Imagine the following scenario:

Thomaz Medina has just accepted a position as Marketing Manager for a professional basketball organization in Europe. During his interview, Thomaz was told that the organization's branding had been in decline, even though the organization had been experiencing competitive success. After his interview, Thomaz investigated several other competing franchises and found that, although they had experienced less competitive success, they enjoyed a more positive brand perception among key stakeholders such as fans and the media.

Thomaz determined that increasing the brand perception would be one of his first priorities should be hired, and upon obtaining the position, he met his direct supervisor, Elesia Sanchez and discussed a plan for his first days on the job. During the meeting, Thomaz told Elesia that he really wanted to focus on identifying why the organization's brand perception was so low and what could be done to fix it. Elesia encouraged Thomaz to pursue this direction and told him to report his findings to her so she could then communicate those issues to the organization's senior leadership team.

Thomaz selected a sample of season-ticket holders and arranged for face-to-face meetings with these individuals. During his interviews, Thomaz learned that while the season-ticket holders were big fans of the team, they felt as though the organization did not care about them or listen to them. They reported that several concerns had been reported to the organization with no response being received. Thomaz also decided to meet with several of the organization's sponsors. In these meetings, Thomaz learned that the sponsors wanted to be associated with a successful franchise, but felt as though they got little customer service from their account representatives. In fact, several sponsors reported that their contracts had been increased with no explanation given to them about why rates had gone up.

Finally, Thomaz met several employees who had worked for the organization for over 5 years. In these interviews, Thomaz discovered that the employees felt that the organization was not receptive to input or recommendations to get better, and that several employees had been told that they were lucky to work for the organization and should therefore, *not complain*.

As Thomaz prepared his notes for a meeting with Elesia, he decided to emphasize that the organization needed to do a much better job of listening to its internal and external stakeholders and work at helping these individuals feel involved and invested. Thomaz felts that the competitive success of the organization may have had hindered efforts at working to maintain and improve the perception of the organization's

brand, and Thomaz wanted to get to work addressing this issue so the organization, should they see diminished competitive success, would still have positive equity with its stakeholders.

1.1 Introduction to Sports Marketing

Marketing is a vital function in any organization. Through marketing, organizations promote their products and services to specific audiences, build relationships with these audiences, and enhance the perception of the organization's brand. These outcomes are of major importance to sport organizations as well and marketing plays a major role in sports organizations. For example, sports organizations need to sell tickets to games, so they must devise methods to attract both season-ticket and single game, or multi-game purchases, work with corporate sponsors to advertise at the sporting venue or in other team media, monitor the perception of the organization in the public and the media, and be mindful of how technology, such as social media can be used to aid marketing goals and objectives.

Indeed, many of these functions have overlap with one another – for instance, the perception of the organization can influence whether people are buying tickets for games, or how much they are willing to spend on tickets. Whereas competitive success can be volatile, it is important for sports organizations to remember that marketing is also about relationships. Thus, sports organizations need to invest in relationships with fans, corporate sponsors, the media, government officials, and their local and regional communities. In other words, sports marketing cannot just be about pushing products or selling things to people. Rather, there must be a commitment to building and developing relationships.

Additionally, marketing, like other organizational functions such as public relations, is undergoing a shift as a result of evolving technology. Sports organizations must be mindful of how technology is changing marketing processes and adapt accordingly. For example, with the societal shift to mobile consumption, many people are opting out of traditional mass communication viewing, such as television, radio, and newspapers. Instead, these individuals receive customized media that often circumvents advertising. Thus, if a sports organization is heavily relying on traditional mass communication in their marketing, they may fail to reach their desired audience. Consequently, the sports

organization would need to look at how they can reach audiences through mobile devices, such as through creating an app that fans can download to access information about the organization, and use social and digital media in their marketing initiatives to make sure and reach audiences in the places they are *at*. Sports marketing is a dynamic field and one that can be equally challenging and rewarding for sports organizations. Sports organizations that plan and coordinate their marketing efforts use marketing as a relational tool, and staying abreast of technological and cultural shifts will see optimal results in their marketing initiatives.

1.1.1 Unique Nature of Sports Marketing

Whereas marketing is an essential function in any organization, there are unique elements to sport that influence marketing. For example, while people might have a favorite auto manufacturer or clothing retailer whom they have positive affinity for, in most cases, the performance of these organizations is not a central part of the individual's identity. However, with sports, many people's fandom is a major part of their identity as evidenced by the wearing of team apparel after the winning match, or showing up to a game with face painted and dressed up in team regalia. Given this strong identity component, when an organization is not experiencing competitive success, a person may lose some of his/her affinity for the organization. For sports marketing professionals, then, considering the investment that many people have in the organization is a central consideration in marketing efforts. That is, while it can be easy for a sports organization to accrue benefits when the organization is experiencing competitive success, winning is not an excuse not to work at strengthening relationships. Additionally, when an organization is not experiencing competitive success, sports marketing professionals may need to look for creative ways to market. As one example, in 2017, the Oakland Athletics Major League Baseball franchise offered a monthly *Ballpark Pass* which allowed fans to get into every home game for the month of June (Koo, 2017). Another unique element of sports marketing is the global nature of sport. Certainly, there are global brands in other industries, but sport is a worldwide phenomenon and with the advent of streaming and other digital technology, sports organizations are now in front of a global audience. This outcome does not suggest that sports organizations should ignore their local and regional markets, but rather emphasizes the need for sports organizations to think globally in their marketing efforts.

A third unique element of sports marketing is that sports organizations are simultaneously competing and cooperating with one another (Mullin, Hardy, & Sutton, 2014). Indeed, a professional hockey organization is sharing television and other media revenue with other league teams, and therefore has a vested interest in making sure the league is marketing

effectively, yet at the same time, they are competing against other league teams in terms of things like media coverage and player talent. Moreover, if the sports organization is located in a region with professional or intercollegiate athletics organizations in the same vicinity, it is also competing against these organizations for the attention and purchasing of people in the local and regional area. Finally, sports marketing is unique in that there are technological challenges that are affecting the industry. In particular, the advent of mobile technology and high-definition television (HDTV) have contributed to many fans opting to stay home and watch games, and thus, sports organizations must find a way to compete against the societal preference for convenience that has contributed to the growth of these technologies.

1.1.2 Sports Marketing and Branding

Branding is an integral part of sports marketing and the term *branding* is often used in multiple ways. For example, a sports organization might discuss their *brand equity* and the media might speculate about how a coaching or player transaction might affect the organization's *brand*, while the organization's marketing professionals may focus on identifying corporate sponsors that align with the *branding* the organization has been doing. The *brand* that a sports organization possesses is subject to change, and thus, sports organizations must remember that a brand position is volatile, and competitive success should not be used as an excuse not to monitor the organization's brand. In fact, successful sports organizations are continually looking for ways to improve their brand position.

The importance of maintaining and improving the organization's brand position plays a significant role in marketing efforts. For example, if a sports organization has a strong brand position, it may be easier to attract fans to game venues, to engage corporate sponsors, both of which help enhance the organization's profitability. However, these tasks can be more difficult if the organization is operating from a negative brand position as it may a *hard sale* to both fans and corporate sponsors to invest in and align with an organization, as these entities may be concerned about associating with an organization that is perceived negatively. Again, a brand position is not fixed and is subject to perceptions at a particular moment in time. Nevertheless, sports marketing professionals should be mindful of the organization's brand position and have a plan to strengthen it, no matter its current status. Keep in mind that relationships are a central element in marketing, and sports organizations that continually work at building and strengthening relationships are more likely to see less volatility in their brand position, because no matter the performance of the organization competitively, its

stakeholders know that the organization cares about them and values them.

1.1.3 Market Research in Sports

Marketing, like many organizational functions, requires research and planning to be successful. Sports marketing professionals have a variety of resources they can draw upon when seeking information to inform marketing strategy. For example, if an organization wants to assess how much to charge for concessions, they can review purchasing data to determine how much is being spent, and can even segment this purchasing by group (e.g., season-ticket holders, single game ticket purchasers) and institute different price points. Additionally, things like the organization's brand equity can be assessed through data points such as surveys, social media comments, and media coverage of the organization. Sports marketing is a data-driven process, and sports marketing professionals should use the resources at their disposal to guide decision making. Mullin et al. (2014) outlined various information sources that range in their degree of customization. For example, sports organizations can use audience demographics from television and other media partners to assess the demographic profiles of those watching their events, and such data could be used from sources such as Nielsen ratings, which provide statistical data about the number of households watching a particular television program (Kirst, 2015). Whereas this data provides a broad demographic picture, it tends to be generalist in nature, and thus, sports organizations can supplement this data with more customizable information. For example, the sports organization could post a survey on their website to capture data from fans, as well as to have focus groups with season-ticket holders to get their insights on venue experience. Sports organizations can also work with corporate sponsors that have access to data that can benefit the sports organization as well. For example, the sports organization could obtain demographic profiles of customers of the sponsor, and cross-reference this for similarities among the organization's fans, and then tailor marketing messages that would appeal to both audiences.

Market research generally takes two forms – quantitative or qualitative. Quantitative research is research that represents data numerically. For example, a demographic profile obtained from a media partner may list numbers such as age, income levels, and consumption hours of a viewer. Additionally, a sports organization may obtain quantitative data from an organizationally issued survey that asks season-ticket holders to rate various aspects of the venue experience on a scale of 1-5, with 1 equaling *not satisfied* and 5 equaling *very satisfied*. In contrast, qualitative data consists of things like images, words, and graphics that are non-numeric. For instance, a sports organization may have a focus group with season-ticket holders to assess their in-venue experience, and rather than asking

them to rank items on a scale from 1-5, they elicit comments, which can help emphasize things like emotion and can allow the sports organization to follow-up and get more information on why the focus group members feel the way they do. Of course, obtaining data is only half of the equation, the sports organization must then interpret it and make sense of it. While quantitative or qualitative data is not necessarily superior, there are differences in the analysis of data that must be accounted for. Quantitative data, in general, is easier to analyze as statistical analysis programs can make this a very efficient process. Qualitative data, on the other hand, can be more complex and time-consuming to analyze, although there are computer programs that can facilitate more efficient analysis of words and images. Sports marketing professionals should determine what questions they are trying to answer, as that will guide the methods used in marketing research. Quantitative and qualitative research work in partnership, and sports organizations should assess the benefits and drawbacks for each method before utilizing in their market research. To help you with this process, complete the following table and identify some quantitative and qualitative market research sources for your organization. For example, perhaps your organization wants to assess how much money people are spending in the team gift shop. What data sources could be used to answer that question? Would that data most likely be qualitative or quantitative?

Table 1: Market Research Planning

Market Research Planning		
Question to be Answered	Potential Data Sources	Qualitative or Quantitative Approach?

Source: prepared by the author.

1.1.4 Market Segmentation in Sports

Sports organizations have multiple markets that they are trying to reach and thus, market segmentation is a key element in their marketing planning and execution. That is, sports organizations must ensure that the marketing messages they are disseminating are relevant to the audience they are trying to reach. For instance, season-ticket holders may need one message, whereas if the organization is trying to attract young professionals, that group may need a different message, and families might need still a different message. Mullin et al. (2014), Hardy, and Sutton (2014) defined market segmentation as: "the process of dividing a large heterogenous market into more homogenous groups of people who have similar wants, needs, or demographic profiles, to whom a product may be targeted" (p. 114). In addition to differing demographic profiles, because of the unique nature of sport, there are differing levels of commitment and enthusiasm that must be accounted for in the marketing process as well. In determining market segments, Mullin et al. (2014) outlined three key areas that sports organizations need to consider: identifiability, accessibility, and responsiveness. With identifiability, the sports organization must determine if they can identify the market. How big the market is and what kinds of resources do they possess? Whereas this data has always been available, sports organizations benefit from the Internet and e-commerce as there is vast amounts of data that can be obtained to answer this question. Sports organizations can also look at trend in other industries to inform the answer to this question as well. For example, if sports organizations see that a gadget like a *Fidget Spinner* is popular with children, they can reasonably presume that if the organization was to do a *Fidget Spinner* giveaway as a promotion aimed at children, it would very likely succeed. In terms of accessibility, the sports organization needs to determine their ability to reach a particular market segment. In some respects, this task has become easier due to the growth of electronic communications such as social media, as sports organizations can now reach a wide audience through these channels. Keep in mind that access to the market segment can change based on what the sports organization does, so a professional football organization may be able to access 20-30-year-old males in the local area, whereas a sports league that hosts a post-season tournament may see access to markets segments change based on the competitive results. Thus, sports organizations should have contingency plans in place for access to market segments as applicable (Mullin et al., 2014). With the responsiveness theme ,the sports organization needs to determine whether they can match the needs of the segment, and the significance of the segment (Hardy, Miller, & Sutton; 2014). In other words, organizations need to determine if they are able to meet the expectations of the market segment as well as how much effort they should devote to doing so.

As meeting the needs of market segments is an important component in sports marketing, it is important to consider ways of segmenting. Mullin et al. (2014) outlined four foundations, or bases, for segmenting audiences. These include: (a) Consumers' state of being segmentation – which includes factors such as geography or proximity to the sports organization, age, income, education, gender, sexual orientation, and race and ethnicity. (b) Consumers state of mind – which makes distinctions according to personality traits, lifestyle traits, attitudes, or opinions. Examples here include constructs like thinkers, achievers, experiencers, and makers. (c) Product benefits segmentation – which involves rewards or things that people want to drive or enjoy from their association with the sports organizations. For instance, many sports organizations offer exclusive benefits for season-ticket holders that are not available to other consumers. (d) Product usage segmentation or segmenting based on usage or consumption of the product. For example, some people may be at every game and every team-affiliated event, whereas others will only show up sporadically.

Sports organizations must also remember that there is overlap among marketing segments, and people can be in more than one segment. For example, a sports organization may have a particular demographic that is both heavy and light consumers of the organization, and fortunately, there is a variety of database and marketing programs that can help sports organization identify various profiles for each segment, and then relevant information can be disseminated to each segment. Additionally, each sports organization needs to determine what segments are most relevant and appropriate for them, and can fluctuate over time. Market segmentation helps sports organizations develop messages that will be unique and relevant to each group. Remember that marketing is a relational enterprise, and sports organizations that take the effort to identify their various market segments and engage those groups in ways that are unique and meaningful will see meaningful results.