a sponsor pays for them.

Trends in Ticket Pricing

- **Premium Pricing:** Prices for certain games increase based on higher demand.

- **Variable Pricing:** Different prices for the “same” product based of factors such as opponent, day of the week, etc.
- **Dynamic Pricing:** Prices change (daily, hourly, etc.) based on demand for a game/event.

WEEK 6

PLACE OR PRODUCT DISTRIBUTION

Place (Distribution)

- The activities associated with transferring good from producers to final buyers and users.
- Sport is unique because of simultaneous production and consumption.

Product Elements that Require Distribution by a Typical Sport Team

- The live event itself
- Tickets to the live event
- Concessions
- The image of the live event via media
- Players and Coaches via personal appearances
- Merchandise via memorabilia

Strategies to Grow a Sport (or Sport Property) using “Place”

- Schedule competition in new markets.
 - e.g. NA major leagues play regular season games overseas
- Reach out and touch somebody.
 - e.g. MLB and their winter “caravan” tours
- Support the growth of grassroots activity.
 - e.g. MLB and RBI program
- Recognize and respect national, regional, and local culture.

Sport Facility Issues

- External accessibility
 - Measures of driving /transit time
- Drawing radius or location
 - Demographics
 - Duration and frequency of the event
 - Emotional commitment
- Parking
 - 1 spot for 3-4 people (depending on mass transit)
- Surrounding area

- Architecture (it fits nicely within the neighborhood)
- Sense of safety
- Amenities
- Personnel (part time, minimum wage ushers?)
- Sense of Security (inside the venue)
- Design and Layout

Sport Facility Design/Layout Issues

- Easy entry/exit
- Access and sight lines for disables
- Location and number of concessions, washrooms, etc.
- Internal movement
- Flexibility versus dedicated usage
- Aesthetics
- Sponsored areas/zones

Retail Sport Operations

- Product Channel
 - Manufacturer
 - Wholesalers
 - Retailers
 - Consumers
- Pro Shops in the area
- Out of venue retail stores
- Online
- Major retailers (Walmart, Sports Chek, etc.)

Potential “Places for Ticket Distribution

- Facility’s box office
- Teams retail outlet
- Internet
- Cell Phones and mobile apps
- Partnerships with ticket firms
- Partnerships with other retail outlets
- Payroll deductions with selected companies
- Ticket exchange
- Game-day street-level ticket resellers
- Roving box office

Technology: Rapidly Changing the Nature of Place/Distribution

- Can your marketing plan utilize the Internet, cellphones, etc. To deliver your products/services to your consumers in new and better ways?

WEEK 7

SPONSORSHIP, CORPORATE, PARTNERSHIP, AND THE ROLE OF ACTIVATION

Sponsorship

- A cash or in-kind fee paid by a client to a property in return for access to the exploitable commercial potential associated with the property.
- A win-win where the client and the property both benefits.
- It's a partnership where both should see the economic benefits.
- The sponsor uses this relationship to achieve its promotional objective or to facilitate its broader marketer objectives.

Typical Sponsorship Provisions

- The right to use a logo, name, trademark, and graphic representations signifying the sponsor's connection with the sport property.
- Exclusivity (Coke can't be sold if venue if Pepsi is the "Official Soft Drink")
- Naming rights to an event or facility (RCA Dome, Tostitos Fiesta Bowl)
- Designation ("official sponsor", "official supplier", "official product", "presented by")
- The rights to conduct promotional activities such as contests, advertising campaigns, or sales-driven activities, in conjunction with sport property
- Hospitality
- Media time

Reasons for Growth in Sport Sponsorship

- Decreased effectiveness of advertising in print and on TV
- Increased interest in sport
- Less government funding for sport (Montreal Olympics vs LA Olympics)
- Rise of global marketing (sport needs no translation across cultures)

Why Sponsorship?

- Lifestyle marketing (your message becomes one with the fan's favorite leisure pursuit)
- Exclusivity (a marketing monopoly within confines of that sport property)
- Heightened communication (targeted message, simulate all the senses, etc.)
- Publicity (if your name is part of the sport property, media MUST mention, think "Sprint Club")

Sponsor's Objectives

- Increase public awareness of the company, the product, or both
- Alter or reinforce public perception of the company
- Identity the company with particular market segments
- Involve the community
- Generate media benefits
- Achieve sales objectives
- Showcase unique product features, technologies, or advantages
- Create an advantage over competitors through association or exclusivity
- Gain opportunities in terms of hospitality and entertainment

Sponsor Activation

- Key to a successful partnership agreement
- Unique and creative way to leverage their association
- In-game, in-market, social media
- Examples?

Sponsorship Sales Considerations

- Evaluate Inventory
- Determine real costs of items
- Determine exclusive item and exclusive product areas
- Establish list price for items in inventory
- Establish packaging discount policies
- Determine which potential sponsors to approach first
- Work from larger sponsorship proposals (major corporations) to smaller proposals and corporations
- Pit competitors to create bidding environment
- Once big-ticket are sold to “name sponsors” use this prestige to attract “lesser sponsors”
- Initiate contact with organization
- Have a conversation/research
- Develop a custom proposal
- Follow-up/next steps

Ethical Issues

- Undue Influence
 - Who's running the Olympics? The IOC or the sponsors?
- Social Responsibility
 - Unfair labor practices

- Alcohol sponsorship

Ambush Marketing

- A planned effort (campaign) by an organization to associate themselves indirectly with an event in order to gain at least some of the recognition and the benefits that are associated with being an official sponsor (Sandler and Shani)
 - e.g. Reebok sponsors the Olympics, NIKE runs the advertising campaign using the city's name (no Olympic marks), hands out "spirit signs" outside venue, press conference with "their" athletes, etc.

WEEK 8

PROMOTIONS

Promotions

- **Promotion:** Any activity designed to stimulate interest in, awareness of, and purchase of a product.
 - A method to convey information about the place, price, and product
 - Critical in the positioning of a product in the mind of the consumer.

Types of Promotions

- **Advertising-** Paid, nonpersonal (not directed to individuals), clearly sponsored message conveyed through the media.
- **Personal Selling-** Face-to-face presentation in which the seller has an opportunity to persuade the consumer.
- **Publicity-** A form of exposure in the media not paid for beneficiary or within the beneficiary's control or influence.
- **Sales Promotions:** A variety of activities including displays (POS), couponing (1\$ hotdog night etc.), or non-price-oriented (special events, giveaways).

Goals of Promotions

- Promotional efforts should include the following steps:
 - Increase awareness
 - Attract interest
 - Arouse Desire
 - Initiate action

Advertising Goals

- Create awareness
- Communicate information (benefits)
- Develop an image or personality

- Associate a brand with emotions

Assessing Effectiveness of Advertising

- Wasted circulation
- Cost per exposure
- Determining the creative approach (What's the goal? What's the ad's message?)
- Measurement

Advertising Media for Sport

- Signage-
 - Printed message or logos identifying a sponsor or event
 - Message is not spoken
 - New technology options exist
 - Creative placement can result in recognition and receptiveness
- Endorsements-
 - Using a sport celebrity name/fame to help a company
- Print Media-
 - Newspapers
 - Magazines
 - Brochures
 - Posters
 - Game programs
 - Direct mail
 - Point of Sale (POS)

Electronic Media

- **Television:** The dominant electronic medium in terms of both market penetration and audience impact.
- **Radio:** Great for reaching local and regional sport audiences efficiently.
- The internet and its digital offspring- immediate, international reach and the ability to pinpoint specific consumers

Outdoor Media

- Billboards
- Blimps
- Buses

Hallmark Event

- Promote host organization to the public

- Promote sponsors
- Unique hospitality opportunities
- Attract significant media interest
- Promote and add to the growth of the sport.

Popular Sales Promotions

- Giveaways (e.g. Umbrella day)
- Product Sampling (e.g. free gatorade)
- Open House (e.g. come pick your seats)
- Coupons
- Bundling (e.g. buy ½ season ticket, get \$3 off parking)
- Contests and Sweepstakes

Problems/Issues with Sales Promotions

- Alienate season ticket holders
- Customers only purchase during sales promotions
- Attendance lower for game after promotion
- Be strategic when developing and consider any long-term implications.

Frequency Escalator?

- All promotional activity should be designed with the frequency escalator in mind.

Nonconsumers to Light Users

- If they have next-to-no interest in your sport product, why not a special event promo that's not related to your sport?
- Grateful Dead/Kiss/Jimmy Buffet Night
 - Dora the Explorer
 - NASCAR Night
- Traditional non-sport media advertising is a must get word out.

Light Users to Medium Users

- They've been to a game or a few. How to make it a half-dozen+ ?
- Ad campaign reminding them its not the pitches, but the time between pitches
- Giveaways as a set (collected over 4-6 games, like a whole kid's uniform, play posters, etc.)
- Flex pack or mini-plan (Buy 5 Tickets, get one free)

Medium to Heavy Users

- Imagine selling a ½ season ticket

- Open house for season ticket selection
- Private party with team alumni/broadcasters
- Bundle with a perk (parking discount, affinity card which accumulates points, special gifts, etc.)

WEEK 9

PUBLIC RELATIONS

Public Relations (as defined by Mullin, Hardy, and Sutton)

- **Public Relations:** An interactive marketing communications strategy that seeks to create a variety of media designed to convey the organizational philosophies, goals, and objectives to an identified group of publics for the purpose of establishing a relationship built on comprehension, interest, and support.

Public Relations Formula

- Public Relations (PR)= Media Relations (MR) + Community Relations (CR)

Functions of the MR Department

- Media Relations (MR) is about cultivating a positive image of the company by proactively seeking and accommodating favorable opportunities in the press through these means-
 - Facilitating interviews
 - Disseminating press releases
 - Compiling statistics and other helpful promotion information
 - Holding press conferences

MR Specialist Skills

- Building relationships (with the press)
- Communication (written and oral)
- Making the Pitch (give the media a story)
- Managing the story (“fact check” the story before it goes to the press)
- Talking Points (tell your employees what to say)
- Crisis Management

Functions for the CR Department

- Enhance the public’s understanding of your organization through the community outreach, where public approval and acceptance are gained, and public support is won.
- It essentially boils down to 2 things-
 - Raise awareness
 - Build goodwill

3 Distinct Forms of Community Research

1. Those initiating by players (e.g. Shaqsgiving)
 2. Those initiating by teams or institutions (e.g. Leafs Easter Seals Skateathon)
 3. Those initiated by leagues or governing bodies (e.g. NFL and the United Way)
- The players typically play a prominent role in all 3 forms.

Media Relations (MR) vs Community Relations (CR)

- Both try to raise awareness among consumers and the general public
- Media Relations yields immediate results, while CR is often a long-term strategy.
 - (e.g. If you want to get the word out that your new ticket packages are family friendly, use MR. IF you want to grow you fan base and increase fan loyalty, use CR)

Internal Public Relations (PR)/Communications

- PR is used to influence perceptions of any of your “publics”, including your stakeholders.
- Consider an e-mailed “press release” to your fans to explain controversial trades, etc., to get them to buy into your organizational strategies.

Public Relations Functions (PR)

- Inform and Communicate (e.g. producing game programs and maintaining the website)
- Shape and Enhance Image (e.g. NBA Cares)
- Employee Relations (e.g. Train players on how to deal with the Media)
- Gaining Political or Popular Support (e.g. You want tax money for a new stadium)
- Recruiting and Developing (e.g. convincing free agents to sign with you)
- Launching New Products
- Generating and Collecting Feedback (e.g. monitor public opinion via the media)
- Coping with Crisis (e.g. MLB’s response to the steroid scandal)

Media Impact on Sport Public Relations (PR): Sport in the Daily Mix of Life

- Athletes away from the playing field
- Sport as entertainment: Monday Night Football
- Expanded sport coverage: ESPN

WEEK 10

SOCIAL MEDIA IN SPORT

Social Media

- The role of the fan in helping create and manage content has been accepted as a vehicle to build stronger relationships between sport organizations and their fans.
- Fans have a strong desire, perhaps even a need to stay connected to the team, each other, and the outside world for a large majority of the time.
- This connection comes at a cost but also with an opportunity that marketers are only beginning to learn how to monetize.

Building an Audience

- In-game and in-event
- In broadcast
- Online, Direct, and Digital Marketing
- Advertising
- Share- optimized content

Engaging Fans

- Authenticity of Voice
- Listening
- Learning
- Optimizing
- Delivering

Driving Behavior

- Team helps increase following of sponsors
- Convert followers into TV broadcast viewers
- Teams permit only Facebook followers with access to a pre-sale campaign

Avoiding Pitfalls (Hidden Dangers or Difficulty)

- Manage access to accounts
- Keep personal and official accounts separate
- Own your mistakes

Leveraging Players and Talent

- Some athletes have over 1 million Twitter followers- Sponsors like this help to build their brand.
- Owners and players tweet last minute ticket deals to help sell ticket inventory through their personal Twitter accounts.

WEEK 11

LEGAL ASPECT OF SPORT MARKETING

Intellectual Property Law

- Primary goal is to reward invention, ingenuity, and creativity in an effort to maintain an open and competitive marketplace.
- It's made up of 3 areas-
 - Trademarks

- Copyrights
- Patents

It all starts with trademarks

- Legally, an entity owns its brand identity only if the marks are registered with the Patent and Trademark office.
- The trademark ensures that no other entity can use them without the owner's say so.
 - Without it, the owner can sue for damages.
- That usage permission is called a license.

Licensed Product Relationships

- **The licensees-**
 - The manufacturers of licensed products.
 - Such as Nike and Reebok, Electronic Arts (EA), and hard goods manufacturers like Upper Deck trading cards.
- **The licensors-**
 - Licensees pay licensors (e.g. teams/leagues/colleges/Player Associations) for the right to manufacturer those names, nicknames, and logos.
 - Sport organizations (licensors) transfer the right of use of their marks to other companies (licensees) so that these companies so that these companies may use them in producing products for sale.

Trademark Law

- Identify the source or origin.
- Protect Consumers from confusion or deception
- Designate a consistent level of quality.
- Represent the goodwill (brand equity/reputation) of the owner's products or services.
- Signify a substantial advertising investment.